



Freight Expectations

International freight-forwarding business Mondiale VGL has grown into a market leader on the back of great technology, astute cash management and smart service.

IF TRANSPORT and logistics companies need convincing of the value of truly embracing innovation, they need look no further than the newly merged entity, Mondiale VGL.

Now one of the largest privately owned international freight-forwarding operations in Australia, the business has grown significantly by deploying smart technology and service, and these success factors look set to be amplified in the recent merger of Mondiale Freight Services and VISA Global Logistics.

Transformation for VISA Global Logistics began 16 years ago with the launch of its in-house freight management platform, called OneTrack, which gives customers instant inventory visibility across the entire supply chain.

The result has been real-time tracking and reporting of freight and cargo, along with the provision of data-rich insights to help drive efficiency and profitability for customers. These game-changers have generated rapid growth for the freight forwarder.

Executive Director Simon Hardwidge says the software allows the business to differentiate itself from competitors, most of whom use the same operating system as each other.

"Had we run the same software as our rivals we would have been the same as them," he says. "The decision all those years ago to develop and keep improving our unique software has given us a very strong place in the market."

From little things big things grow

When Hardwidge teamed up with VISA Global founder Vittorio Tarchi in the early 1980s, manual processes prevailed in their small office in the inner-west Sydney suburb of Five Dock.

Customs entry documents could take up to a month to finalise; today they take minutes. Break-bulk cargo items had to be loaded individually on to ships; today the use of containers is the norm.

"That gives you a guide as to how the industry has changed over the years," Hardwidge says. ►

Data-rich insights drive efficiency and service for Mondiale VGL customers.



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Case study: Mondiale VGL

As the business has evolved, exploring new growth options, managing working capital and cashflow have also been crucial. Since the 1990s, St.George Business Bank has forged a trusted relationship with the VISA Global Logistics business, providing an Invoice Finance facility that allows access to money tied up in outstanding invoices without the need for bricks and mortar security.

Jacki Fraher, executive manager of Consumer Goods & Transport Industry Banking at St.George Business Bank, says it has been rewarding to be the banking partner with VISA Global and to have contributed to its success.

"The key has been our ability to keep up with the VISA Global growth story and that's where our Invoice Finance facility has demonstrated its strength to be flexible and adjust quickly to accommodate growth needs," she says. "Providing working capital assistance to the group has helped us support its strong growth projection over the years."

Now drawing on the combined strengths of the two merger parties, Mondiale VGL is perfectly placed to thrive at a time when COVID-19 has tested many transport and logistics businesses.

The new entity, with an estimated combined annual revenue of A\$1.2 billion, will oversee operations across Australia, New Zealand, North Asia, Southeast Asia, the Indian sub-continent and Europe. Both companies have significant investments in wharf transport in Australia and New Zealand.

"It's very much an automated and paperless platform, which provides a much higher level of customer service."

Simon Hardwidge, Executive Director, Mondiale VGL

"The most important thing, especially with COVID-19, is that the merger gives us increased scale and greater financial stability should the pandemic continue," Hardwidge says.

Managing factors such as vessel arrivals, container delivery confirmations, document management and storage tracking is not for the faint-hearted. "It's a very complicated process and the client needs transparency," Hardwidge says.

"Our software is very much an automated and paperless platform, which provides a much higher level of customer service." ►



Smart technology solutions underpin the scale and success of Mondiale VGL.



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Global reach

With offices across most continents, Mondiale VGL has an extensive international network for sea, air and road freight, plus the delivery of valuable cargo and refrigerated parcels.

The business has navigated COVID-19 better than most, but the border closures and disruptions to international shipping triggered by the pandemic have presented significant challenges.

"It's been an extraordinary 12 months – a bit like the Big Dipper at Luna Park," Hardwidge says. "In those first couple of months of COVID we were at the bottom of the Dipper and we didn't know what the outcome was going to be. There was a lot of fear and uncertainty."

In China alone, the early stages of the pandemic led to logistics lockdowns and bottlenecks that resulted in the VISA Global entity losing up to 40 per cent of its business.

Holding their nerve, Hardwidge, Tarchi and team watched business pick up in June and July 2020 as cargo volumes started to recover.

"It's grown back extraordinarily since then to a point where in November, December and January we traded substantially above budget and it's even strained our supply chain," Hardwidge says.

"Customers need information online and they need it immediately – that's our strength."

Simon Hardwidge, Executive Director,
Mondiale VGL

The rebound can be attributed to good business management and good fortune. Forced to abandon domestic and international travel, consumers spent their disposable income on household goods, such as furniture and electricals, as well as myriad online purchases, and that played to the business's strengths as a logistics leader.

A big deal

Technology aside, the other key factor in Mondiale VGL's success has been dedication. "In any success story, there's a whole lot of hard work that goes into it," Hardwidge says. ►



After an extraordinary
12 months the future looks
bright for the business.

IMAGE: SUPPLIED



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That commitment is only set to ramp up as the Mondiale-VISA Global merger beds down and new market opportunities emerge. Together, they handle more than 500,000 containers and 25 million kilograms of air freight per annum while employing about 1500 people globally across freight forwarding, customs, wharf transport and warehousing operations.

COVID-19 or not, Hardwidge is optimistic about the outlook for Mondiale VGL. The complexity of freight-forwarding also provides a sense of security, if not complacency, for the business, he believes. "Just because of its complicated nature, it protects us from a new Uber-type disruptor to the sector."

For Hardwidge, the key to ongoing success will be to play off Mondiale VGL's software strengths while responding to increasing demands from customers for transparency and live information about their shipments.

"They need information online and they need it immediately – and that's our strength."

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