

Building global partnerships

The insistent coupling of globalisation and technology has transformed the logistics industry, making the need for human interaction and trustworthy partnerships more important than ever, writes *Ilökan Nilsson*, CEO of Zinnovate

Globalisation has changed the logistics industry in several waves. The first wave brought about the emergence of international operators with a global footprint, while the second acted to harmonise systems around the world. Most forward-thinking logistics providers are currently in the third wave of globalisation, which aims to scale up three key areas: systems, processes and organisation.

At Zinnovate, we are helping forward-thinking logistics providers embrace this holistic transformation. The key benefits we see from this evolution are dramatically improved productivity, consistent levels of quality, and an overall shift from local to global optimisation.

Another major change that is affecting the industry is, of course, the rapid development of technology. The key here is to not only be a leader in the adoption of cutting-edge technology, but to focus on those technologies that drive true customer value within a specific domain. It takes both an open mind and in-depth domain expertise to select the right technologies to develop and, in turn, drive a continuous competitive advantage.

Man and machine

The acceleration of technological development is reshaping business at a fundamental level in terms of service content and service delivery. It is also impacting the customer-vendor relationship to a significant degree. As a result, everything is becoming more transparent, meaning companies must cleverly combine digital tools and human interaction to meet the evolving needs of demanding clients – or risk losing loyal customers.

On the one hand, companies need to develop technology in order to thrive and survive in an increasingly digital world. On the other, human-to-human interaction has become an increasingly important factor for customers when differentiating between the companies that have adopted said technology. While this human touch is crucial, it is impossible to deny the benefits of new technology in the industry, which are bringing forth greater speed, transparency, reliability and accuracy at a reduced cost. Examples of such technology include the Internet of Things, 3D printing and artificial intelligence (AI).

Despite this progress, challenges in the industry remain. Specifically, significant market growth without job growth is a major political and social challenge. Legislation is also lagging in terms of laws that still reflect human intervention, which may not be relevant in a society where AI is delivering advice across numerous industries, such as banking, logistics and healthcare. Country-based laws are also becoming increasingly obsolete as they are bypassed in a cloud-based global society.

Such challenges can and will be addressed, but only to the degree we admit the need for new structures and legislation to address them. With this in mind, there's great truth in Albert Einstein's timeless assertion: "We can't solve problems by using the same kind of thinking we used when we created them."

Holistic approach

Most consultancy firms around the world are selling the delusion that one can be the best at everything, even in spite of deficient



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knowledge and experience of the underlying business in question. We firmly believe this is a fallacy. On the contrary, our value offerings are built upon the strong belief that if, and only if, you deeply understand the challenges and opportunities in your specific market, can you deliver impressive value to your customers. Our mantra, therefore, is focus. Our unique focus is the global freight market. This is the arena in which we have superior know-how, and this is the arena where we can outperform competitors that lack sufficient market focus. Adding to this razor-sharp focus is the end-to-end service we offer, which helps our customers successfully globalise their optimisation across systems, processes and organisation. We understand the interdependence of these areas, and believe you can only truly reap the benefits of global optimisation if you holistically embrace all three.

Most competitors operate in only one area, whether it be systems, processes or organisation, and are therefore incapable of making the whole more than the sum of its parts. For us, their union is a guiding light in all of our activities. The disruptive force we have brought to market simply lies in this unique combination of rigid industry focus, together with a holistic view of change management.

Rapid growth

We are brutally honest about both our strengths and our weaknesses. Consequently, we have put all of our efforts into developing our strengths to become world class, while teaming up with others that are the very best in the areas we are not.

We regard partnerships to be crucial. Indeed, our rapid global growth has been accelerated through the close relationships we have built with our fantastic partners on all continents. Our partnership formula has two ingredients for success: first, value synergies that are focused on achieving greater value for

the customer, as opposed to revenue targets. Second, the understanding that successful synergies will only be long-lasting if they are built on a strong personal chemistry and mutual trust. Business is never just between businesses; there is always human-to-human interaction. As a result, smart and solid partnering is key when scaling as fast as we do.

Another feat we are particularly proud of is the fact we have just one overriding key point indicator, and that is return on competence (ROC). Indeed, our most important achievement is the added value that our customers derive from our services, and the inner satisfaction that our valued team members subsequently gain from making a difference.

It makes us truly happy and proud to have been part of customer success stories with clients of all sizes, ranging from 20 employees to more than 20,000. It makes us equally happy to see how passionate our team members are on the job, and on their mission to help customers and fellow team members. Therefore, the impressive revenue and profit growth we enjoy is only a factor of ROC, not the overriding target.

Global coverage

Our business is all about the transformational shift from local to global optimisation. As previously mentioned, achieving this shift requires a concerted effort across systems, processes and organisation. But it's simply not good enough to just achieve success in one location and fail to do so elsewhere. Therefore, this concerted effort must also transcend geography. Here at Zinnovate, we have understood this need from the get-go, building the company to scale through our unique global partner network. We have operations on all continents, which we see as a necessary component when helping our customers optimise their businesses.

As our company history shows, we can make a significant difference to our customers' operations, and this comes down to the passion our team has in its mission. Helping our clients – and loving the process – is why we want to bring ROC to a greater number of customers and colleagues. The principal vehicle for achieving this is growing our partner network, but in doing so we will never compromise quality for quantity.

To ensure this, we always ask two questions before entering into a new partnership: first, do we jointly bring additional value to the customer? And, second, is our partnership solidly built upon personal chemistry and mutual trust? Only when these two questions are answered positively do we proceed in the hope of improving our service even further. ■