

WFS' JOHN BATTEN ON 'FUTURE-PROOFING' CARGO TERMINALS TO MEET E-COMMERCE NEEDS



John Batten,
Executive Vice President for WFS

For decades, ground handlers operated in the shadows. However, with the growing importance of pharmaceuticals-handling standards and demands for greater visibility, that's changing. With a whole new breed of shippers using air cargo for cross-border e-commerce, there's something different about this latest rise in demand. With airfreight scrambling to establish itself as a crucial part of these new supply chains and delivery networks, ground handlers are taking on a bigger role than ever before, and there's less of a margin for error.

At Worldwide Flight Services (WFS), John Batten, executive vice president of cargo for the Europe, Middle East, Africa and Asia (EMEA) region, is watching these developments closely, telling *Air Cargo World* that his company is positioning itself at the nexus of these trends, and making investments with an eye to the future. That strategy involves anticipating trends to future-proof WFS terminals, re-design and enhance existing ones, and ensure that the ground handler is on top of local, national and international requirements for e-commerce needs.

Q: After a couple of years of impressive growth, is the airfreight industry doing enough to capitalize on the good times and invest in the future?

John Batten: At WFS we constantly look at our business and build for the future. So, are we doing enough? Yes, we are, but can you do more? Maybe. We work on yearly cycles, unlike the Japanese and Chinese, so you budget, spend and manage your business in the moment. When the volumes are particularly good, it does put stress on the business as every millimeter of space is used. I would like to use the good times to also grow our footprint and expand operations. I see growth on the horizon but not just through the good times. When you talk about investing, it is important you continue to invest through both good and bad times especially in training, people and facilities.

Regarding future investment, I think more and more organizations are aware that sustainability is essential. Constant investment is necessary to deal with the changes that can be seen, and those that may be invisible. Making the right decisions collectively for the industry is impossible, but we can be sure that those that make the right decisions can and do prosper in the long-run.

Q: What are some of the most noticeable impacts you have seen from the rise of e-commerce?

Batten: The impact is in transition, as many of the largest e-commerce

companies are still building some very large terminals, in so-called hubs, and still procuring some large fleets of aircraft. The immediate landscape has been tremendously positive from my perspective, bringing WFS new opportunities for warehouse fulfillment activities and aircraft handling.

I believe ground handlers, and particularly WFS, have lots to offer in this area. Firstly, pre-existing airport terminals in so many of the e-commerce origins, transfer-points and destinations around the globe. At WFS we add a progressive outlook. Our challenge will be to "future-proof" our terminals – to redesign and enhance the existing ones, and ensure we are abreast of local, national and international requirements for e-commerce needs specific to each location.

Q: What are some other areas of growth in airfreight that aren't getting as much attention, but are worth focusing on?

Batten: That is difficult to say, as a lot of the growth we are seeing today is a result of e-commerce. The growth outside of e-commerce is more in tune with production delays, issues that create gluts in the supply chain and, recently, port strikes. Growth is always difficult to define without a time-frame. Is it an exceptional season, a new model of phone or just because the ship wouldn't make it in time? A definite trend linked to e-commerce, directly and indirectly, is that shipments are becoming ever more valuable and ever

smaller. All shipments require more enhanced, or new, ground-handling capabilities than were present a decade ago. [Today, we need] better infrastructure, more processes and more proficient people to execute the task safely, securely and correctly.

The current main growth areas outside of e-commerce for us are perishables and pharmaceuticals. In pharma, we are in the process of certification for either GDP or CEIV in a large part of the network and, in specific cases, building new facilities – in particular in Paris, Milan and Denmark to name a few. Perishables are dynamic and a real opportunity to grow with forwarder expansion heightened (see feature on page 12).

Q: What role do ground handlers have in growing airfreight's share of the e-commerce business?

Batten: It's an evolving role, in my opinion. We were not forward-thinking back when the integrators were developing, and we missed a number of opportunities which resulted in them doing the work themselves in a number of areas. As e-commerce evolves, we need to be in the forefront of the developments and be completely open to change – do things differently, try different methodologies, look at best practices and adapt to change. I am excited by the developments and have started engaging with key players. A lot more can and will be done in this space by cargo and ground handlers.