Eager to learn, develop, and innovate

by Przemysław Myszka & Przemysław Opłocki

Because of the coronavirus pandemic, we had to wait four long years for another grand gathering of the transport & logistics industry in Munich. During the event, we had the pleasure of talking with GEODIS' Matthias Hansen about what has changed for his company throughout these years, including the 'COVID legacy.' We also spotlighted GEODIS' activities across the digital and sustainability fields.

■ ***What has changed for your company since the last edition of transport logistics in 2019?***

Before the pandemic, logistics service providers tended to be asset-free. Throughout these years, companies have realised that it's better to have a certain number of assets at their disposal; ideally, not too much, not too little. For instance, GEODIS operates a cargo airline, which proved very useful during COVID. In times of lower demand, running such a business may require this little extra hustle from us for this capacity to take wing. We also didn't charter container ships in the past (unlike break-bulk), another thing that changed. There has, too, been a change from short- to long-term ocean contract agreements: three-four years, fixed space, and show-or-no-show. It all influences our flows and how we manage them. In short, it increased security but, at the same time, also our obligations.

Meanwhile, ocean carriers continue to integrate; some are straightforward with it, while others may be a bit 'blurry' about it, not necessarily wanting to cut their ties with freight forwarding players. Because of a record EBITDA wave, money wasn't an issue anymore. Then again, becoming an integrator has turned out to be a more challenging task; one cannot perform simply by throwing money around. Things like transporting cargo by air or utilising warehouse capacity to the best of one's abilities (at the same time, maybe cutting your ties to previous storage providers) aren't things one can master overnight. Integration that works takes time – and I mean years.

The market is past the money-making wave – cost control yet again became a key topic. On the whole, I don't see ocean carriers as more demanding competitors than our 'classic' peers, even those bigger than our organisation. GEODIS has a good market share, especially in end-to-end solutions where we have a stronger foothold than carriers. We see some of them approaching 'our' turf, which will only require increased diligence. Moreover, it is always rewarding to hear from a returning client that they're back for service quality!

Recent years have also been busy for us on the acquisition front, including a strong focus on last-mile delivery. Even before the pandemic, in 2015, we took over the American Ozburn-Hessey Logistics; then, in 2020, we completed the takeover of the Polish Pekaes; end-2021 brought the French Les transports Perrier under our umbrella; mid-2022 saw the inclusion of the Singaporean contract logistics specialist Keppel Logistics; summer of that year the acquisition of the American express transport company Need It Now Delivers; and shortly before this year's transport logistic the German carrier Trans-o-flex became part of the GEODIS family. As such, we strengthened our end-to-end network.

It is a structural transformation to keep abreast with the times. Fortunately, this spirit of change within our organisation drives us forward. The same holds for our parent company, SNCF, which gives us much room to manoeuvre freely. Once the goals are set, execution is firm. Curiously enough, all these changes add to overall stability.

■ ***What is your outlook?***

The demand for logistics is coming back step by step. Packed-to-the-brim warehouses got emptied and now require new freight to earn their keep. That said, we are happy to have long-term contracts which provide stable revenue flow.

The high energy prices got many in a pickle in Europe, as customers were afraid to reach into their pockets, not knowing how high the electricity bill would be. The US was much more solid in this regard. Labour is another issue; in Germany alone, there are around one million unfilled job posts, which takes its toll on output. The capacity-demand (mis)match is a pervasive challenge, e.g., finding the correct answer to the question of how to operate these enormous container ships without trade filling their holds. Then again, I don't view the current situation as dramatic, leastways for GEODIS. We have had a roll, giving us the much-desired wiggle room to change & adapt.

■ ***Is COVID still a thing for GEODIS?***

It is true that we're past the pandemic. Nevertheless, the hybrid model of working has stayed with us. People performing their duties from home turned out to be more efficient than we initially thought (and, indeed, the scepticism of the generations more advanced in years got proved wrong). IT support was great, too.

I am genuinely amazed at how frictionless GEODIS transitioned from full-office to having the opportunity to work two or three days remotely. We didn't cease onboarding new people during the pandemic, so there were personnel that had no chance to get a taste of GEODIS. That brought our attention to the importance of networking (also for team performance), which no over-the-Internet communication tool will ever mimic. We now have the best of both worlds.

■ ***What advancements across the digital field have you made?***

We have IRIS, an intelligent, real-time freight management platform through which we offer, among others, online

Photo: GEODIS

pricing, booking, and shipment tracking. We also have another solution developed to help us tender bigger contracts, enabling us to semi-automate dealing with these bidding files with hundreds of places to fill.

Over the past three years, we have boosted our online quotation tool. Currently, we are working on a global freight rate database, coupled with IRIS, for automating costing & rating. The ultimate goal of this 'rate engine' is to feed the online quotation tool automatically. It took around two years to create it, starting in Q2 2021. We have begun by writing the business concept, some 170 pages that were further fine-tuned, to test it and incorporate it into our daily operations. It will be much easier to nail the right price, a critical factor in winning tenders. Remember: while the process that leads to tendering might be somewhat lengthy, the biddings come all at once. Having this dynamic visibility rate insight can be the difference that makes a deal.

For clients, we are looking into a predictive sailing solution. Rephrasing a certain movie series about Caribbean pirates: timetables are more of a suggestion. Blank sailings, pandemic- or strike-induced terminal closures, slow steaming, port call changes, a carrier going bust in the middle of shipping thousands of containers, and the like – all such events have greatly impacted how shippers view sailing reliability. "Your schedule says 40 days, whereas, in reality, it took 65! How can it be?!" a cargo owner could rightly exclaim. A predictive sailing solution would consider such historical data, combine it with what's happening, and give an informed take on the estimated arrival time. It is a 'touchy' issue and a delicate matter when getting data from various sources, but we see the future bringing such a solution. It might never appear as an all-mighty 100% accurate tool, yet, the more credible intel shippers get, the better choices they can make.

Photo: Renault Trucks

Photo: Bruno Clergue/GEODIS


Photo: GEODIS/Phantom Auto

Our employees are very happy with the digital advancements we're making. Mainly the trading guys are glad they can focus on the important stuff without crunching through myriads of figures. As a company that wants to grow, we'll have to onboard new people, and modern software that handles mundane tasks is a means of trusting them with more meaningful work. Logistics & freight forwarding is still an industry with too many moving parts, exceptions, and unusual scenarios (that nonetheless materialise) for some algorithm to wrap its head around it all. In this field, service quality expertise continues to be a person-driven advantage. Technology is something that will enhance instead of replacing it. That is an ideal situation when growth matches optimisation. We may, however, reach a tipping point when the time is ripe to say farewell to Excel spreadsheets!

■ ***What is the organisation's take on ESG, especially in relation to your workforce?***

GEODIS is an attractive place to work. As an organisation, we have embraced sustainability – the most imminent goal being a reduction of our carbon footprint along a trajectory respecting the Paris Agreement – a crucial factor for recruiting young people. Younger generations want to be part of the change and see how their

Photo: Piero Cruciatti/GEODIS

Photo: Julien Lutt/GEODIS

work translates to making a transition to a low-carbon world.

Among many, we run a fleet of nearly 240 alternative vehicles, meanwhile investing in biofuel for air & marine operations. The latter is a bit tricky. Most companies wave the sustainability flag, but still, the minority is willing to pay extra for sustainable solutions. This hesitation has been the same irrespective of whether the freight rates were high or low(er). There are regional differences, of course, with Nordic enterprises more willing to dig deeper into their pockets if the environment can benefit. We would like to see this green fuel change pacing more rapidly. Regardless, we stay committed.

Our warehouses feature sensors, thanks to which we can, e.g., adjust the heating. Route optimisation is also something that can have a significant impact on transport emissions. We are also working on some cool tech solutions, like a remotely-operated forklift to increase the attractiveness of working "in" a warehouse or together with Renault on Oxygen, a 16-tonne electric city truck to reduce urban road freight traffic-related nuisances, such as pollution and noise.

Another project involves a co-op with a French vessel builder, currently putting together two ships with sails for transatlantic trade. These alone are estimated to axe emissions by as much as 40%. The operator has already secured volumes for the pair, including GEODIS booking space to sell to our customers.

Gender equality is another essential element of today's GEODIS. Our CEO, Marie-Christine Lombard, is a woman, as is one-third of our board. In the team I'm heading, there's a 50/50 split. Coming from different backgrounds & cultures, women also bring the much-desired diversity of opinions & views.

Photo: Maarten Van Rouveroy Van Nieuwaal/GEODIS

The GEODIS team consists of many nationalities, and we try to take advantage of that too by sending people all around the world to observe & learn from other cultures. I greatly benefited from this approach: being a German, I was transferred to Argentina, an entirely different setting. It was and continues to be a tremendous horizon-broadening experience. Sure, it was also challenging: to cope with another language, climate, working routines, and everything else. Yet, if one faces the challenge, one is ultimately rewarded with growth. Mingling mentalities is a great asset, likewise inspiring people.

Atop that, we offer various educational options, including the GEODIS University. Then, there are these 'town hall meetings,' when a managing director stands in front of others and addresses their questions, getting the employees much more engaged. I have been with the company for 31 years and am still eager to see how we can develop, improve, and innovate.

■ ***How would you change the world of logistics should you have godlike powers?***

If I had such a might, I would try to create a CO_2-free transport world; one without fossil fuels towards 100% renewable energy. The market players have realised that the maximum use of ships, planes, and trucks is above all growth targets. Transparency and the simplification of transport processes allow every customer to initiate a booking within a few mouse clicks and without the hassle of creating cumbersome documents. Global trade at its best while avoiding global warming and pollution! ■