



Ensuring Efficiency in End to End Supply Chain – Indonesia's Perspective

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Danilo J. Sunga
EVP, Kamadaja Logistics

Quick Survey Question



- Who among you would be very proud and happy if their son or daughter says my ambition is to be a:
- Kepala Gudang? (Warehouse Head)
- Warehouse Manager?
- Transport or Traffic Manager?
- Direktur Gudang?
- SCM Director?

About Kamadjaja Logistics



A PIONEER
IN THE LOGISTICS INDUSTRY
FOCUSED IN
SUPPLY CHAIN
EXCELLENCE
SINCE 1968



A FULLY INTEGRATED
**LOGISTICS
SERVICE**
TO PROVIDE COMPLETE
AND COMPETITIVE SUPPLY CHAIN



**MODERN WAREHOUSE
& FACILITIES**
IN THE TOTAL AREA OF
500.000 PP
COMMITTED FOR SERVICE'S EXCELLENCE



22 DISTRIBUTION
CENTERS
OPERATING IN
15 CITIES
NATIONWIDE



355 DESTINATION
POINTS
VIA 50 PORTS
ACROSS THE
ARCHIPELAGO
(TRUE NATIONWIDE NETWORK)



**ISO 9001:2008
CERTIFIED**
**OHSAS 18001:2007
CERTIFIED**

**KAMADJAJA
LOGISTICS**

How Big is Indonesia?



The ASEAN ECONOMIES



B: Nominal GDP in Billion USD
% of overall ASEAN GDP

*The 6 largest
ASEAN economies
make up for 95%+
of overall ASEAN GDP*

2012 data

aseanup.com - Source: 2012 World Bank data
and Indexmundi for Myanmar data
Infographics by Fluorcom - Digital Agency - www.fluorcom.com

ASEAN^{up} Empowering business
in Southeast Asia

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How Big is Indonesia?



How big is Indonesia?



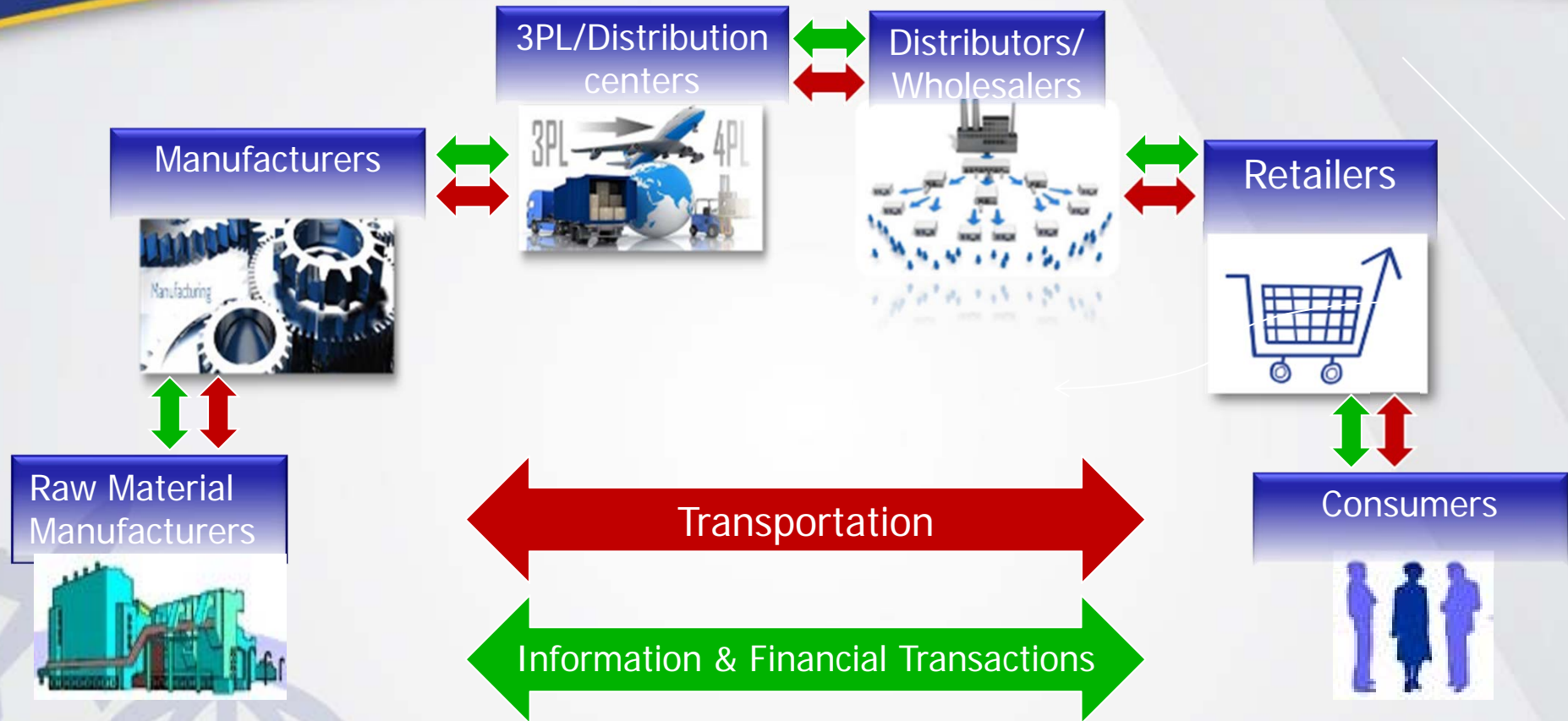
How big is Indonesia?



- 255 million population - 4th largest in the world
- Land Area: 1.8 mil. Sq. km
- IDR 1,810.6 trillion of potential business for LSPs
- 54,716 km coastline – 2nd longest in the world
- 17,000 islands – largest archipelago in the world
- Strategic Location Along Sea lanes from Indian to Pacific Ocean



End to End Supply Chain



Raw Material Suppliers



- No Distribution Consolidation
- Lack of back hauls
- Slow importation and customs clearance process.
- Lack of transport infrastructure at the ports.



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Manufacturers



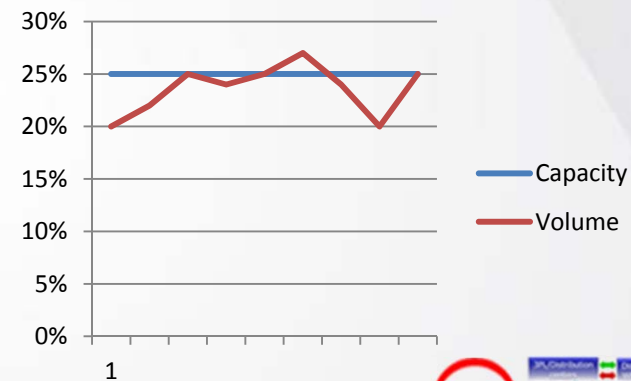
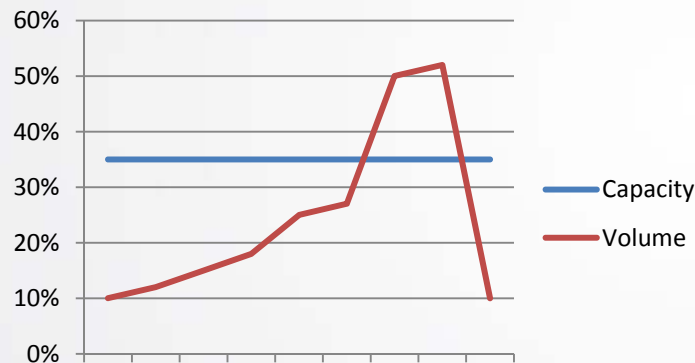
- Expansion and growth the past 7 years through FDI.
- Supply chain Strategies & improvements. Local companies are getting expert advice, expatriates and third party logistics providers.
- Lack of logistics management and labor resources and expert advice.
- Poor warehouse design affecting transportation (distribution) due to lack of parking and dock doors.



Manufacturers



- Regionalization of MNCs with focus on Indonesia.
- Logistics work load balancing – the pregnant curve where the work load is highest at the month end as the sales peak at the last week.



3PLs / Distribution Centers



- Third Party Logistics providers is growing in Indonesia with the CAGR 10%.
- New 3PL companies in Indonesia for the past 5 years.
- Japanese 3PLs are coming.
- The government plans to improve infrastructure with MP3EI etc.
- Modern 3 PLs are providing integrated modern facilities with logistics software systems.



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K-Log Park Cibitung



Strategic Location
International Standards
World Class Operations
Fully Integrated Systems
Modern Distribution Hub

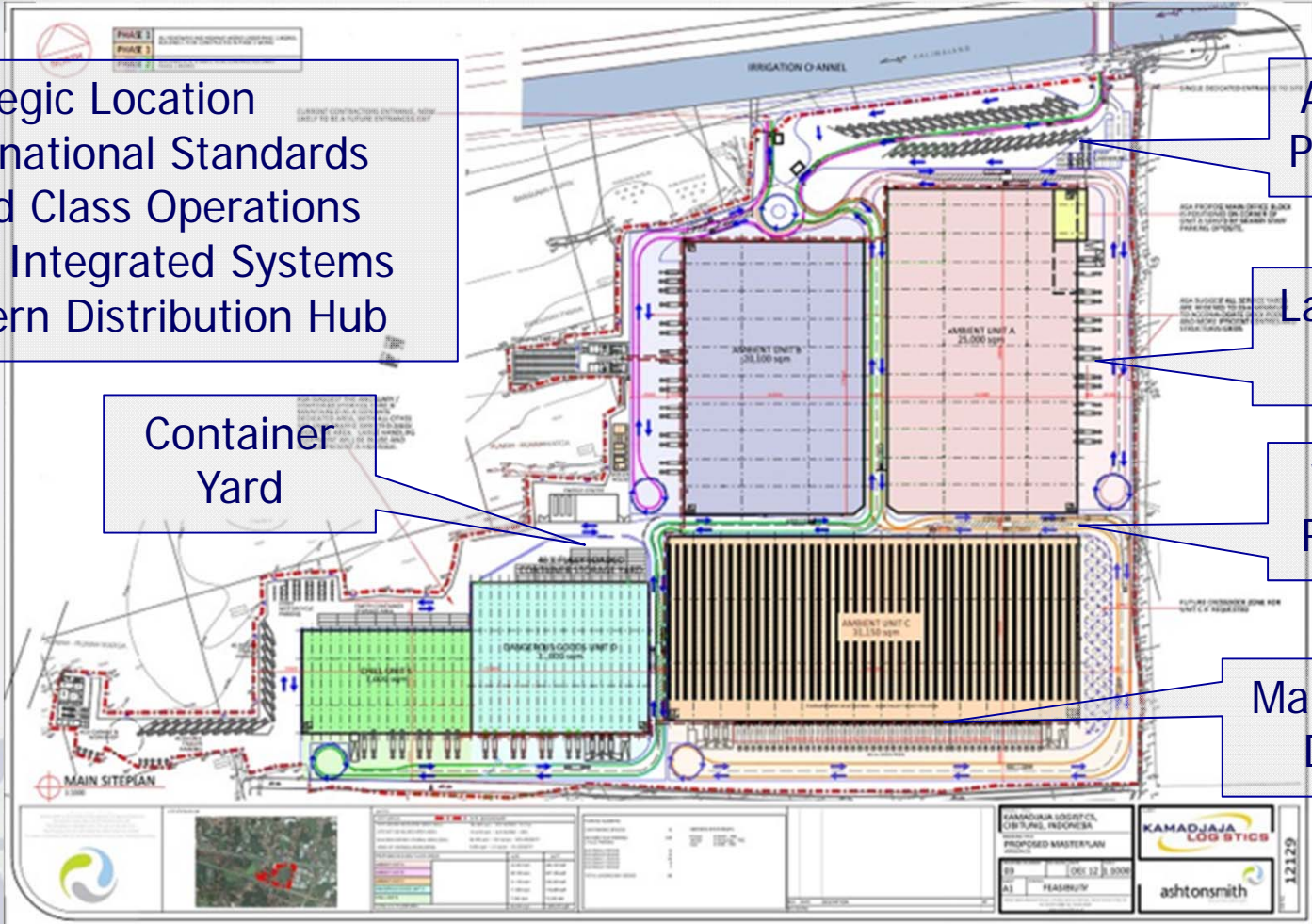
Container Yard

Ample Parking

Large Dock Yard

Wide Roads

Many Dock Doors



K-Log Park Cibitung



Distributors / Wholesalers



- Traditional distribution channels
- Slow Technology adaptation of Distributors
- Lack of infrastructure like warehouse space, parking space and dock yard.

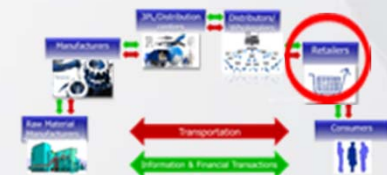


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Retailers



- Growth of the convenience store usher new logistics capabilities. With regional distribution centers and so many stores in the country to be the new post office or product pick up points.
- Volume leverage
- Supply chain influence shift
- E-Commerce
- Stores design does not consider transport needs.

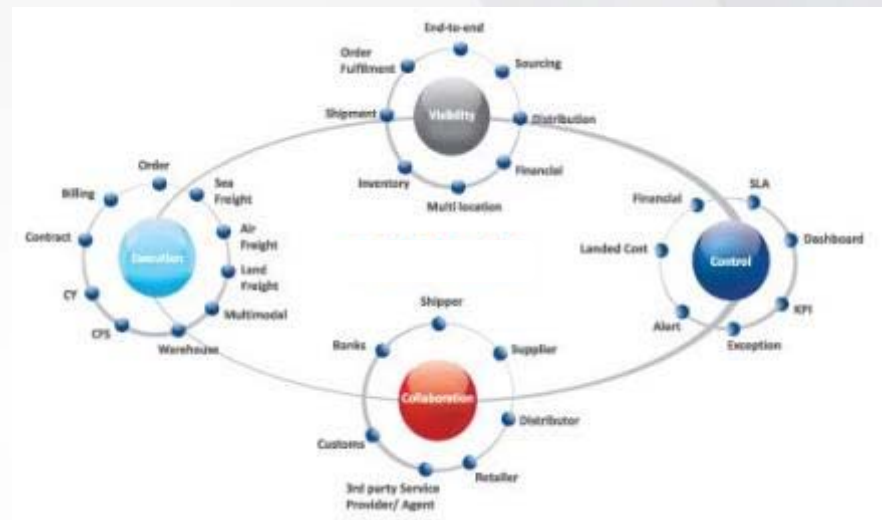


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Financial Transactions/Information



- Fully integrated Logistics Systems
- Supply chain financing
- Collection
- Payment
- Original Proof of Delivery



Consumers



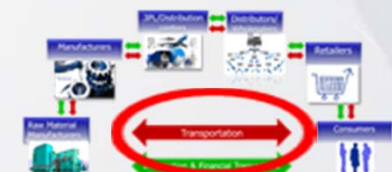
- Store Location
- Access to internet with smart phones
- Payment via credit cards
- Ease of pick up or delivery
- Malls



Transportation



- Transport is the connection and the glue in the end to end logistics. It executes the flow of logistics.
- Transport is the more expensive than warehouse storage and handling. 2012 report: the cost of transport in Indonesia is 2x that of Thailand and Malaysia.



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Transport Challenges



- Challenges of modernization
 - Lack of technology like Transport Management System (TMS), GPS tracking etc.
 - Lack of Management capability, KPIs,
 - Adjust to the road restrictions



Transport Challenges



- Challenges of Infrastructure.
 - Lack of Driver facilities and parking at logistics points or nodes.
 - Road restrictions like truck bans and size and weight bans.
 - Road Traffic
 - Port issues



Transport Challenges



- Challenges of Coordination.
 - Transport has the lowest influence in the Indonesian Supply chain.
 - In other countries, everyone adjusts to the transport.
 - The transportation management has little say in the daily planning.



End to End focus



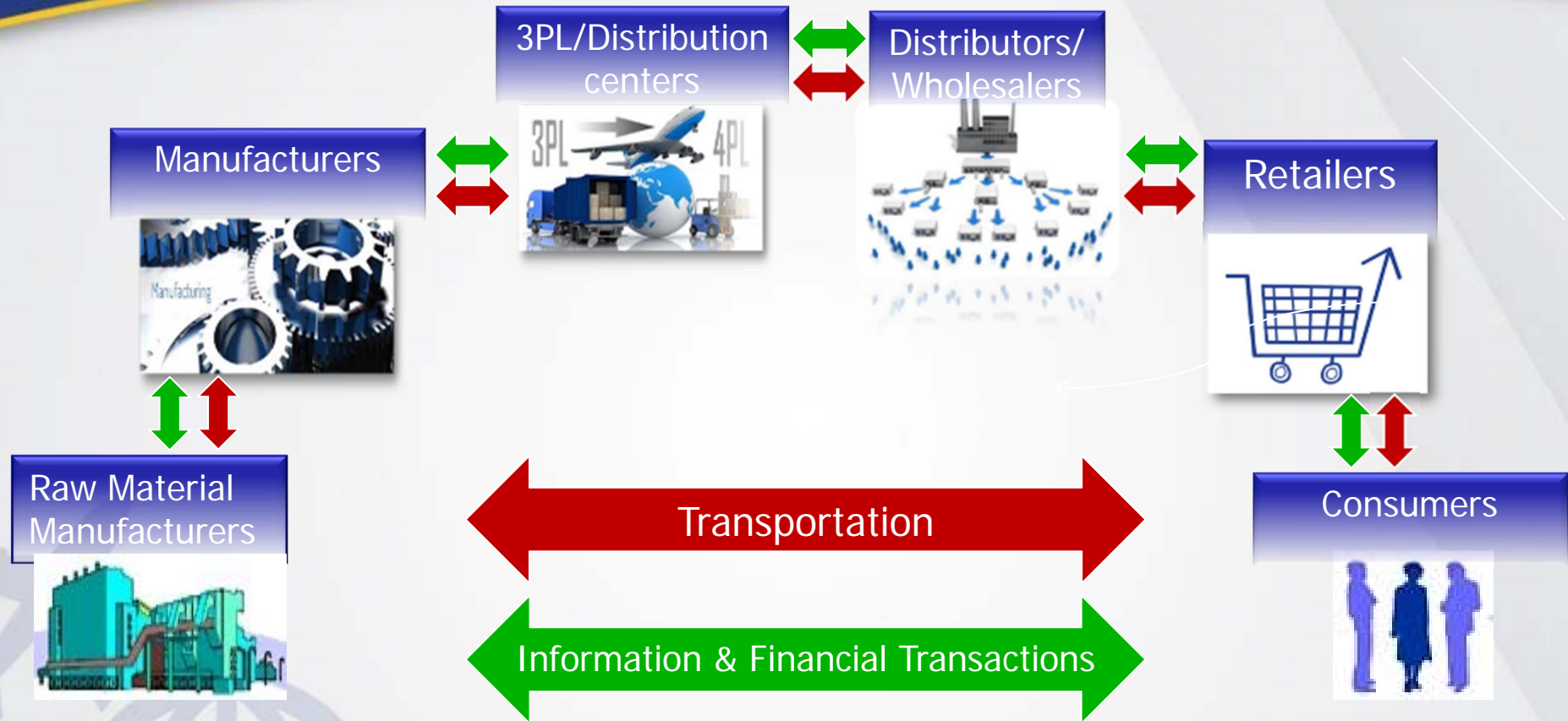
- Hubs and Distribution Centers
 - Lack modern warehousing in key cities like Metro Jakarta, Surabaya, Makassar, Banjarmasin etc.
- Road transport
 - Lack of technology such as TMS, GPS and KPIs
 - No supply chain influence.
- Sea Freight
 - Infrastructure like ports and port systems

End to End Supply Chain



- Education and training in logistics
- Logistics Discipline
- Productivity and KPIs
- Benchmarking
- To increase efficiency in the Supply Chain follow the:
 - Money, how much does it cost?
 - Flow of goods, Truck utilization
 - Information, to plan and execute better

End to End Supply Chain



Thank You

