

Company to build presence in Asia, Europe and Latin America

Menlo maps out global expansion

By James Falkner

Menlo Worldwide Logistics is expanding its operations globally, after reaching "critical mass" with its 3PL and 4PL operations in the US and Europe.

Gert Askes, MD for European operations at Menlo Worldwide, said the company was accelerating its international growth plans in the logistics field and was looking to expand first into Asia, then grow its European activities and develop operations in Latin America.

Askes said the company wanted to develop its presence in the areas with the biggest freight flows.

One industry analyst told *IFW* that acquisitions would be a strong option in these regions for Menlo, because organic growth would take too long.

Askes said that although rates were being driven down by the huge pressure to minimise

costs, Menlo Worldwide had enjoyed double-digit growth in its European contract logistics business and was currently focusing on controlling the growth in its value-added and supply chain management operations.

The analyst believed Menlo may also be looking to return to the freight forwarding market, when its non-competition agreement with UPS expires at the end of the year.

The non-asset supply chain management company signed the agreement with UPS when the parcel giant bought Menlo's freight forwarding subsidiary in 2004.

Askes preferred not to comment on whether Menlo had plans to develop forwarding activities again, but said the non-asset logistics company would be free in 2008 to examine its options.

Menlo is part of the Con-Way transport group and is championing the lean supply chain principle, introduced by Toyota in the

manufacturing sector more than 60 years ago.

Askes said that securing and retaining staff would be the biggest issue affecting the industry in the next couple of years and lean logistics was a way of empowering workers and making them feel more involved with the operation.

The "lean" logistics concept focuses on continually improving existing processes in manufacturing and logistics and allows workers to identify opportunities to remove waste and increase efficiency in their job roles.

Typically in Menlo's case this revolves around picking and packing operations. The company has tied this into its long-term company plan and has tested the scheme in six sites, five in the US and one in Eersel in the Netherlands.

It said that in one warehouse, productivity increased by 70% in one week on certain processes.