

Interview

NEOLINK – Combining Innovative Technology and Industry Expertise to Navigate a Challenging Global Shipping Market.

Paul Zalai, Co-founder and Director – Freight & Trade Alliance (FTA) recently had the opportunity to sit down with Christopher Makhoul from NEOLINK Logistics & Distribution Pty Ltd. The NEOLINK Team have experienced extraordinary growth in the past two years despite a pandemic & we sat down with them to find out more about their business, as well as how they are navigating the current shipping market.



1. Paul Zalai - Chris, to start off with can you give us a snapshot on the NEOLINK business?

NEOLINK was founded in 2016 providing a wide range of global logistics, 3PL distribution, freight forwarding & customs services. We are members of WCA, JCTrans networks, as well as the FTA and are a Licenced Corporate Customs Brokerage with the Department of Home Affairs. Since our inception we have doubled the business every year with a Technology and People focused approach to how we engage with our customers.

2. Paul Zalai - Can you tell us how NEOLINK came about and how the business started?

I have been working in the Freight Forwarding and Supply Chain Industry for 15 years across Operations, Business Development and Account Management roles.

My business partner Sean was working for Lion Co (Australia's biggest brewer) at the time and approached me one day about importing a product. I was explaining to him how the traditional freight forwarding process worked and he was surprised at how heavily departmentalized and manual some of the processes were. This also explained some of the service failures he experienced in his role at Lion. This got us both thinking that we could bring both of our skillsets together and create a business which we felt could fill a void in the marketplace. After many Saturday's spent in my backyard mapping out our initial ideas on giant post-it notes, the first NEOLINK business plan was born.

During that process we met with WiseTech and discovered that the industry had huge potential to automate a lot of

the menial workflow tasks, which we felt could lead to a much more efficient business model. Starting the business with a technology first approach has given us an advantage to build that automation from the ground up and ensure our team are freed up to spend more time with our customers adding value to their supply chains.

3. Paul Zalai - Digital Freight Forwarding businesses are getting a lot of attention from big venture capital funds, how do you see "traditional" and "digital" forwarders evolving in the marketplace over the coming years?

Silicon Valley has poured a lot of money into "digitizing" the Global Freight Market and it would be wrong to say that there is not a big opportunity in doing so. That being said, "Traditional" Freight Forwarders have been using technology, automation, and other digital tools over the years to provide more efficient service, but probably not at the rate of some other industries. We believe that NEOLINK is in a strong position to capitalize on this in the Australian market.

Recently we partnered with a company to launch our New NEOLINK Digital Platform which integrates with CargoWise One. The platform provides live shipment updates 24/7/365, automated alerts, documentation management, online account management messaging, data analytics and so much more.

As part of the launch of our new platform, we conducted a survey of over 100 importers/exporters to find out what was important in choosing a Freight Forwarder, which provided some interesting results:

What is the #1 ranked characteristic you look for in choosing a freight forwarder?

1. Customer Service – 36%
2. Technology and Digital Tools – 24%
3. Cheapest Price – 20%
4. Global Reach – 19%

Source: NEOLINK Logixboard
Survey Jan 2021

Based on the above results, we are taking the position at NEOLINK that there are a lot of things we can learn from both sides of the Traditional vs Digital Freight Forwarders in the market. Providing a tailored service needs to be central to any business relationship we engage in and at the same time 81% of importers/exporters are telling us that it is also an important requirement for forwarders to improve their digital offerings. Continuous Improvement is a core component of our culture at NEOLINK and we are constantly empowering our team to come up with new ideas to improve our customer's experience.

4. Paul Zalai - The global shipping landscape has had its challenges in 2020 and 2021 due to the COVID 19 Pandemic – how is the NEOLINK team approaching these challenges?

Since the start of the pandemic our "Technology Focused" approach has paid significant dividends. All of our staff have laptop, mobile phones and the ability to seamlessly work remotely, which allowed us to engage our customers quickly and meet their needs. Automating a large portion of our workflows has freed up our Customer Operations Department this past year to spend time on our customers orders and being extremely proactive with all the carriers.

Inevitably interruptions are going to occur with vessel delays, congestion etc but what a lot of our customers need is real time and live communication to make quick decisions. If we are providing them with multiple ongoing options to ship and the ability to flexibly move their bookings to different carriers, we can ensure that all orders are landing as close to the RIS (Required In Store) dates as possible.

We have seen most of the exporters in China running on average of 12 to 15 days behind their Ex-Factory date – this is before any of the berthing delays vessels have experienced coming into Australian ports. Our team as a result has spent a



(l to r) Paul Zalai (FTA) Christopher Makhoul & Sean Crook (Directors Neolink)

lot of time educating our customers on the reality of this new "COVID Shipping Market" and to adjust their business models accordingly to account for this. We have seen a lot of supply chains increase orders to hold stock in storage to ensure they meet local demand. Despite the challenges there are still a lot of things we can do in our control to give us and our customers that competitive edge.

5. Paul Zalai - What are going to be some of your key areas for focus and opportunities over the next 2 years?

Since we started the business, we have had a strong client retention rate of 98%, but not a lot of people have heard about NEOLINK and the great team we have here. Our biggest area of opportunity is to drive awareness of our business and how we are helping companies navigate this challenging market environment we find ourselves in – so marketing and selling our business has never been more important.

Another key area for focus is the training and development of our staff as we continue to Digitize and use New Artificial Technology. The automation of key tasks and processes is freeing up our staffs time to provide new value-added Account Management and Supply Chain services for our customers. It is important we continue to invest in the training of our staff and help them develop these skillsets to deliver these new services we will be offering in the future to our customers.



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