Global Express and Small Parcels Report 2017

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ABOUT TI

Ti's Origin and Development

Ti is a leading logistics and supply chain market analysis company developed around five pillars of growth:

- Logistics Briefing
- Ti Market Research Reports
- Ti Insight portals
- Ti Consulting
- Ti Conferences and Training

Ti acts as advisors to the World Economic Forum, World Bank, UN and European Commission and have 14 years worth of providing expert analysis to the worlds leading manufacturers, retailers, banks, consultancies, shipping lines and logistics providers.

What Sets Ti Apart?

- Globally recognised and trusted brand
- Global Associate Network provides a multi-country, multi-disciplinary and multi-lingual extension to Ti's in-house capabilities
- More than fourteen years of knowledge delivery to global manufacturers, retailers, banks, consultancies, shipping lines and logistics providers
- Unique web-based intelligence portals
- Interactive dashboard
- On-going and comprehensive programmes of primary and secondary research

ABOUT LOGISTICS EXECUTIVE

Global Expertise with Local Focus

Logistics Executive Group is the acknowledged industry leader providing a suite of whole-of-lifecycle business services including Corporate Advisory, Executive Search and specialist Supply Chain and Logistics Training.

Since 1999, clients have trusted us to help recruit, build world- class leadership and drive business performance with integrated Corporate Advisory services.

Today, we are a single source for leadership development, talent & recruitment services and business consulting to empower businesses and leaders to reach their goals. Offering a full suite of solutions designed and executed to position our clients from growth and overall improved performance, our service pillars include;

- Executive Search & Leadership Recruitment
- Corporate Advisory & Business Performance Consulting
- Accredited Training & Education Programs for the Supply Chain and Logistics sector.

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Disruption and Innovation in the Express and Parcels Sector

The express parcels industry has undergone a major transformation over the past ten years. In the early 2000s, when Ti published its first Global Express parcels report, the e-tailing revolution was in its infancy. It was far from certain that many of the major express players, such as UPS, FedEx or DHL, would embrace home delivery due to the high costs involved in the number of undelivered parcels caused by not-at-home end-recipients. Higher margin B2B services, especially in the buoyant economic years in the run up to the Great Recession of 2008, drove innovation in the industry, with huge corporate budgets resulting in initiatives such as electronic proof-of-delivery notes, providing for greater levels of visibility in the supply chain. B2C home delivery companies, often off-shoots of traditional home shopping, catalogue retailers were seen as a separate sector. Today it is hard to convey the extent of the change in management sentiment and operational and technological focus with B2C such an important part of the major players' thinking and revenues.

No doubt the external demands being placed on express parcels carriers to meet the needs of e-retail customers will continue to drive changes in the industry for many years to come. However, this year's report will take a different perspective – examining how technological forces have the potential to transform the supply side of the industry from within.

1990s onwards	express companies invest in supply chain visibility technology
1995 onwards	build out regional and global operations networks
Mid-2000s onwards	development of B2C capabilities
2015 onwards	adapt operational models to take advantage of new technologies and defend against market disruptors

At the outset it is important to draw a distinction between innovators and disruptors. Of course some companies may be both, but the terms are not wholly interchangeable. Many innovators provide technology services which make the industry more efficient rather than transform it. An example of this is in the Transport Management Software (TMS) sector. By automatically and dynamically ordering delivery schedules, the latest TMS can improve vehicle utilization. This is not disruptive on its own, but it is innovative. The potential disruption is created by the low cost of the technology involved (the use of smartphone technology, for instance) which makes the solution far more democratic. This allows SMEs to compete against the large corporates very effectively (with far lower overheads), a theme which will be addressed throughout this report.

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