

Global Groupage:

When everything that belongs together, comes together





The world is changing. And as a result, so are the markets. Shifts in geopolitical power and interests combined with supply chains under almost constant strain highlight the need for new concepts. For logistics, this means achieving the best possible integration of global end-to-end transports and contract logistics solutions.

It seems paradoxical: an increasingly digitalized world is bringing people and markets closer together every day; but at the same time, crises, wars, and shifting geopolitical power and interests are creating a level of bloc-formation, protectionism, and rejection of free trade that hasn't been seen in a long time. One thing is clear: in this game, the cards are being reshuffled with increasing frequency.

And different economies are moving at very different speeds. While in 2008 the United States and Europe were evenly matched in economic output, now the US figure is 80 percent higher. In the future, global growth will continue to occur mainly outside Europe. According to estimates by the International Monetary Fund, the contribution of Asia Pacific countries (APAC) to global gross domestic product is set to rise to over 40 percent by 2040—and will be over half by 2050. Asia is already home to nine of the world's ten biggest ports.

The McKinsey Global Institute recently published a study, "Geopolitics and the geometry of global trade," that takes a closer look at these developments. In it, market researchers analyze how close trade ties between different countries and economies are now—as well as how this could change in the future—regardless of the actual geographic distance involved. As they look to remeasure the "geometry of global trade," the McKinsey study's authors see two reconfiguration paths. The first is the trend toward "deglobalized" international trade. An example of this is the drifting apart of the world's two largest economies: the US and China. This is manifesting itself in punitive tariffs, sanctions, mutual blocking of access to markets, the decoupling of research and development, and many other dissociative measures.

Resilience through cooperation

Overall, the study's authors favor the second path, namely more diversified trade that would weigh the potential for collaboration against geopolitical caveats. Indeed, this would bring together a host of potential benefits, including resilience against certain types of supply disruptions as well as opportunities to promote a more integrated trade system →



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Burkhard Eling, CEO at Dachser



system and economy. This must be built on mutual trust and open, transparent communication. “A broad and diversified web of trade connections will not be achievable without cooperation,” the study states.

And time is running out, especially for those European economies under pressure as a result of recent, rather gloomy economic forecasts. “Over the next ten years, around 85 to 90 percent of global economic growth will take place outside the EU,” said Valdis Dombrovskis, European Commissioner for Trade, at the Munich Security Conference in February 2024. “If we wish to preserve our growth and our prosperity, we must therefore remain connected,” he urged.

Integrating global networks

“The world around us is changing. Markets are changing. Our customers are changing. We must see to it that we also change,” says Dachser CEO Burkhard Eling. “If the main driver of Dachser’s long-term growth is to be found in Asia and the Americas, then we must reflect this in the structure and quality of our networks. To do what we can today to create the conditions for the business models of tomorrow and beyond, we’re integrating the stable and ultrahigh-performance core of our European groupage business even more closely with our range of intercontinental logistics services. Thinking in such long-term dimensions is a challenge, but it’s also Dachser’s privilege as a family-owned company.” The focus here, Eling says, is on combining a great many individual solutions to form an integrated, holistic, and consistent overall solution from Europe to the world and from the world to Europe. “We call this Global Groupage,” Eling says.

The backbone of this comprehensive integration across the entire market for logistics and for air and sea freight is provided by Dachser’s road logistics groupage network. This network has grown and matured over decades and counts among the largest and best-performing in all of Europe. “By further enhancing the physical and system integration of our two networks—European Logistics and Air & Sea Logistics—we’ll be able to offer our international customers a new integrated approach as well as access to entirely new markets to and from Europe,” says Dr. Tobias Burger, COO Dachser Air & Sea Logistics. “That is something only a provider like Dachser—with our requisite network maturity and, most importantly, a globe-spanning workforce dedicated to service-oriented collaboration—can pull off on a global scale.”

Other providers might be content to think of logistics as merely offering transports from A to B. But at Dachser, providing customers with infinitely integrable logistics services through

thoroughly integrated networks is second nature. “As we continue to systematically develop and expand our road logistics network, we always follow the principle that, as the most integrated logistics provider, we offer a level of quality that sets us apart from the competition,” says Alexander Tonn, COO Road Logistics at Dachser. “What makes Dachser’s networks so special is how interconnected they have become in terms of assets, people, information, and technologies.”

Now that Dachser is taking the experiences gathered in European Logistics and applying them as it further expands its air and sea business, Tonn continues, the company can combine the best of both business fields: Road Logistics and Air & Sea Logistics. Burger agrees: “Step by step, this is how we’re expanding our global end-to-end transport and contract logistics solutions.”

Issue 3/2023 of the DACHSER magazine reported on how Dachser manages the entire supply chain for its customers, from sourcing in Asia to delivery to customers worldwide, using the example of a customer from the technology sector. ifm electronic benefits from the seamless integration of Dachser’s global Air & Sea and European Logistics networks. Dachser Air & Sea Logistics arranges to have components from Asia sent in shipping containers from Hong Kong to Europe. From Hamburg, the containers then make their way by train directly to southern Germany. Dachser unloads them at its Langenau branch near Ulm, from where the products are delivered by truck to ifm’s biggest development and production site in Tettnang and on to its European markets of France, the Czech Republic, and Poland. This results in full transparency and optimum quality control across the entire supply chain with significantly shorter delivery times.

A solution for customers

Economists are advising globally active companies to rethink their approach. As the McKinsey study puts it: “In the current state of uncertainty, the imperative for business leaders is to be prepared for a range of potential shifts in the geometry of trade.” It’s about having a strategy in place to help shape a new architecture to match an evolving world. “We’re developing Global Groupage as the future groupage solution for our globally active customers,” Eling says. “In doing so, we’re clearly following the Dachser mission, which is to create the world’s most intelligent combination and integration of logistical network services and use it to optimize the logistics balance sheet of our customers. There’s a future in that, especially in challenging times.”

M. Schick

A data-driven world for all



DACHSER platform achieves maximum transparency in all processes

Combining Dachser's Road Logistics and Air & Sea Logistics networks to create a global logistics solution will require providing customers with maximum transparency. DACHSER platform, the company's latest development, paves the way for this.

Dachser is getting closer to achieving its goal of becoming the world's most digitalized logistics provider: "DACHSER platform is a user-friendly, state-of-the-art interface that unites the Road Logistics and Air & Sea Logistics business fields and offers users industry-leading innovations such as end-to-end tracking across all transport routes," explains Lars Relitz, Head of Corporate Digital Innovation & Development at Dachser. "In combination with our global network, this means we're creating the most intelligent one-stop solution in logistics."

The large-scale project released the initial version of DACHSER platform to pilot air freight customers in April 2023. "Since then, these testers have been able to work productively with the software, and we've gathered lots of feedback that helped us continuously enhance the platform over the months that followed," Relitz says, describing the iterative development process and customer-centric approach. "Our aim is to provide a technologically up-to-date digital platform that works across business fields and meets customer and market requirements alike."

During the rigorous development and test phases, the project team regularly surveyed users about their needs and obtained feedback on product designs. "This allowed us to gain valuable insights into the platform's user-friendliness, design, and func-

tions—all based on real-life experience. In turn, this helped us further optimize and customize the platform's scope, and adapt workflows where necessary," says Cornelius Kubik, Department Head DACHSER platform.

Gradually, more and more customers were given access to DACHSER platform, which allowed its developers to gather yet more user feedback as well as the data required for further optimization. Relitz says this was the ideal process: "We're learning something new every day, and we still have a long way to go before DACHSER platform is finished. But the positive feedback from our test users shows us that we're heading in the right direction."

User benefits of DACHSER platform

- Everything in one place**
 Road, Air & Sea integrated on a single platform:
 All shipments can be called up, managed, and tracked here.
- End-to-end price comparison**
 Price inquiries for multiple transport routes can be displayed and offers compared.
- Track & trace overview**
 Shipments for all transport routes are displayed clearly in a single list.
- Seamless shipment process**
 End-to-end overview of all shipments and transport stages.
- Communication**
 In the future, customers can use DACHSER platform to directly reach their contacts at the branches.
- Document upload**
 Shipment documents are uploaded to the relevant shipment overview and stored there.



“We’re pursuing a **clear goal**”

Dr. Tobias Burger has been COO Air & Sea Logistics at Dachser since January 1, 2024. Burger is 46 and has a doctorate in business administration. His vision for the future is built on a strong ASL organization and the potential offered by integrated transport and contract logistics services worldwide: Global Groupage.

Dr. Burger, you hold a doctorate in business administration. When you were at university, did you think your career path would steer you into logistics?

Burger: No, definitely not at that point. But I’ve always been fascinated by complex networks and companies that are pursuing change processes. When it comes to implementing stan-

dards designed to master complexity and optimize processes on a global scale, logistics is the supreme discipline. That’s what I love about this industry.

How did you first cross paths with Dachser?

The contact came through Dr. Dieter Truxius, Dachser’s former CFO. He introduced me to Bernhard Simon, who is currently Chairman of the Supervisory Board, but who was then still CEO. I was immediately taken with the company’s extremely long-term mindset, because I like to work toward achieving a strategic goal. Another major selling point was the culture based on values with people at its center. That impressed me then, and it remains one of the key characteristics that makes Dachser unique. Moreover, I found Dachser’s growth and its development potential appealing even back then—and subsequent years have borne that out: when I joined, Dachser had a workforce of between 17,000 and 18,000; today, it’s around 34,000.

What would you say is really special about logistics?

First, I’d say it’s the complexity. Every supply chain always involves a great many players. For example, transporting a pallet



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Dr. Tobias Burger, COO Air & Sea Logistics at Dachser

from Hong Kong to Kempten is a massively complex business. And it gets even more challenging when you remember that customers want to receive their goods on time so they can meet the demands of their own supply chains.

The second thing is how international the industry is. Air and sea freight in particular is a global affair that involves numerous different countries, economies, and cultures. You could say that logistics is the lifeblood of everything that happens in the world. During the pandemic, we saw that when supply chains snap, supermarkets are left empty in next to no time. Things suddenly become harder to get hold of, and production lines grind to a halt, which in turn sends shockwaves through the economy. This all served to highlight how important it is for logistics to work. The challenge facing our industry is to match this complexity, internationality, and difficulty with seamless processes that are as standardized as we can make them.

Your Dachser career has taken you through positions in finance and strategy followed by corporate governance. When did you realize that your future lay in ASL?

My topic management work for the Executive Board got me heavily involved in a number of focus projects. One of these, which began in 2015, concerned the further development and transformation of Dachser's air and sea freight business. My role at the time involved supporting the standardization of processes and the development of an ASL business model. That's how I got such a thorough grounding in these areas.

You're noted as saying that mistakes are an unavoidable part of the operational side of logistics. How do you deal with this reality?

Like always in life, what matters is that we learn from our mistakes and draw the right conclusions. For example, I started as Managing Director ASL EMEA during the COVID-19 pandemic, and at that time we were having to analyze things and make decisions from one day to the next, sometimes from hour to hour. That's how fast business conditions were changing. Making the wrong call every now and then is inevitable. The good thing about the fast pace of our day-to-day operations is that you can rectify your mistakes quickly. Many mistakes can be prevented in the first place

by ensuring that we're on the right track—always asking ourselves what our long-term goal is, and what we can do now to help us get there. For me, learning from mistakes is an integral part of the continuous improvement process.

What does ASL expect of you?

ASL is going through a major transformation, and as we know, it's definitely facing a tough situation. At the moment, its largely trading-based approach and profit-center mindset are pushing the business model to its natural limits. We're now looking to transition toward an integrated, network-oriented approach across business fields—in other words, Global Groupage. This is something we embrace because it's the next step in expanding our business model. By dovetailing our intercontinental transports with our high-performance European overland transports, we're creating a comprehensive, global groupage solution from door to door. This is giving rise to unique integrated logistics solutions for our customers. People are meeting this with a considerable openness and willingness to change.

Will Global Groupage require customers to re-think how they do things?

There are different kinds of customers. Some still think in terms of stand-alone processes. This all starts in procurement: there are customers that deliberately keep procurement for air freight, sea freight, road logistics, and warehousing separate because they don't want to give it all to a single service provider. We must get these customers on board and show them how an integrated approach can help them cut costs, shorten lead times, and reduce their carbon footprint. Quantitative supply chain analyses are a good way to achieve this.

Incidentally, it tends to be overseas customers that are crying out for integrated, consistent, and reliable import-export services on routes between Asia and the Americas, as well as to Germany and the rest of Europe, with binding lead times and quality assurance. But these customers also report that there are precious few global logistics providers actually capable of putting this level of performance into practice. This is precisely where we as Dachser will in the future be able to generate unique added value for our customers.

Dr. Tobias Burger began his career as a strategy consultant at Siemens Management Consulting. He joined Dachser in 2009. After working in controlling and strategy development, he was given responsibility for Corporate Governance. In 2019, he was appointed Deputy Director Air & Sea Logistics, becoming Edoardo Podestà's right-hand man as well as global sales manager for the air and sea freight business. In 2021 and 2022, Burger led the ASL EMEA business unit's operations as Managing Director with great success.