



# EFT IN CONVERSATION WITH DHL

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## **What are some of the biggest barriers to the digital transformation process?**

Supply Chains work best with no risk. The transformation process is risky, and this pulls in the opposite direction to the mentality of supply chains. Traditionally, the change process is incremental. There are some scars from previous experiences with change but what we have learnt from these is that people and culture are central to the transformation process.

Take the example of robotics. It is important to translate the technology to reduce the fear of it creates from employees. It is important that they understand it is not humans versus technology. To yield the best results, collaboration is essential. The advancement of technology creates many benefits and opportunities but only when implemented effectively within – and to further develop and improve - current processes.

The logistics industry is not as far progressed on the tech curve as other sectors because of the capacity for risk. This is not a risk-taking world. On the part of customers (shippers), the margin for error – and therefore the appetite for risk - is very low. Customers want to see a blueprint for success. Automotive is a vertical that has traditionally had a bigger appetite for this and other verticals can learn from these successes/failures.

## **What are your thoughts on the hype blockchain has garnered in the Logistics industry?**

It is important to remember that the discussion shouldn't be about the technology. It should be about the business problem. Is the technology going to solve a business problem? In the case of blockchain, the business problem is trust. It is pivotal that we don't hunt for practical applications for blockchain in the logistics industry but let the use cases come organically. Is blockchain needed? Is it solving a business problem? These questions should always determine whether blockchain technology is chosen for a particular use-case.

## **The industry has seen an influx of start-ups. What impact is this having on logistics?**

As mentioned, the industry is not as far up the tech curve. This has meant that many start ups are seeking to apply the successes from other industries to the logistics industry. Start-ups are bringing bright ideas, fresh perspectives and are pushing boundaries. This feels alarming and counter-cultural to many of the incumbents in the industry and this is challenging the structures and the processes of the industry. As with any start-ups, some will thrive, and some won't. Time will tell and it's an exciting time for the industry.

## **What is the biggest influence that you think Amazon have/will have on the Logistics industry?**

Amazon is an interesting case. They have managed to bridge worlds. They have embraced technology and have made risk taking central to their business. This has allowed them to push boundaries. They have learnt from the logistics industry and vice versa. It is interesting to see now how their impact on the B2C world will affect the B2B world. Consumer expectations have fundamentally changed because of Amazon and now the B2B world is the elephant in the room. Some things are simply not commercially viable. We are already at breaking point in terms of capacity. Urban consolidation and collaboration with the city is essential to tackle the issues being created by continuing rise of freight.

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## Issues with IT talent shortages in the industry are ever present. What attracted you personally to the industry?

It is true that talent shortages are a big issue in the industry. The reality is the population is ageing and the requirements for many of the jobs are going up. The pool of labour isn't large enough and this is a big issue, not just for us but for the whole industry. In terms of me personally, I worked in the army for 21 years and I was attracted to Logistics because it is all about the team. I find that the industry is very challenging but very exciting. In terms of DHL specifically I wanted to be part of a big, global company that pushes boundaries. I was particularly excited by the can-do attitude of the company and the strive to lead.

## With a spike in cybersecurity breaches to the industry over the past 18 months, what can be done by logistics providers to keep information safe?

We are at the edges of maturity with regards to cybersecurity. Just like when the car was invented, there were car accidents. Some of these were due to issues with design and were improved over time. This is similar to how cybersecurity is now. We need to build in fail-safes that will enable us to reduce the amount of accidents. Again, people and culture are central to this process.

This interview was conducted in the lead up to the **Logistics CIO Forum: Europe** in Amsterdam (5-6 March 2019). Join the discussion where IT leaders shape the future of digital logistics.

### Develop your digital transformation strategy

Lead the change caused by digital disruptions in the logistics industry, by aligning your organisation's technological capabilities with its overall strategic goals

### Collaborate with customers to deliver on their demands

Create stronger, and more profitable partnerships with your customers, by sharing data across dynamic and agile connective platforms to drive efficiencies in both your operations

### Innovate today for success in the future

Explore how cutting-edge technologies such as blockchain and AI are likely to have a transformative impact on the logistics industry and develop your technology offering

### Deciphering the power and value of data

Understand the importance of robust data

management and analysis to help you achieve substantial efficiencies and deliver a better service to your customers

### Enhance your systems' agility & security

Find out how to break free from legacy systems and develop cloud-based operations, while continuously managing growing threats to your cybersecurity

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- **Andreas Pichler**, Head of Innovation, **Gebrüder Weiss**
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To explore these issues in more detail, make sure you register your place at the **Logistics CIO Forum: Europe** in Amsterdam on 5-6 March, 2019.

**Registration is FREE for Senior IT executives from Logistics Providers.**