Superior digital endowment

by Martin Wallgren, *Chief Information Officer, GAC Group*

Business leaders are looking to digitalisation to support a return to pre-COVID profitability. But to reap the benefits, management teams need to grasp the technology they use, be it integration, data governance, cybersecurity, blockchain, or Artificial Intelligence. More than that, they need to understand the workforce shaping the future of their trades.

The coronavirus pandemic has triggered a renewed focus on addressing businesses' fundamental problems. The priorities and budgets assigned for digital solutions reflect this. **McKinsey & Company** has recently acknowledged that accelerating digital adoption during the COVID-19 pandemic has widened the gap between the top and bottom companies: "Competitive differentiation, now more than ever, emerges from superior digital capabilities and technology endowment, more agile delivery, and a progressively more tech-savvy C-suite."

All looking for a competitive edge

It has played out in the maritime and transport markets, which have seen a wave of consolidation, with some players exiting the sector entirely. Those service providers still operating post-pandemic are looking to capture contracts previously awarded to firms no longer in business. Customers seek information, facts, data, and reports to give their executives the insights they need to make timely business-critical decisions. And where static reports once sufficed, they now want a clearer and deeper understanding of their supply chains' performance. But with staff numbers down due to **'The Great Resignation,'** such insights can no longer be maintained in-house, and companies are turning to their suppliers for the data they need.

It places new demands on service providers like GAC – but we are well prepared. We have invested early in creating an accurate data model of the company's business – a significant investment for an incumbent global business. This data model is now paying dividends in many ways, one being the ability to operate as a data transfer business that can pivot in response to market changes (similarly to what Uber did during the pandemic when it shifted from taxi to food delivery services).

Our data model means we can adapt faster and more frequently than competitors operating traditional one-size-fits-all models. Rather than this costing jobs, we have worked hard to retain our global presence and local knowledge. Being physically present is a vital part of our ability to deliver digital solutions – it builds the trust that enables us to roll out services to a wide range of companies, all looking for a competitive edge.

Changing perspectives

This nimble adaptation has resulted in profitability, flexibility, and resilience, making GAC attractive to would-be recruits as we emerge from the pandemic. We don't view 'The Great Resignation' as a threat even though it has become a global phenomenon involving millions of workers rethinking their place in the workforce. There is a shift in the mindset of those starting their careers, with most new entrants having grown up with the Internet. Recruits are already digitally literate and will prove integral to company success through digitalisation.

They are part of a fundamental shift occurring in workforces around the world. The 2020 global research report from Cushman & Wakefield titled ***Demographic Shifts: The World in 2030*** notes that for 2020-2030, Millennials will comprise the largest share of the workforce, representing more than 40% of the global working-age population by 2030. At the same time, 693m Baby Boomers are reaching retirement age, and 1.3b members of Gen Z will enter the labour force over the next decade.

New imperatives

This changing workforce brings new business imperatives. Recovery from the pandemic is being coupled with the need to accelerate environmental, social, and corporate governance (ESG) agendas, driven by 'young blood' perhaps more than any earlier generation.

The ***Deloitte Global 2021 Millennial and Gen Z Survey*** found that after a year of intense uncertainty due to the pandemic,



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political instability, racial discord, and severe climate events, Millennials and Gen Zs are determined to hold themselves and others accountable for society's most pressing issues. "Climate change and protecting the environment" remains a top issue: no. 1 for Gen Zs and no. 3 for Millennials. They are channelling their energies toward meaningful action. In turn, they expect institutions like businesses and governments to do more to help bring about their vision of a better future.

Our organisation appreciates the importance of ESG for business success and values its staff's focus on it. The GAC Group has recently unveiled its **Roadmap to Sustainability**, which sets out its commitment to adapt and innovate its activities (also reduce if necessary) while supporting and influencing change in others. We have joined the Eyesea maritime pollution reporting and mapping project and the Ocean Race's CleanSeas initiative as part of our environmental protection and preservation engagement. Both are in line with the Life Below Water UN Sustainable Development Goal – one of the goals GAC's Roadmap states must be measured by all GAC companies.

We have further demonstrated our commitment to climate change by joining the Call to Action for Shipping Decarbonisation and the Global Maritime Forum's Getting To Zero Coalition. Climate-neutral sea transport should be the default choice by 2030, and GAC supports the decarbonisation of international shipping by mid-century.

A grounded approach

Digitalisation will be critical in supporting decarbonisation. From improving fuel efficiency to integrating and optimising new technologies on board ships and in ports, true digital transformation requires a long-term commitment and a grounded approach. It needs to target achievable and measurable boosts to profit, performance, and safety during the green transition. It requires a solid overarching digital vision, excellence and governance across all knowledge silos, the rollout of digital initiatives that generate business value, and a robust digital culture.

Digitalisation will transform all business areas. We will be in debt to the future generation pioneering the cultural change for taking this step forward. Today's 'young blood' is truly helping address the challenges we all face together. ■

The GAC Group is a privately-owned company specialising in delivering high-quality shipping, logistics, and marine services to customers worldwide. Emphasising a long-term approach, innovation, ethics, and a strong human touch, GAC offers a flexible and value-adding portfolio to help you achieve your strategic goals. Go to **www.gac.com** to learn more.