

Red Star Express

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# RED STAR EXPRESS

## A RISING STAR



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*Nigeria's Red Star Express Group has been gearing up for growth, delivering excellence through a combination of the latest IT and processes, and a truly personal service*

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This year, Nigeria's leading courier and logistics company Red Star Express celebrates its 20th anniversary. During that time it has not only established the Red Star brand in public and corporate awareness but has prepared the company for continuing growth and to support the needs of the burgeoning Nigerian economy.

Listed on the Nigerian Stock Exchange in 2007, Red Star is structured into four divisions and has invested significantly in the portfolio of services it offers its customers. "The Red Star Express division is essentially the mother of the company," explains Sola Obabori, COO of Red Star Logistics. Launched in 1992, Red Star Express negotiated partnership with US express delivery giant FedEx in 1994, a relationship that has prospered over the years, and continues through to today. The division handles the express delivery and collection of documents, parcels and bulk mail between Nigeria and destinations around the world.

Red Star Logistics is a nationwide haulage service handling transportation of heavy goods between locations in Nigeria, and to destinations in West Africa. Its service offering includes warehousing, inventory management and reverse logistics. Red Star Freight does what it says on the tin. Dealing in air and sea freight, it also handles all the necessary import and export formalities and provides a range of additional services such as packing and removal of personal effects. The final division in the portfolio, Red Star Support Services, is a mail management





service. Its staff primarily man the mail rooms of most of the major Nigerian banks where they run their document mail and archive services.

Over the past 20 years the company has developed a nationwide network which today extends the length and breadth of the country and is managed in a hub and spoke configuration. There are seven major logistics hubs: two in Lagos, and one in each of Abuja (the seat of government), Ibadan, Port Harcourt, Kano and the city of Benin. A further 158 offices have been strategically located in the 36 state capitals and all the commercial centres nationwide. “These are generally based at airport locations and operate as satellite hubs giving us ease of access to most locations in Nigeria,” says Obabori.

Through this extensive network, and the high visibility of the frequent pickup and delivery service, Red Star has achieved high levels of brand recognition throughout Nigeria. The distinctive co-branded FedEx/Red Star Express service is a familiar sight around the country, and this is reinforced by the standalone Red Star brand displayed by the other three divisions.

In recent years, Nigeria has become one of the world’s powerhouses of growth, not only

attracting deliveries from around the world, but generating traffic through industrial and commercial regeneration. And Red Star has grown to fulfil the opportunities that have presented. “Our biggest customers at the moment are the banking sector and the oil and gas sector,” Obabori says, and both of these are booming. “This is followed by manufacturing, telecoms, aviation and agriculture. For all of these we

Red Star Freight deals in sea and air freight

move documents, parts and products from the centres out into the hinterland.”

The challenge for all of these sectors is the need for speed and reliability and, to deliver this, the company has been making continuous investment into its systems and processes. “All our operations are IT driven,” says Obabori. “And we will continue to invest in IT into the future.” In recent years, the company has been investing in e-commerce capability and rolling it out across all divisions to take advantage of the current global trend towards internet-based business transactions.

Red Star Express currently employs around

**1,500**

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**Current number of Red Star Express employees**

1,500 staff, and those are largely employed in critical logistics, administrative and maintenance jobs. “Our core business is pickup and delivery,” Obabori explains. “And we believe it’s important to keep these customer-facing activities in

house, ensuring our own staff represent the firm to our standards.”

The customer-facing focus is a well established element of the company’s business ethos. “We put a lot of effort into ensuring our customers get the personal touch from Red Star, and we believe it builds confidence in our business,” Obabori continues. Certainly, IT driven efficiency

**“OUR BIGGEST CUSTOMERS AT THE MOMENT ARE THE BANKING SECTOR AND THE OIL AND GAS SECTOR”**



plays a major part in this, but relying on IT alone doesn't create true value for the customer. "We are a people driven company. Our philosophy is people, service and profit, and this starts with people. We don't use computers and machines to do something that requires personal contact."

He cites an example a few years ago of a bank cheque going missing while being handled by a major competitor. The matter

had been dealt with via email. "The bank concluded that if they had sent the mail through Red Star, we would have sent someone to deal with the issue promptly and find a solution. And that is a major differentiator for us."

Considerable investment is made into training staff and providing them with a high level of skills. But, the focus on skills extends way beyond the company's

"ALL OUR OPERATIONS ARE IT DRIVEN, AND WE WILL CONTINUE TO INVEST IN I.T. INTO THE FUTURE"



Mail out for delivery



Red Star Logistics' service offering includes warehousing and inventory management

walls. Eight years ago, the company set up the Red Star Foundation to identify academically gifted young students, and provide them with scholarships to study subjects of their choice. "Our aim is to help Nigeria improve by providing funding for the best students to further their education." Currently some 0.5 per cent of profits are ploughed into the project every year, and the Foundation has sponsored 64 students to date.

Looking to the future, Obabori believes there are significant opportunities for growth in each of the business divisions, largely driven by the growth in the Nigerian economy, the rise of e-commerce and the liberalisation of trade within the West Africa region. "The oil and gas,

aviation, entertainment, hospitality and the agricultural sectors all look set to enjoy significant growth and they will need the services of our sector to connect them to their marketplaces." Of course, for companies like Red Star, who has already invested heavily in the necessary infrastructure and skills, who has a well established countrywide network, a global partner for international express deliveries, and a customer-facing ethos, much of this increase in business is likely to come its way. **BE**

For more information about Red Star Express visit: [www.redstarexpress-ng.com](http://www.redstarexpress-ng.com)



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