



# XPO Logistics, DSV, Damco, Hellman Worldwide Logistics and more reveal key IT investments for your logistics business

## Contributors

- Gert Deschuyteneer, Benelux IT Director, **DPD Group**
- Juergen Burger, Member of the Board,  
**Hellman Worldwide Logistics**
- Wolfgang Frank, Head of Business Innovation & Systems, **DSV**
- Nigel Rouch, Director of IT, **XPO Logistics**
- Anonymous, Director Information Technology,  
**Top 10 leading logistics organization**
- Leonie Weber, Global Head of IT Products & Projects, **Damco**
- Anonymous, Senior Vice President IT,  
**Top 10 leading logistics organization**

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The European Logistics CIO Forum is the most prestigious gathering of CIOs and senior IT executives from logistics in the region.

The event, in its 17th year, and is the only event that tackles technology issues from the point of view of CIOs and IT VPs working at leading logistics companies. Each year, the prestigious leadership event brings together top IT decision makers to deep dive into industry critical topics and engage in pinpointed peer discussions that can't be found anywhere else in Europe. The event this year will be held in Amsterdam, 16-17th February 2016.

### **The 17th European Logistics CIO Forum, taking place in Amsterdam, 16-17th February 2016.**




Join the interviewees and other established CIOs at the 17<sup>th</sup> edition of the forum to discuss, debate and learn from industry leaders.

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### **These leading speakers will share insight on the future role of the logistics CIO and technology driven trends in the industry:**

- Leonie Weber, Global Head of IT Products and Projects – **Damco**
- Juergen Burger, CIO – Member of the Board –  
**Hellman Worldwide Logistics**
- Gert Deschuyteneer, IT Director Benelux – **DPD Group**
- John Court, CIO – **Eddie Stobart Logistics**
- Nigel Rouch, IT Director – **XPO Logistics**
- Frank Dremmen, Global CIO – **Havi Logistics**
- Dirk Bauerfeld, CIO – **Senator International**
- Martin Gnass, Managing Director IT – **Hapag Lloyd**
- Kristjan Thor, CIO – **Eimskip**
- Wolfgang Frank, Head of Innovation Systems – **DSV**
- Leendert Vis – CIO, **JF Hillebrand**
- Frank Ferro, Director IT Logistic Solutions – **Post NL**
- Michiel Tierie, VP IT Strategy and Planning –  
**DHL Global Forwarding Freight**
- Nikolai Bozhilov, CEO – **Unimasters Logistics**
- Håkan Nilsson, CEO – **Zinnovate International**

## Respondents

	Name	Job Title	Company	Bio
	<b>Gert Deschuyteneer</b>	Benelux IT Director	<b>DPD Group</b>	With a daily volume of 2,5 million parcels shipped in a seamless international network, DPD is today one of the leading international express and parcel service providers. As a leading provider of standard and express parcel services DPD operates day in day out on behalf of thousands of satisfied customers. We are part of the international DPD network and are also experts in our own domestic market.
	<b>Juergen Burger</b>	Member of the Board	<b>Hellman Worldwide Logistics</b>	Hellmann Worldwide Logistics GmbH & Co. KG is a logistics services company with its head office in Osnabrück, Germany. In 2000 the company had 300 offices located on five of the six inhabited continents. It is a family-owned company.
	<b>Wolfgang Frank</b>	Head of Business Innovation & Systems	<b>DSV</b>	DSV is a global transport and logistics provider, delivering all kinds of cargo anywhere in the world. Be it standard or very challenging, we move goods from A to B, safely, securely and on time. Our network of offices and partners, traffic hubs and safe warehouses stretches throughout the world.
	<b>Nigel Rouch</b>	Director of IT	<b>XPO Logistics</b>	XPO Logistics, Inc. is an American corporation headquartered in Greenwich, Connecticut. The company is an asset-light global provider of transportation and logistics services with operations in 27 countries, primarily in North America and Europe. XPO provides cutting-edge supply chain solutions to the world's most successful companies, including Boeing, Disney, Ikea and The Home Depot. We're growing worldwide.
	<b>Anonymous</b>	Director Information Technology	<b>Top 10 leading logistics organization</b>	A leading global transportation services provider.
	<b>Leonie Weber</b>	Global Head of IT Products and Projects	<b>Damco</b>	Damco is one of the world's leading providers of freight forwarding and supply chain management services. For more than 100 years, we have been providing our customers with transportation and logistics solutions that support the way they want to do business, wherever they are in the world. Damco specialises in delivering customised freight forwarding and supply chain solutions.
	<b>Anonymous</b>	Senior Vice President IT	<b>Top 10 leading logistics organization</b>	A global leader in the logistics industry.

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## 1 What role does technology play in your organisation? For instance is it a business driver, a business enabler or an added competitive advantage?

**Director Information Technology:** Both a business enabler and key competitive advantage

**Nigel Rouch:** Technology is key to improve processes and drive the business forward, in a low margin industry using technology to improve processes is a necessity. It is also a useful tool to engage and inform customers across a multi-platform environment and fundamentally provides a competitive advantage.

**Gert Deschuyteneer:** Technology becomes more and more important in our business. But technology is only an accelerator for making data available. We're not a technology company, we "only" deliver parcels, but in today's world data has become so important that we have to use the latest technology in order to collect and distribute this data across all our processes.

**Juergen Burger:** A driver and competitive advantage

**Wolfgang Frank:** Can be all three, but mostly, it is a business driver for us. Increasingly, we can see that it becomes a business enabler as well.

**Senior Vice President IT:** I say all three! It's time for the Logistics and Transportation industry to step in the digital era, we are one of the last to do it. Currently there is a massive trend for bridging the gap with the technology advances, and burning the phases it will prove difficult for some of the companies.

**Leonie Weber:** At Damco, we see that IT becomes more and more a business driver. IT and especially integration solutions that enable all parties in the supply chain to be fully connected and provide for a seamless orchestration of the flow of goods are key to our success. Especially our ability combine IT solutions with operational excellence and customer focus is our ticket to win in today's market.

“Technology is key to improve processes and drive the business forward.”

**Nigel Rouch**

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## 2 Where is the majority of the IT budget spent within your organisation?

**DIT:** Innovation mainly & visibility

**GD:** New projects & improvements of existing processes in our operations.

**JB:** Process automation and innovation

**WF:** Mostly in IT operations and software development

**SVPIT:** Innovation and building a future operating model, enabled by technology.

**LW:** With a flat overall IT budget across a few years, we have a strategic ambition to increase the Build and Innovation investments through reducing our run costs. We see the run cost as a necessity which can be optimized through use of new technology and Cloud solutions, and our ambition is to increase the development budget to be at least a third of the overall budget over the next few years.

*“Innovation mainly & visibility”*  
**Director Information Technology**

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## 3 How real is the threat of cyber-attacks on your logistics organization and in what precautions have your organisation taken in face of a cyber-security breach?

**DIT:** We have a separate security department where their only focus is security. Also we invest in technology which can detect or alert us of an immediate treat

**GD:** Currently we haven't had any major issues in Benelux, but we have had some cyber-attacks in other countries which DPD operates in. So we're aligning our strategies and directives on holistic group level. As part of the Geopost group we're very visible and need to continuously improve our security initiatives.

**JB:** The threat is very real, we do have a specialised organisation part for IT Security and Governance – including specialists on these attacks.

**WF:** Very real and our organization has a strong focus on risk mitigation and cyber security.

**SVPIT:** It's not a massive threat within in our organisation yet however, I sense it will increase in importance accordingly with the digitalization of the business processes and the increase of data, big data and IoT.

**LW:** Unfortunately cyber-attacks are a very real and present danger... but fortunately we are very well prepared to deal with these threats. With dedicated functions such as Group IT Security, and CISOs in each of the Business Units we have an excellent track record when it comes to preventing these type of serious threats.

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#### 4 Discuss the potential for technology to differentiate your offerings from your competitors

**DIT:** We don't only sell technology but we sell solutions where technology is part of the solution. In all our investments and supplier relationships we look also to Corporate Social Responsibility

**NR:** In what is viewed as a commoditised industry, there are few differentiators between the main market leaders. One of the key tools is technology, both as a way to improve performance at an operational level by streamlining processes and delivering more value, and as a key to engage our customers and our customer's customer. Improved information, both in the way it is presented and the speed at which it is available is paramount in engaging the customer.

**JB:** Substantial differentiation possible – streamlined digital customer interaction points, fully integrated offerings in the value chain of the customer.

**WF:** Technology today offers a variety of possibilities. The quality of our logistic services has substantially improved over the years by applying a higher degree of automation in most areas of our core services. In addition, we're developing products for our customers which would not have been possible in the past without the technology available today.

**SVPIT:** Technology can be used as a differentiator when applied in logistics to deliver route optimizations, real time pricing, predictive analytics and “what if” projections. It's important to stay ahead and be at the forefront to reap the rewards that technology can govern. Something which has yet to be fully explored is the integration between shippers, carriers and logistics service providers will change the industry significantly'

**LW:** What we see in the industry is a new form of competition coming in through IT Integrators – companies that are able to invest all their money in just the IT solutions. For Damco the key success lies into combining modern technology with our vast knowledge of supply chain management and operational execution. We do not only allow for visibility and seamless integration across parties- we can also provide actions and solutions for weaker links in the physical supply chain. This is a real competitive advantage if we compare ourselves with IT companies.

*“Improved information, both in the way it is presented and the speed at which it is available is paramount in engaging the customer.”*

**Nigel Rouch**

*“A new form of competition coming in through IT Integrators”*

**Leonie Weber**

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## 5 What do you think the primary value of IoT is for a logistics business? What challenges does an IoT enabled logistics business face?

**DIT:** Means more data and more real time information due to the usage of more sensor based information. Visibility will become more important on mobile devices, in order to have this information ready more focus on internal processes is required.

**GD:** It depends what we define as IoT. Today everyone is talking about IoT, but with a lot of different flavours. Yes we use technology in order to collect data, yes we need to invest in new collection techniques, but do we use beacons today no. We have no physical contact with our customers except our driver who's picking up the parcels. Our major contact is with the customer of our customers. We do use MDU's in order to collect and distribute data with our drivers, but this was also the case 5 years ago. The functionalities have increased, the timeslots to transfer data are shorter. But we do not use RfID to trace parcels yet. This will of course evolve over time and new requirements are entering our business certainly on the B2C, C2C side. The delivery of, for example fresh products is a growing market and there temperature control is key. New IoT techniques are used to collect the data and send it in real time to central DB's. Big data becomes a reality for us. This is a challenge.

**JB:** Logistics has 2 components of value generation – a real one (the transport, storage etc.) and the data integration (the digital one) – no more logistics without IT.

**WF:** The most immediate area which comes into my mind is supply chain visibility. If we can use IoT to increase possibilities to follow goods along the whole supply chain, then we can provide a higher service level to our customers but also improve internally our operations processes.

**LW:** The primary value is the opportunity to optimize – on item level – the end to end, global supply chains. It enables our customers to do much more frequent product launches and targeted promotions campaigns. The challenges are mostly in the area of the initial investment and infrastructure that is needed to leverage IoT, and finding a good business model that will allow for this.

*“Visibility will become more important on mobile”*

**Director Information Technology**

*“Big data becomes a reality for us. This is a challenge.”*

**Gert Deschuyteneer**

## 6 What advantages do you foresee disruptive technologies bringing to your organisation? I.e. drone delivery, 3D Printing, driverless vehicles, predictive analytics. (Feel free to choose one or a multitude of examples and discuss what advantages you think they could help deliver within logistics)

**DIT:** Impact of below 3 items is currently being investigated

- 3D printing makes it possible to construct lighter which will impact CO2 emissions. It will have also impact on transportation and logistics market
- 3D printing enables decentralized production close to or directly at the point of sale. This saves transport costs and drives down overall logistics expenses
- 3D printing will make it possible for high-wage countries to “near shore” production back home again from low-wage countries.

**GD:** We do have some POC's running with several of these new disruptive technologies.

- We do use drones to deliver parcels in areas difficult to access (mountains for example)
- We have to face the fact that also in city centre trucks are pushed away, new delivery ways are investigate.
- We do have to invest a lot in improving our delivery service so we can predict the time of delivery in much smaller timeslots. Today DPD informs the receiver with a delivery timeslot on 1 hour (One Hour Predict service) and we want to go further. Therefore we had to review a lot of processes and we need new techniques in order to realise this.

**JB:** Cost, Quality and improved process cycle times

**WF:** Disruptive technologies open a field of possibilities that enable us both, executing our current business model with higher efficiency and develop in certain areas new business models. Examples:

- 3D Printing can be an integrated part in our contract logistics service portfolio (e.g. information handling, 3D printing in warehouses)
- Driverless vehicles will reduce transit times for trucking transportation. In addition, personnel cost will decline
- Driverless vehicles / robots in terminals will reduce personnel cost and increase delivery excellence
- Predictive analysis will allow us to understand our customers better and to provide a better service to our customers (e.g. forecasts of disruptions in certain countries, development of fuel cost etc.)
- Cognitive computing will drastically improve customer service and reduce personnel cost

**SVPIIT:** 3D Printing is indeed disruptive, however not all the new technologies will survive the reality test, and we may see a different world in 20 years from now. Because is behind technological, the logistic industry will adopt in a particular manner the new and innovative ideas, somehow with a slow adoption of the disruptive technologies.

**LW:** Damco is continuously evaluating and adjusting our Employee Value Proposition (EVP) to accommodate for the new generations in the workforce. At the moment, our focus is on increasing our efforts in Corporate Social



Responsibility (CSR) which is a hot theme for the new generations. We see that young people want to work for companies that truly make a difference for people and the environment. Also, we see a shift towards more flexible working arrangements so we are changing the work processes and organizational structures to accommodate for this, also.

*“Driverless vehicles will reduce transit times for trucking transportation”*

**Wolfgang Frank**

*“Corporate Social Responsibility (CSR) is a hot theme for the new generations.”*

**Leonie Weber**

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## 7 **Is your company prepared for a future change in the workforce as 50% of your organisations work force will be dominated by Millennials by 2020? Discuss what impacts you believe a millennial driven workforce is going to have on the logistics sector**

**NR:** One of the key challenges as we move to a millennial dominated workforce is the basis on which we communicate effectively. Social Media is now the tool for communication and the old bulletin style boards are a thing of the past. Having a robust technology available in a corporate environment is key in ensuring we are communicating effectively. Together with social media the use of videos as a way of communicating directly with the employees is key. This makes directors and senior management much more visible to the entire workforce regardless of the geographical challenges of a multinational organisation.

**JB:** They will automate and integrate on collaborative basis – a true disruption

**WF:** We have increasingly a focus on this generation workforce. We have anchored this in a digital strategy which we’re implementing over the next years. We believe that the impact of this workforce is the behaviour with respect to social media and transfer of such into business processes. Traditional emailing will decline in favour of chats, fora, etc.

**SVPIT:** The impact per se of the Millennials, as a mind-set change, is and will still be limited, due to the fact that the focus is on the physical processes that is moving the cargo efficiently. That may change, here and there, but not in the entire industry landscape at once, it will be a gradual impact.

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**8 As predictive analytics gathers steam in tech headlines, what role is it set to play in logistics? Does your company have a roadmap for engaging in this technology? Can you provide a glimpse of this roadmap?**

**DIT:** In order to have predictive analytics a large amount of information needs to be captured and transferred to statistical patterns, with effect forecasting for future demand based on past demand. We currently have implemented a system which can capture large amounts of information from different systems in order to build statistics. We can now analyse, measure and benchmark eventually with the goal to match demand to supply, making predictive analytics a key to business growth.

**JB:** A big role for data analytics and big data techniques – we control goods flow globally – to predict this better is an unbelievable value. We do have a roadmap in this area – but this is a true competitive advantage which we cannot share

**WF:** Our roadmap on predictive analytics is currently focussing around customer insight and customer behaviour prediction. We want to give our customers the best possible experience when interacting with us. Additional steps are not immediately planned but will be applied opportunistically.

**LW:** Predictive analytics is increasingly important in the further optimization of global supply chains – and this is a domain where Damco is expecting to do some of the bigger IT Investments over the next 12 months.

*“Predictive analytics is currently focussing around customer insight and customer behaviour prediction”*

**Wolfgang Frank**

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Want to learn more from these executives?

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Join Juergen, Wolfgang, Gert, Nigel, Leonie and other CIOs from leading logistics companies in 2016 to further dissect these key themes at the upcoming **European Logistics CIO Forum**.

Senior IT or operations executives can attend the event with a complimentary pass. [Click here for more information on how to get involved.](#)