



INTERVIEW

THE MOST ADVANCED CARGO GROUPAGE DISTRIBUTION NETWORK IN ROMANIA

DRAGOS GELETU, MANAGING DIRECTOR, KLG Europe

1 After 100 years of experience in logistics there is no doubt that your company has acquired a thorough understanding of markets and trends. Where do you think the global economy is heading right now and what would be the opportunities for your company?

I believe that the biggest opportunity for our future is the fact that KLG Europe and Sinotrans have signed an agreement to transfer ownership of KLG Europe to Sinotrans.

Due to the lack of successors, the current owners of KLG Europe, Ad and Kees Kuijken, have been looking for a strong partner to take ownership of the company, which, while respecting its core values, can continue with our activities and further develop it with a consistent strategy. A key criterion for such new owner is to preserve our culture,

which is based on the loyalty of the staff to the company, to our clients and to the highest service levels, and which has been the reason for our substantial success.

We have had an intensive collaboration with Sinotrans since 2014, originated in the period when KLG-ITM was established in China. Sinotrans, as one of the most important logistics service providers globally, and Asia in particular, recognizes our employees, clients, suppliers and exclusive agent/partner network, and our resultant strong European footprint, as the ideal platform for Sinotrans' and KLG Europe's further growth in Europe and beyond.

Our activities will continue under the well-known company name KLG Europe and there will be no changes for staff and management. Our network,

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our service level and its proactivity will remain unchanged and as the base pillar of our strategy. Headquartered in Beijing, Sinotrans had operated for more than 60 years in China when it became a listed company in 2003 and has built an even stronger brand recognition and customer base ever since. Sinotrans is now the largest integrated logistics service provider in China, whose main businesses include freight forwarding, logistics, storage and terminal services, logistics equipment leasing and other business (e.g. shipping, trucking and express service). Sinotrans has the most extensive logistics network in mainland China, with business presence in all provinces and major cities. Sinotrans is committed to becoming a leading integrated logistics service platform globally. To achieve their global strategy, Sinotrans is now planning to expand its overseas network, including agency networks in developing countries and self-owned networks in developed markets, e.g. Europe, Australia, etc.

Also, in Romania there is a strong balance among our services: national distribution, international freight forwarding, ocean freight, air freight and warehousing. All 9 hubs (Bucharest, Cluj Napoca, Timisoara, Craiova, Bacau, Constanta, Braila, Sibiu and Brasov), form the most advanced cargo groupage distribution network in Romania.

3. In light of the signs of a slowing economy and the real possibility of an incoming economic crisis, what are, in your opinion, the perspectives for logistics businesses, in general, and KLG Europe in particular?

For us, as for all other logistics companies this would be a big opportunity, the moment in which we can really show to our clients how we can help them demonstrate how to maintain their development strategies by transforming their fixed costs in a variable cost, which is a very important aspect in an economic crisis.

We have the 2008 – 2011 experience, when our turnover grew with 35% over 4 years, that showed

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For the year ended on 31 December 2018, the revenue of Sinotrans was approximately USD [10 billion] and total assets as of 31 December 2018 was approximately USD [9 billion].

As of 18 January 2019, Sinotrans is listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

2. Your company has three points of presence in the Netherlands, four in China, only one in the UK, but no less than nine in Romania. That speaks volumes about the role played by this region in your business plan. What are the key benefits of such a major commitment to the Romanian market?

Each country from the group has a different focus depending on the opportunities that they have and the strategies that they choose to follow.

For example, KLG Romania has the strongest warehousing service from all the group, meanwhile in the Netherlands their strongest asset is the international freight forwarding service.

us how we can grow in a crisis.

4. What are your goals for 2020 and what will be the main challenges for the next 3 to 5 years? Do you have any specific plans to address these challenges?

We took upon ourselves the challenge to be better, faster and smarter, to create the perfect integration that answers to the needs of entire supply chain. We are planning that KLG today is better than KLG yesterday. We are here for long run.

5. What are the most innovative products that you are offering and what are your plans for the following years (in terms of innovation)? Can you name one which you think will disrupt the logistics industry?

We continue to develop our solution that integrates all the supply chain services, focusing to enhance to our customers easy access to information, a solution that is both efficient and “one click away”. Also, we are creating a working environment, our playground, which is trustworthy, responsible, fun

and innovative. A place in which our colleagues become better, more creative and responsible.

6 ■ What is the most valuable lesson you, as head of a leading logistics company in Romania, have learned throughout 2019? Based on this, what will be the best advice you can give to people working with you?

The most valuable lesson from this year is one that I've been learning since the first time I stepped in the company. And that is, people are the most important resource of any company.

That is the reason why we chose to invest so much time and effort in making the work place a desirable one.

Our people development projects are conceived in a way that help our colleagues grow in both personal

and professional life. We already are in the middle of implementing programs for all hierarchical layers, depending on their specialization, we encourage them to be proactive and we offer them the possibility to take over projects that are not necessarily about their specialization, but that is especially to encourage them to broaden their horizons.

We strongly believe the road that we took these years would have been harder without our strong team that we are proud of, learning one from another and growing together.

And as for the advice, I would tell them to have the courage to stand up for their ideas.

This is the most important aspect businesses should pay attention to the most in 2020.