

Getting past customs

Logistics companies can make or break an exhibition. **Antony Reeve-Crook** asks why the import and transportation game is consistently overlooked by organisers.



Loading a lorry at port; but the burden should not be carried by the organiser

As the exhibition industry adapts to an altered economic landscape, organisers are stepping up their commercial efforts and taking their shows into the lucrative emerging markets. Economic inactivity breeds impatience, but while organisers across the globe are keen to move their business on, fine ideas and strong brands alike are at the mercy of local transportation, customs offices and internal regulation.

Logistics companies; carriers with the power to make or break international events, have never been more crucial to international exhibition organisers. But despite comprising typically 15 per cent of an international event's budget, these firms continue to be one of the most misunderstood and ultimately overlooked elements of an organiser's agenda.

Reed Exhibitions' UK operations director Piers Kelly is in no doubt about the potentially catastrophic impact a poor choice of carrier can have on an exhibition. "How can you overlook the company that has the biggest influence on getting your show in and out safely and on time? They are one of your biggest assets onsite and if it's a big build or equipment show, then it's probably your most important appointment.

"Logistics is one of the most competitive services in the industry. They are constantly having to prove they are ahead of their competitors," he says.

In a recent UFI survey almost three quarters of organisers claimed at least part of their strategy for tackling the

economic downturn and growth in general involved launching events in the growth territories such as India, China and Brazil.

But there is no single route to success in managing the visitor and exhibitor experience when venue, infrastructure and service quality varies so much across the globe. So what are the barriers to achieving the next level of globalisation?

Delivering solutions instead of highlighting regional problems, says Vicki Bedi of the New Delhi-based Indian carrier, PS Bedi. "We are a knowledge-based organisation. We don't talk about problems, which are present in every country. India is not a special area with special problems, these problems also exist in the US and any other country. The approach needs to be to solve problems." He argues that irrespective of a region's shortcomings, a logistics company with local knowledge will be able to provide results.

Turkey-based Expologist's director of operations, Ali Erdem agrees that it is neither the responsibility nor the role of the organiser to know the customs rules and logistics infrastructure in the preferred destination country.

"Transport companies are not willing to take the responsibility of exhibitors' goods against their customs authorities. In many cases they're right. But this kind of attitude does not deliver any solution, especially in those regions where organisers are complaining about the lack of logistics infrastructure and customs legislation," he says.



Vicki Bedi of New Delhi's PS Bedi

Erdem says the biggest challenge for international logistics companies is having to accommodate differing customs regulations, which means exhibitors are often confused about fulfilling the requirements of a destination country.

"This is where a reliable logistics supplier becomes important. Exhibitors generally believe the customs rules are the same everywhere, and that as their shipment is for an exhibition only, it would be excepted from all rules and regulations," he adds.

"How can you overlook the company that has the biggest influence on getting your show in and out safely and on time?"

Clearly this is not the case. But which regions are the greatest areas of concern for organisers?

"The African and Indian continental infrastructures present a real opportunity for growth on the part of the exhibition materials forwarder," says MD of UK logistics company Show Carriage, Ian Croxson. "Infrastructure projects are slowly developing with overhauling and expanding road networks, updating and boosting of port capacities with regional air links quickly improving.

"Service levels often leave a lot to be desired but increasing competition locally means that there is now more choice." Croxson believes Latin America remains a "sleeping giant" with the Brazilian economy in particular on the upturn. Favourable conditions for investment in the private sector have increased chances of finding commercially astute operators offering decent rates.

"The old Mediterranean 'ad valorem' system in valuing customs brokerage in percentage terms is slowly being replaced by ad hoc rates in line with market conditions elsewhere in the developed world," he adds.

Achim Lotzwick, of German exhibition cargo transporter Cretschmar MesseCargo, says that while Brazil and Russia

are usually given as two of the most underserved countries in terms of logistics providers, Europe and the US are far from the finished article. "European venues with only one appointed on-site contractor, for instance in Barcelona, Hamburg and Basel, and US venues served by one drayage contractor, are also underserved," he claims.

Nonetheless, in these regions the facts you need are easier to come by. You need to understand your event, and who is going to be there. "Having a good understanding of the exhibitor profile and proactively tailoring services to suit them is crucial," says Reed's Kelly. "It's a big cost and therefore a sensitive service with exhibitors, so suppliers need to be small enough to care but have a global reach with a network of agents - not always their own offices. Logistics companies also provide an international service that many exhibitors don't fully understand, so service is critical.

The MD of Agility Logistics, Fairs and Events, Germany, Edgar von der Heydt, says information, and actually absorbing that information, is key to improving the situation. "In Germany, the information coming from organisers, because of their relationship with the venues, is very good. In other places, where this relationship is not in place, the reverse is quite often the case. Not enough information is coming from the logistics companies, so things do not run smoothly. That is why you need to work with someone like IELA to find a proven agent."

IELA, the International Exhibition Logistics Associates, is responsible for creating and maintaining relationships with international exhibition organisers, industry associations, and government bodies. The organisation has 119 members in 44 countries, each of which can provide exhibition shipping/logistic service wherever it is required.

"We need to find a way to work with organisers so that we are solving these problem together," says IELA chairman Greg Keh. He believes that in addition to the issues of import and local customs, managing credit is one of the more complicated obstacles for organisers and logistics companies, particularly in a recession.

"There has to be more dialogue between organisers and vendors so that financial issues don't threaten the success of the show. We want to continue offering the credit but we don't want to be sitting and jeopardising the organiser's relationship by saying to the client 'no we're not going to ship your freight unless you pay us the fare'."

Financial risks aside, the reward for successfully launching a new exhibition abroad, or accommodating the growth of an existing one, is worth it. The current economic crisis that continues to plague companies in the majority of countries are facing has certainly created uncertainty, with vendors, suppliers, perhaps even the clients and exhibitors themselves.

But if online store Amazon can deliver a traceable, rapid delivery to your door, then so should a logistics firm that is au fait with the local marketplace. Assess your own demands, and the likely demands of your exhibitors, and if you are not sure about who can provide the solution to your problems, contact a local agent, or a global association like IELA.