

## Ten years of Total Freight Management (TFM)

# Strong in niche markets

The small owner-run forwarding and logistics company Total Freight Management (TFM), based at Zurich airport (Switzerland), celebrated its tenth anniversary in August this year. In the course of its history TFM has developed into a provider of special logistics solutions for the computer and IT sector and for the aviation industry.

When the ITJ met Total Freight Management's founder and managing director Jean-Claude Rossé for an interview, he was engaged in accompanying and personally supervising a delicate transport operation near Winterthur (Switzerland), with a long-standing customer at his side. The procedure in question was the loading of a reefer container filled with high-quality Swiss-made chocolates, which were destined for the Japanese market.

The special feature of this shipment was that the deep-frozen items were vacuum-packed by a special process to prevent them from developing a white bloom when defreezing. If the chocolates were to thaw as a result of incorrect treatment during transport or an interruption of the cool chain, they would no longer be accepted by the demanding Japanese clientele, for aesthetic reasons.

### Deep-frozen freight for Japan

Total Freight Management's task in this project was to transport the sweets, divided into several batches, from the customer's Swiss factory to a cold store near Winterthur. There, all 20 pallets of the delicate deep-frozen freight were loaded into a pre-cooled reefer container, which was transported by truck to the inland port of Basel on the River Rhine. From there the chocolates travelled by barge to their intermediate destination in the Netherlands. On the last leg of the journey they were transported by seafreight to Japan, an odyssey requiring several weeks.

«We have been working with this customer for many years,» Rossé told the ITJ. «What was special about this particular transport was that we did not dispatch the chocolates by air as was formerly the case, but for the first time sent them by ship.»

The forwarding and logistics company TFM began in 1998 as a one-man show

with its own premises in Zurich airport's Freight Building West (Switzerland). Shortly after establishing the enterprise, its director Rossé set up a joint venture with a British partner. To begin with, Rossé held 60% of the shares and his British counterpart the remaining 40%. At the zenith of this cooperation, Total Freight Management employed more than 20 people in Britain, and specialised in express shipments for the British wholesale trade. The link with the British partner lasted until 2002, when TFM returned to operating alone in the market.

### Special know-how required

In the early phase of its history, Total Freight Management handled standard and express airfreight services in Switzerland. At the same time Rossé worked at building up a customer base and establishing a worldwide network of agents. In Switzerland, the service provider wanted to gain a foothold in the courier and express business, in addition to conventional freight forwarding. Rossé's original vision was to bring the forwarding know-how of TFM Switzerland into the partnership, in return for which his firm would benefit from the courier and express service experience of the British partner.

However, the task of entering the CEP segment in Switzerland soon proved more difficult than expected. Although the company managed to land Siemens as a big customer, it soon became apparent that in Switzerland the demand for CEP services in the wholesale market was simply too small and the transport volume too low. As a consequence, the project with Siemens was also discontinued.

In 1999 TFM started a department for seafreight and road haulage operations. At the same time it built up its own handling organisation for express airfreight,

with special infrastructure for handling, dispatch and delivery. Today the service portfolio of TFM includes international forwarding (sea and air freight, road transport), logistics services (after-sales logistics, repair and exchange logistics, warehouse management and logistics for IT components), courier and express, customs clearance and value-adding services.

### Ready round the clock

Total Freight Management has special capabilities in niche activities such as express logistics for computer components or spares and for time-critical shipments of aircraft parts. The company has built up special know-how in the field of repair and replacement logistics for computer hardware. The aim of this service is to support TFM's customers in their efforts to provide the end consumer with a top service when he is dissatisfied, i.e. when his product is defective.

«At TFM, express logistics is not a mass courier activity, but an individual business,» Rossé explained. «The advantage for the customer lies in our special infrastructure, which is precisely tailored for this need and allows the very quick replacement of defective material. Depending on the service level, the replacement times vary between two hours and a few days.»

The computer and IT parts or spares are duty-paid goods. TFM keeps stocks ready at hand in rented warehouse premises in Zurich and Geneva (Switzerland). This has the advantage of ensuring that particularly time-critical shipments of urgently needed parts reach the customer quickly. The spares which are kept ready for exchange in the warehouses are delivered to the end consumers by TFM.



Photo: Altermatt

Jean-Claude Rossé, TFM's founder and managing director.

Total Freight Management has a drop zone in which defective products are processed after being handed over to TFM for replacement. These are later consolidated and transferred to the repair point. The bar-coded items of equipment are registered electronically. The conclusion of an electronic transaction automatically initiates the replacement order. This is executed immediately in accordance with the agreed service level.

In addition to stock management, Total Freight Management also organises deliveries and collections. The niche business of express logistics for computer and IT firms operates round the clock, 365 days per year. Rossé said that «we ensure the operation of this service by a standby system. In this extremely time-sensitive business we must be able to deliver goods at any time, which naturally also means at night and on Sundays.»

#### Real-time visibility

TFM procures, establishes and maintains special warehouses (known as strategic stocking locations) for clients who want to keep a basic inventory of spare parts at the disposal of their own customers in the region where they are located, e.g. for emergency repairs. These storage facilities are designed to deliver a spare part within the shortest possible time (e.g. one to two hours) in order to avoid more serious damage.

Together with various network partners whom TFM exclusively represents in Switzerland, the forwarding service provider places real-time visibility tools at the disposal of its customers. These internet and barcode-based systems enable the customer to carry out uninterrupted tracking and tracing of his products throughout the world. In

this connection, manufacturers whose names are known all over the planet, such as Palm (PDAs), Quantum Corporation (data storage systems), 3Com (network equipment), Brocade (network equipment) and US Robotics (modems) are on the reference list of Total Freight Management.

#### Service provider for aircraft parts

Another speciality of TFM is spare parts logistics for the aviation industry. Its customers include maintenance firms for private and business aircraft and for airlines. Time is the first and foremost consideration in this line of business. Every minute in which an aircraft is grounded due to a defect results in high costs, due to loss of revenue. «This is a business in which a great deal of money can be lost. If, for instance, urgently needed aircraft spares do not reach the customer on time, large costs can mount up very quickly,» Rossé remarked.

For TFM, aircraft spare parts logistics is primarily an import business. «Aircraft spare parts logistics is a high-end express transport service par excellence,» Rossé pointed out. «It always involves special collections from the customer. The time-critical parts are dispatched on the fastest or soonest available flight and delivered at the other end. Our task is to individually organise and monitor the flight carrying the spare part and to immediately notify the customer of any changes. We also take receipt of the parts at the airport of destination after the landing and unloading of the airplane, clear the aircraft components with customs and rush them to the customer in the fastest possible way by means of a courier.»

Asked about the strengths of Total Freight Management, the thoroughbred forwarder said, «we have remained a

small undertaking. It goes without saying that we cannot offer everything, and we are fully aware that our competitors are also in a position to provide equivalent services. But the niche businesses with which we deal are too small, too time-consuming and too complex to be handled by a large forwarding or logistics company. In the past years we have accumulated a large stock of know-how in these niche segments. We are excellently acquainted with the requirements of our customers. We therefore know exactly what tailor-made solutions we need to offer them. Without being presumptuous, I can say that we simply benefit from the weaknesses of our competitors.»

#### The life science/health care segment

In addition to the main niche markets of information technology/computers (after-sales logistics) and aviation (aircraft parts), TFM has been working for some time on its next strategic objective of building up its existing business in the life science and health care segment (biomed/biotech products). Here too the main focus is not on distribution logistics, in which bulk consignments are moved, but on the field of research and development, where special requirements apply to the duration and conditions of transport. TFM is already dispatching daily shipments of blood serum, tissue cells and other biomedical products requiring appropriate know-how and experience, such as the ability to organise the cool chain, dry ice or other special packaging and, of course, express services.

TFM is entering into appropriate cooperation arrangements and building up a network of experts who also specialise in this field of business, in order to ensure the sustained development of this additional niche.

Total Freight Management is a member of the International Air Transport Association (Iata), the Swiss freight forwarding and logistics association Spedlogswiss and the Zurich freight forwarders' association (ZSV). TFM is also a founder member of the global freight forwarding organisation Globalink Network, which was established in 2003. Rossé is on the board of directors of that network.

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