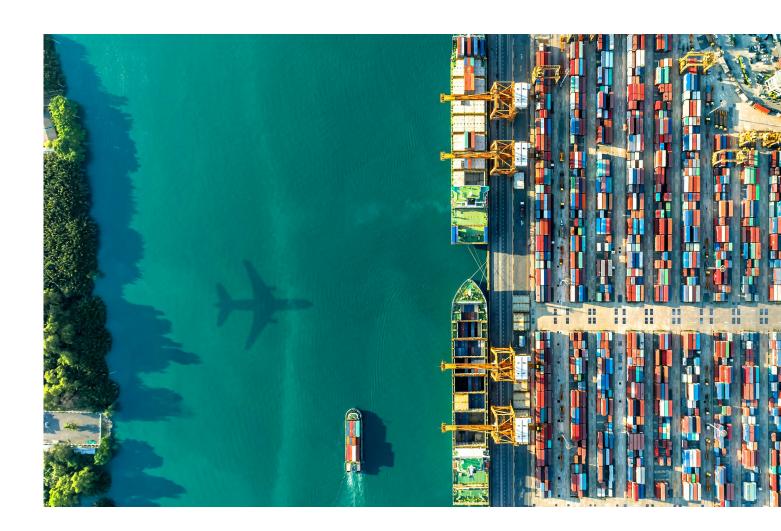


Interview with Robin Knopf, Global Head of Sea-Air Product at Kuehne+Nagel



Sea-Air has been an integral part of our service offering for over 30 years. For Robin, exploring the unique advantages of the hybrid offering has been in the family for two generations. Read Robin's full interview on the benefits of Sea-Air, potential hesitancies of adopting it, and where it makes the difference in today's market.



Sea-Air product is not new to the Kuehne+Nagel portfolio, however, in the last years it has been in the spotlight as a go-to solution for many customers. Why is Sea-Air becoming so relevant now?

Sea-Air sits between regular sea and air freight and has always delivered cost and time savings compared to traditional modes of transport. The higher the costs for air freight, and the longer the sea freight transit times get, the greater the corridor opportunity for a Sea-Air solution. And we all know how dramatically the global market has changed!

There is also a big demand to find alternative options that are faster than sea freight and more economic than only air freight. Sea-Air is a probably the most mature alternative in the market in its almost 40 years of existence. In this extreme market, it

has helped our customers keep their costs under control, while maintaining fast and flexible supply chains to market demand.

How do you achieve reliability in the current market?

In 2019, we drastically changed the way we operate Sea-Air at Kuehne+Nagel. It used to be a side product of either sea or air operations. Today, we have a dedicated team of experts managing Sea-Air operations globally that orchestrate this hybrid transportation from end to end.

Our one team is not only responsible for the product, but also has the competence to decide on the exact movement of the shipments. This control tower setup significantly improves performance, speed and reliability of the transportation.

How does that reliability look in reallife on the operations level?

We spent a lot of time re-engineering every step of the operational process to cut down transit time. For example, Sea-Air shipments solely move in dedicated sea containers which have the highest priority for equipment and space. Plus, these containers are loaded on the vessel as one of the last containers—and are therefore the first ones offloaded at destination port. This easily saves of 18–24 hours for container discharge.

While cargo is on the water and on route to the transit hub, we assign it to the right air freight space, which is a mix of blocked-space agreements and free market capacity. This ensures that

cargo is uplifted without a dwell time. Of course, Sea-Air shipments can also face changing vessel schedules, but since the sea leg is only a portion of the transport, the impact to the overall transit time is manageable.

How about peak season? Could you provide an example how Sea-Air has helped a customer during peak season?

We all remember the incident when a wrecked container vessel caused a gridlock of the Suez Canal. This caused a major disruption of the vessel schedules and uncertainty of arrivals leading to a super-peak season in the following months. Sea-Air was unaffected by the situation and was, therefore, a valuable option for our customers to overcome





space constraints and improve transit time during that time. One of our largest customers told me on the phone: 'Sea-Air saved the day for us—again.'

Which companies benefit the most from the Sea-Air combination? Why?

Our biggest customers come from the Consumer and High-tech verticals, but we also see more and more automotive customers choosing this product. In general, any customer with the need to ship by sea and air will benefit with Sea-Air. Sea freight is often too long, and air freight not always required, so customers will get the time and cost advantages from the combination. Additionally, Sea-Air reduces

an average 50% of CO2 when compared with air freight only—for many customers, this is a key value proposition as they look for more sustainable shipping options.

"My father was one of the pioneers of Sea-Air in the 1980s and I took over the family business from him. Sea-Air is running in my veins!"



How would you encourage companies who have Sea-Air potential, but are hesitant to switch to this mode of transportation?

The question really is not 'why should we use Sea-Air'- but rather 'why not?' Sea-Air has proven to be a robust and sustainable option, especially in today's market. The risk of shipping by Sea-Air is not greater than any international shipping. Customers can fully entrust their cargo to our global network, operational expertise and long-term experience.

Before a customer decides to use this mode of transportation, would your team demo how their supply chain could look like using the Sea-Air product and calculate the cost difference?

We can easily model the impact of adding Sea-Air to the supply-chain so customers can get a feeling of their concrete benefits. Just this week, I discussed the savings of Sea-Air with a big European tech company. They will be saving USD 6 million on freight costs for just a few days longer transit time. And that was just for one lane!



Achieving green goals can be difficult and expensive for many small to medium-sized companies, especially when the freight cost are already so high. How do you support companies that care about sustainability and greener logistics solutions?

Saving CO2 with Sea-Air is simple: Flying half the way will logically save an average 50% of CO2. And it's not expensive either—when compared with air freight, it will cost less to get more CO2 savings. Take the real-life example we mentioned before with our big European customer. They will also save almost 15 million kilograms of CO2 if you compare it to only air freight every year on the mentioned lane.

What advice do you have for supply chain executives to stay ahead of the next unforeseen event?

Maintaining a resilient and flexible supply chain was the key to success over the last 2–3 years. And I trust that it will also be so for the future. Implementing additional modes as a solid part of the supply chain, such as Sea-Air, will help to stay ahead of the curve and scale-up when required.

The last two years have been super challenging for every supply chain leader. What are you and your Sea-Air crew most proud of having accomplished during this difficult time?

We recently had several large projects with very challenging operations where we moved large volumes during a short period of time. Was a great success! Delivering as per plan and making our customer happy is something we are very proud of.

However, I remember my proudest moment was when one SME customer in Germany was so happy with Sea-Air that they made it their default, number one mode of transport for all their imports. What a great sign of trust and confirmation of our capabilities.



Robin Knopf Global Head of Sea-Air

(B.A.) International Business; CEO SAT Albatros 2008-2018, Kuehne+Nagel Global Head of Sea-Air Product since 2019

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