

Today's Top Supply Chain and Logistics News From WSJ

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Amazon.com Inc. is facing major questions over its acquisition of Whole Foods Market Inc. , and the answers may help determine how both companies look in the future. Beyond basic cross-selling opportunities, the WSJ's Laura Stevens reports Amazon will consider how deeply it will integrate its new subsidiary after the \$13.7 billion deal closes later this year. The level of integration carries big stakes for both operations, and Amazon's track record provides clues on how it looks at its acquisitions. Amazon left online shoe seller Zappos largely autonomous after its \$1.2 billion acquisition in 2009, but fine-tuned its supply chain efficiency and cut costs -- something likely to happen at Whole Foods. But Amazon folded warehouse-robot maker Kiva fully under its corporate umbrella after its 2012 purchase. That helped Amazon's operations while keeping the technology away from rivals. Amazon may look at Whole Foods that way if it views the grocer, with its network of exclusive suppliers and real estate, as a strategic asset touching more of Amazon's larger business.

Glencore PLC is riding a commodities turnaround now, but the Swiss mining and trading giant sees electric cars helping drive its future earnings. The company is deepening its investments in some raw materials, the WSJ's Scott Patterson reports, after it reported a \$2.5 billion net profit in the first half of 2017 following a loss a year ago. The results follow similar strong reports from mining companies including Rio Tinto PLC and Anglo American PLC, and the financial strength in the commodities world is brightening prospects in the beleaguered dry bulk shipping sector. Glencore's first-half revenue rose 44% to \$100 billion, and the company is brimming with confidence over its essential role in developing technology supply chains. Glencore is the world's biggest producer of cobalt, a key commodity in the lithium-ion batteries that power electric vehicles and mobile phones. It said cobalt prices have more than doubled in the past year, one reason the mining business is enthralled with new technology.

Blue Apron is having a hard time putting together the recipe for both getting customers and delivering the goods. In its first earnings update since a June initial public offering, Blue Apron said its costs soared 86% to \$65.7 million, the WSJ's Heather Haddon reports, as the New York-based company hired more employees and struggled with the opening of a new fulfillment center. That Linden, N.J., site is eventually supposed to handle more than half of Blue Apron's meal kits. But the operation has run into delays, and that's hurting the company's ability to roll out new products and, more critically, hold onto customers. It's a familiar case where a business plan founders on logistics execution, but it's magnified at Blue Apron because distribution is central to the company's bid to carve out a new market. Blue Apron boasts roughly a million customers but will need to get more meal kits delivered on time and intact to keep its business moving.

TECHNOLOGY

The building blocks for toys are becoming less focused on -- blocks. Lego A/S is changing leadership as the toy maker focuses more fully on technology, the WSJ's Saabira Chaudhuri reports, following a market for toys that is moving in a digital direction. Lego's replacement of Bali Padda, a 61-year-old British-born executive who had been in job for just eight month, with Niels B. Christiansen, the 51-year-old former boss of Danish industrial group Danfoss A/S, is the most visible sign of change at the iconic Danish toy maker. The deeper shifts come as Lego copes with slowing sales growth and competition from smartphone apps and videogames, changes that may roil the global toy manufacturing and shipping world. **Descartes Datamyne measured the U.S. toy import business at more than \$14 billion** in 2015. But Lego and rival Mattel Inc. are focused on modernizing toys for a digital era, and that may promise more screen time for children and fewer goods heading to ports.

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