
Project enablers

MHD Supply Chain Solutions
sits down with DLL's
Intralogistics experts
Steven Davey and Marco
Wagner to **learn more about
DLL's proactive approach
to meet customer demand
for automation.**

PROJECT ENABLERS

Global equipment finance specialist DLL is enhancing its intralogistics finance offering, seeking to take a more proactive approach to meet customer demand for automation. *MHD* sits down with DLL's Steven Davey and Marco Wagner to learn more.

For decades, global equipment finance firm DLL has been a key force behind investments in materials handling equipment (and much else), but with the logistics labour market constricting, and the demand for automation solutions greater than ever, it is stepping up its game in financing intralogistics solutions.

DLL has a proud history of asset financing dating back to 1969 – with more than 20 years in Australia – and a global network encompassing 25 countries. So, its intralogistics financing offering, itself a decade old, is built on solid foundations.

As Steven Davey, DLL's Intralogistics lead for Australia and New Zealand, points out, DLL has traditionally kept itself in the background, supporting its vendor partners to help buyers with financing arrangements. But with the demand for intralogistics and automation so high – and many unsure how they'll ever pay for it – DLL is taking its financing options directly to equipment users. Steven says, "This move involves working directly with CFOs, CEOs, and heads of procurement to understand their capital expenditure and funding requirements – and aiding them in large scale funding projects."

Marco Wagner, Global Head of Intralogistics at DLL, says that there's been a shift in emphasis for DLL in its approach to intralogistics financing, with the priority now to be "project enablers" for customers seeking intralogistics or automation solutions.

"We were doing intralogistics financing for more than 10 years on a reactive basis," Marco says. "What changed is that we have moved away from a reactive approach to a proactive approach with a dedicated team of experts."

The change was triggered by the



Marco Wagner, Global Head of Intralogistics at DLL.

realisation that financing, say, a forklift, and financing an entire intralogistics system are completely different beasts. With projects reaching up to 250 million dollars and having long lead times, the complexity of intralogistics finance far outweighs that of commodity assets.

"You need to really understand the supply chain ecosystem and contractual complexity in the intralogistics world because there are more stakeholders involved," Marco explains. This revelation necessitated the formation of a "dedicated team of specialists" to tackle the unique challenges of intralogistics finance.

The decision to adopt this proactive approach was also influenced by the company's history and customer demands. DLL is certainly no stranger to the logistics market generally, having done materials handling and transport equipment financing for more than five decades.

DLL's significant portfolio – with 16 billion dollars of assets belonging to the Construction, Transportation, and Industrial (CT&I) business unit and around five billion of that in materials handling alone – gives it a unique insight into the needs of the industry.

"We are among the largest owners



Steven Davey, DLL's Intralogistics lead for Australia and New Zealand.

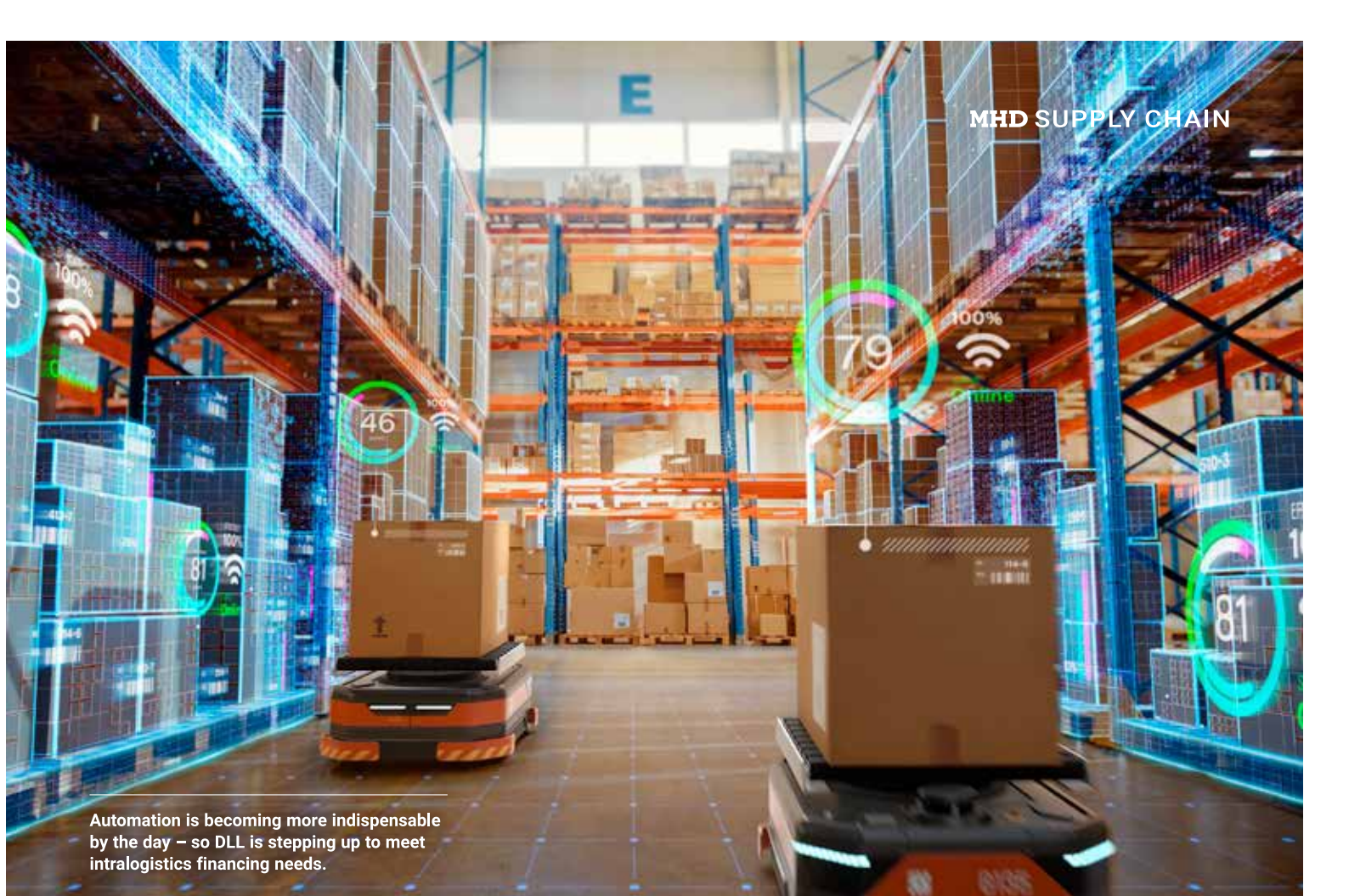
of materials handling equipment in the world," Marco says.

The changing landscape of the industry, including factors like labour availability, costs, safety, and the benefits of automation, has driven customers to seek new solutions. "Our existing customers are being forced to automate their processes," Marco explains, adding that new customers are also seeking to invest in automation.

This scenario has shaped DLL's proactive approach, ensuring they continue to meet the needs of their existing customers while also reaching out to new clients who require assistance in automating their supply chains.

Steven identifies several significant challenges currently influencing the Australian market: inflationary pressures throughout the supply chain, escalating labour costs, strain on supply chains due to difficulty in sourcing parts and equipment, the pace of technology advancement, and increasing demands for flexibility from customers.

However, one of the most substantial challenges he points out is access to capital. "These projects are not cheap," he says. "A lot of



Automation is becoming more indispensable by the day – so DLL is stepping up to meet intralogistics financing needs.

times companies have to make very tough decisions as to what level of automation or technology investment they can afford.”

Steven sees his role at DLL as one of facilitation, easing this decision-making process by providing the necessary financing solutions to make customers’ automation business cases work.

The complexity of the intralogistics world also presents challenges, with a multitude of stakeholders involved, from end customers and suppliers to third-party logistics (3PLs), fourth-party logistics (4PLs), real estate developers, consultants, integrators, and architects. DLL becomes a key partner in these complex projects, enabling them to realise the necessary investments.

“For a project, everyone has their own agenda or interests – we partner with all stakeholders to provide a tailored approach”, Steven says. “This underlines the complexity of the sector and underscores the need for a nuanced understanding when it comes to providing effective financial solutions, and we work with various parties to provide benefits that help enable projects to be completed.”

Steven also makes a key distinction about DLL’s approach to financing these projects. He notes that while other lenders might finance individual components of these projects, DLL differentiates itself by treating these as holistic, end-to-end projects, with often long construction periods.

“We understand you have other costs that go into these projects. You’ve got engineering fees, installation costs, hard assets and software; all of these extra costs that feed into your whole project and our ability to finance those costs on your behalf as well.”

He underscores DLL’s commitment to support clients throughout the entire project life cycle, even making progress or milestone payments to all suppliers involved on behalf of the clients.

This comprehensive approach to financing, according to Steven, is a significant differentiator in the market. He concludes, “Intralogistics operators have huge capital requirements. We are here to make the whole thing work.”

Steven, Marco, and the Australian DLL team will be taking their proactive approach directly to customers at



this year’s CeMAT in Sydney. With all top intralogistics solutions providers showcasing there, it’s important to DLL to interface directly with attendees and help enable their project aspirations, providing on-the-spot consultations and offering insights into their financial solutions. “Along with our customer-focused objectives, we are also there to support our partners and suppliers that we are dealing with globally,” Steven says.

“We’re really excited about CeMAT because we’re keen to demonstrate how we can offer tangible support to clients, suppliers, and integrators; it’s a great opportunity to strengthen existing relationships and develop new ones.” ■

To learn more about DLL’s intralogistics financing, visit www.dllgroup.com/au/en-au/solutions/fleet-solutions/intralogistics

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