



## Innovation Will Be a Guide Through Crisis

It is a fact that the global financial crisis has hurt the transport industry and will continue to do so for some time. But at Star Cool we have found a sustainable and healthy path to the future through innovation and change.



By Per Holm Knudsen,  
Vice President, Star Cool

An old Chinese saying goes that in times of crisis some people build fences while others raise windmills.

At Star Cool we believe in raising windmills, in testing new, efficient and sustainable solutions instead of hanging on to old and conservative patterns, in being innovative and building new opportunities through planned change.

Nobody can deny the fact that the transport industry in general and the container business in particular is under pressure because of the global financial crisis. Both freight rates and volumes are declining, and tough times are ahead. But there are also positive trends – reefer food transportation is growing as is container transportation compared to bulk carriers.

### New approaches and ideas

We strongly believe in the fact that innovation can lead the reefer business through the crisis, and we follow a strategy that will strengthen our competitiveness once the market grows again. Doing nothing would only make matters worse in stormy times like these.

It has already been several years since we at Star Cool left old, conservative business models behind and turned our business towards new approaches and ideas. We have introduced new ways of building reefer machines, we have presented Star Cool Integrated to the market – and we have added new controllers, Automatic Ventilation and other features to our existing products. Recently we have also successfully completed trials of our new CA-system that can control the atmosphere in the container.

These are all examples of Star Cool's willingness to think out of the box and test new solutions. We could

have chosen to stick with old habits and methods and probably still make our way through the challenges ahead, but our call to action is to keep thinking out of the box in order to gain new strength and possibilities.

### Star Cool will lead the change

In the US Barack Obama has become the symbol of change. In the reefer business Star Cool wants to play the same role, to be the market leader in innovation and openness towards new ideas from customers and partners. The business needs to change, and we will keep inspiring our colleagues to do so by setting new industry standards. Therefore we also invite our customers and partners to come to us with ideas and challenges that seem impossible to solve and let us have a look at them in a close dialogue.

We already lead the way when it comes to energy efficiency and total cost of ownership (TCO). Expect us to lead in other areas too in the future!



# HMM buys Star Cool integrated reefer

Since its inception in 1976, Hyundai Merchant Marine (HMM) has continuously endeavoured to become a premier global shipping and logistics company. Now the company has placed its first order to Star Cool.

One of the top carriers in the global shipping industry, Hyundai Merchant Marine (HMM), continues its focus on improvement and investing in reefer fleet and technology to provide comprehensive protection of customers' cargo.

This has now resulted in HMM's first ever order of Star Cool reefer units. HMM opted, as the first Asian shipping line, to purchase the Star Cool Integrated reefers, which are due to be delivered in March 2009.

HMM has a varied sized fleet for Transpacific, Asia-Europe, Transatlantic and Inter-Asia trades. As a member of The New World Alliance (TNWA) since 1998, HMM has allied with American President Line (APL) and Mitsui OSK Line (MOL) to form one of the premier carrier groups in the world. HMM invests to continuously expand the vessel and container fleet, acquire container terminals in the worldwide primary locations and inland logistics facilities,

and develop premiere customer oriented IT system.

HMM explains that they did full energy tests prior to this years purchasing and that such tests could be part of the purchase process and decisions in the future.



## Star Cool Global Service Network Expansion

During the last 12 months the number of appointed Star Cool Service Providers has grown dramatically from 30 to the present quantity of over 150.

This rapid growth is evidence of the focus and priority directed by Star Cool management to demonstrate the commitment to our customers of true global service coverage. As our customer base continues to diversify, we are working hard to close the geographic gaps that are presented by Star Cool's introduction

into new trade routes.

Apart from developing our network based on current customer requirements, we are also working hard to pre-empt opportunities to offer training and technical support in locations that will surely see Star Cool equipment in growing numbers in the near future.

Our initial expansion has seen wide service coverage throughout Asia and South America. In keeping



Looking at HMM's web page and also in Star Cool's dealings with HMM their focus on environmental friendly service in their reefer cargo transportation becomes apparent. Asked whether they included a separate environmental parameter in their decision process this time, HMM says:

"Factors like energy saving, performance, weight, cost reduction and M&R cost impact our decision. And of course, price. Unfortunately, we were not able to evaluate the environmental friendly element separately for our last order because we had not established the criteria to evaluate it between the manufacturers, but it will be a major factor for future orders".

HMM continues: "In general, it was not an easy decision to adapt a new product as a purchaser but we have chosen Star Cool Integrated after full

evaluation and expect considerable cost reduction from energy saving, weight decrease, damage protection design etc. We came to this conclusion only by objective factors without any prejudice".

During the production in March, people from the HMM purchasing team will visit the Star Cool Qingdao factory in China.

"We believe that it is necessary for purchasers to visit the manufacturer and we look at cleanliness of the production line, workers' skill, differentiation of processes, R&D etc., rather than the detailed inspection of each process. Also we will not overlook the third party's reputation like experienced customers or inspectors," HMM says in closing.

With a reefer fleet of more than 10,000 reefers HMM is in a good position to service its current customers but HMM has many more plans; including the up-sizing of vessels, capacity increase in special container service (Jumbo and Reefer services), extension of service scope to new markets, and linking the finest internet shipping portal in the world providing complete and fully integrated customer services on the Web.

After all, their philosophy is simple: HMM is pro-active in meeting customer demands and dedicated to customer satisfaction with a management team who, being customer oriented and committed to high business ethics, are constantly pursuing innovation and service expansion for customer benefit and satisfaction.



with our goals of true global service support, we are now placing an added focus toward North and Central America, Africa, Europe and the Middle East.

Over the coming months even more Service Providers will be added to our list, a development which can be followed through our website:  
- find it at [www.starcool.dk/Service](http://www.starcool.dk/Service).

### Service Quality

How can we be assured of top quality support from so many new Service Providers that have joined the Star Cool Service Network over a short period of time?

All Service Providers are required to meet a set of criteria which include investment in Star Cool inventory, attendance and certification at Star Cool training and maintenance of the necessary tools and equipment that are required to quickly repair and maintain a Star Cool unit if and when it is needed. Star Cool's own Service personnel are now actively conducting audits to ensure we can provide the quality of service that we and our customers expect.

All of our Service Providers and customers have access to Star Cool technical support, 24/7 via our phone hotline as well as email and personal contact.



# Humidity control – a standard Star Cool application

Generally, most cargos are transported in reefer containers because they require temperature control; however there are certain commodities that are equally dependent on the correct humidity level. Humidity control is now a standard tool in all Star Cool reefer machines.

Whilst temperature control is the fundamental factor in maintaining quality and extending post-harvest life of most perishable products, another factor also having an influence is the Relative Humidity (RH).

Maintaining a high RH level inside the reefer is a desirable element for produce with high water content, however there are also commodities that can suffer in quality if exposed to high humidity during transport and storage.

A high RH can lead to problems with bacterial growth, fungal activity and mould propagation on food and non food stuffs such as garlic, onions, ginger and flower bulbs, leather goods and tobacco products – and increase the risk of static damage to electronic components, flat screens etc. High humidity can also adversely affect the strength of cardboard and fibre packaging, and can be damaging when transporting



some confectionary items.

It is for this reason that all Star Cool reefer machines are fitted with a dehumidification system as a standard equipment and feature.

Star Cool reefer machines are capable of attaining a 50% RH set point due to its unique design - not depending on advantageous ambient and box temperatures to achieve the set point. The 50% RH set point secures a better and more stable humidity control towards customers with very specific needs.

All Star Cool reefer machines are fitted with a humidity sensor to control dehumidification when it is required, and to record the RH value to the data memory along with all other operating conditions.

The reefer machine is designed to operate in ambient temperatures from  $-30^{\circ}\text{C}$  to  $+50^{\circ}\text{C}$  and able to maintain an inside temperature from  $-30^{\circ}\text{C}$  to  $+30^{\circ}\text{C}$  in this range.

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