

MEDIA RELEASE

Basel, June 26, 2018

Panalpina Digital Hub launched to promote innovation in freight forwarding and logistics

The international freight forwarding and logistics company Panalpina has launched the Panalpina Digital Hub to embrace new technologies including the Internet of Things (IoT), artificial intelligence (AI) and blockchain that have the potential to disrupt the business in the coming years. The new business unit, which reports directly to CEO Stefan Karlen, is to explore innovative technologies, develop new digital solutions for customers, and engage with digital start-up companies.



Developing new digital solutions: Panalpina employees participated in a hackathon in Berlin earlier this year. (Photo by Bosch / Offenblende)

Panalpina, a pioneer of international freight forwarding, is embracing modern information technology and the digitization of services to meet customer expectations and secure long-term growth. As part of its digital transformation process, the company has launched the Panalpina Digital Hub, which is tasked with exploring disruptive technologies and developing new digital solutions for customers as well as realizing business opportunities for Panalpina.

“We, like many of our competitors, are challenged by new market entrants with innovative business models and digital approaches that improve upon the old way of doing things. Additionally, our customers increasingly demand the digital experience they have become accustomed to as consumers: they now expect a similar experience in a business-to-business environment,” says Stefan Karlen, CEO of Panalpina. “It is therefore obvious that the frontier of freight forwarding and logistics does not lie in new modes of transport, but in digital transformation. Knowing that, we want

to shape our industry's future with innovative digital solutions that create new levels of value for our customers and accelerate growth for our company in the years to come."

Disruptive technologies in focus

The Panalpina Digital Hub will be focusing on innovative technologies with a potentially high impact on the freight forwarding and logistics industry, such as the Internet of Things (IoT), cloud computing, predictive analytics, artificial intelligence (AI) and blockchain.

IoT is a technological development whereby all sorts of devices like smartphones, computers, etc. are connected to the internet. "In the short term, IoT can help us streamline our processes and create more efficient supply chains. The challenge will lie in deriving the relevant actions from the wealth of IoT data," explains Dr Luca Graf, head of the Panalpina Digital Hub.

"Predictive analytics and artificial intelligence will optimize products and services and create new ones, as can currently be seen in Amazon's recommendation engine," Graf continues.

"Blockchain technology, which creates a digital record of every transaction made in a decentralized and secure way using cryptography, has the potential to disrupt the industry in the long term by impacting contracts, freight payments, chain of custody, and other issues facing the industry," he states. While it is difficult to predict when blockchain will reach commercial break-through, Panalpina plans to start pilots with the new technology in Q3. Recently, Panalpina also joined the Blockchain in Transport Alliance (BiTA).

Potential partnerships with start-ups

The Panalpina Digital Hub additionally acts as a gateway to the bustling community of digital start-up companies, beginning with the European ecosystem. "For the moment, we are focusing on European start-ups of a certain maturity. Further down the road, we will expand our network to the USA, Israel and China," says Graf. He sees three options to engage with start-ups: to partner with a start-up and act as a vendor for certain applications (SaaS, Software as a Service); to enter into a strategic partnership where the start-up develops customized solutions for Panalpina, allowing the company to enter new markets; or Panalpina could also buy a stake in a start-up.

Zurich and Berlin

The Panalpina Digital Hub is based in Zurich, Switzerland, reporting directly to the CEO. The experts working in the Digital Hub will also frequently be present in Berlin and Hamburg, two European hotspots with a very strong digital start-up scene. "We will engage with promising digital start-ups and work closely together with our colleagues in Air and Ocean Freight, Logistics, IT and finance, to bring viable and value-adding digital solutions into daily practice," concludes Graf.

-ENDS-

About Panalpina

The Panalpina Group is one of the world's leading providers of supply chain solutions. The company combines its core products – Air Freight, Ocean Freight, and Logistics and Manufacturing – to deliver globally integrated, tailor-made end-to-end solutions for twelve core industries. Drawing on in-depth industry know-how and customized IT systems, Panalpina manages the needs of its customers' supply chains, no matter how demanding they might be. Energy and Project Solutions is a specialized service for the energy and capital projects sector. The Panalpina Group operates a global network with some 500 offices in around 70 countries, and it works with partner companies in another 100 countries. Panalpina employs approximately 14,000 people worldwide who deliver a comprehensive service to the highest quality standards – wherever and whenever.

www.panalpina.com

For more details, please contact:

Head of Corporate Communications and Marketing a.i.

Sandro Hofer

Tel. +41 61 226 11 66

sandro.hofer@panalpina.com

Head of Digital Innovation and Panalpina Digital Hub

Luca Graf

Tel. +41 61 226 11 81

luca.graf@panalpina.com

-/-