



Representing a new generation:
The new Dachser CEO

“Keeping the good and shaping agility.”

On January 1, Dachser’s new Executive Board officially took office. The change of leadership in the family-owned company took place in turbulent times. Burkhard Eling, Dachser’s new CEO, talks about innovations and digitalization, the importance of climate protection, and the role of people in the logistics of tomorrow.

Mr. Eling, what do you think when you look back on the turn of the year today? Taking the helm at Dachser in the middle of a global pandemic sounds like a difficult mission...

Burkhard Eling: The change had already been well prepared long in advance and was not dependent on current market developments. But yes, the final preparations took place in what was a challenging and exceptional year in every respect—one characterized by the coronavirus pandemic and its effects on international supply chains. All in all, however, we came through the crisis well and this trend has continued in the first half of 2021. We recorded consolidated annual revenue of EUR 5.61 billion, which was down only by around 1 percent compared with the previous year. Our strong KPIs overall are an expression →



Globe-spanning logistics for today's
and tomorrow's customers

of our unique logistical capabilities and our excellent relationships with customers and partners. This is why we were able not only to retain our existing customers, but in many cases to boost their loyalty to Dachser and expand our business relationship. We could hardly have expected this result back in April and May, particularly after the first hard lockdowns and what was at times a precipitous fall in shipments in European overland transport.

What do you take away from this for the current financial year?

Our business model has proved that it can withstand crises, while at the same time boasting strong growth potential and adaptability. This has enhanced our popularity and fostered a sense of togetherness, from which we draw much of our motivation. I would like to give a special mention here to the great commitment of our staff and of all those who drive on behalf of Dachser. They responded quickly and flexibly to the new circumstances and implemented the rules we introduced with impressive discipline. In this way, they made a major contribution to the company's success. During the first lockdown in particular, with its completely new challenges, it was wonderful to see how our employees mastered the situation.

How prepared do you think Dachser's management is for the future? The pandemic isn't the only challenge: advancing globalization and digitalization continue to transform the world, not to mention climate and demographic change.

Our future path for Dachser can be summarized in the following simple motto: keeping the good and shaping agility. We have distributed the tasks among the Executive Board members accordingly and, in some cases, defined new responsibilities. My colleague Stefan Hohm is responsible for the newly created IT & Development Executive Unit in his capacity as Chief Development Officer. In this unit, he brings together Dachser IT and its approximately 800 employees, the company's research and development efforts, and the company-wide ideas and innovation management under his leadership. At the same time, he is responsible for contract logistics and global industry solutions. We have thus installed a powerful team at the Executive Board level to actively address the challenges of digitalization and changed market requirements.

What role does the Supervisory Board play?

Bernhard Simon, who led the company to great success for many years in his role as CEO and shareholders' representative, moved to the Supervisory Board at the middle of the year, where he took on the role of chairman. At the same time, Michael Schilling, who helped steer the company alongside Mr. Simon for 20 years, has also moved to the Supervisory Board. With a reconfigured Executive Board and a Supervisory Board containing invaluable market and company knowledge, Dachser has put together a new leadership setup for the coming decade. For the new Executive Board team, it is a boon to have such an experienced sounding board in the Supervisory Board.

“The enormous encouragement of our customers and partners has been a great source of motivation. Special thanks are due to our staff and all those who drive on behalf of Dachser, who made last year such a success.”

Burkhard Eling, Dachser CEO

When you say “Keeping the good and shaping agility,” what exactly does the first half of that mean?

First and foremost, Dachser is and will remain a wholly family-owned business. The shareholders are bound to the company by corporate governance rules. Our values—entrepreneurship and the courage to innovate; inclusive responsibility; loyalty and commitment; sustainability; integrity and honesty; openness and respect—are and will remain an immovable foundation, giving the company guidance and cohesion worldwide. The strength that Dachser draws from this foundation is particularly evident in the coronavirus pandemic. For years, our mission has been: “We create the world’s most intelligent combination and integration of logistical network services. We optimize the logistics balance sheet of our customers.” This maxim, our mission, will remain exactly as it is.

What role does the network play?

Our highly mature and tightly woven logistical network is the backbone of our operations. The Dachser network for the transport of groupage is one of the best-performing in Europe, perhaps even the top performer. In Road Logistics, our network is covered so fully by ourselves or future-proof, longstanding partners that no further major acquisitions are required. The global Air & Sea Logistics network is also at our customers’ disposal. At the same time, we know our customers never stand still, but are dynamically changing their business models, including and in particular when it comes to meeting the challenges of digitalization. That being so, we have to continue to refine our network and our services in close dialog with our customers.

Beyond that, where do you see the need for increased agility?

A series of important tasks for the future lies ahead of Dachser. We will address them in a proactive and systematic fashion. I would like to highlight three topics in particular: first, innovation and digitalization; second, climate protection; and third, personnel development.

Everyone is talking about the megatrends of innovation and digitalization, but unfortunately these ideas are getting somewhat blurred in the process. What exactly do you mean by those terms?

Future viability means deploying state-of-the-art technologies in the network such that they generate added value. Dachser has always been innovative; our core IT systems are unique. But we must not rest on our laurels, especially in light of the constantly accelerating pace of technological progress. To this end, as already mentioned, we have created our own IT & Development Executive Unit.

Can you give an example of the upcoming tasks?

Technologically, we place emphasis on the optimization and digitalization of our production and sales processes. We are exploring the possibilities of artificial intelligence and machine learning and, as part of the Dachser Enterprise Lab, we have been working intensively with Fraunhofer IML in Dortmund for several years, especially so that we can incorporate the latest technologies and processes into our digitalization projects. For example, we have jointly developed and deployed a predictive analytics algorithm that allows us to precisely predict inbound shipment volumes at the branch level. We also plan to equip over 8,000 swap bodies with solar-powered, 5G-capable tracking devices. These will serve to ensure the real-time tracking of our shipments.

Where are the benefits for the customer?

We are doing all this to make our processes even more efficient in design and to gradually increase supply chain visibility for our customers with more precise planning. In addition, we will further improve the connection with our customers through digital tools and interfaces.

Logistics is not just the exchange of data and information; a large extent of it is the physical transportation itself. This also puts climate protection and environmental concerns on the agenda. What are your plans in this regard?

At Dachser, we are convinced that in the long run, only the companies that put themselves on a sustainable footing will have a future. Our chief emphasis in climate protection will be on technological improvements and innovations. As a physical logistics company, there are numerous opportunities for us to optimize both energy efficiency and process efficiency. In the search to identify these improvements, research and development is becoming increasingly important. →

Burkhard Eling assumed the position of CEO and Spokesperson of the Executive Board on January 1, 2021. The 50-year-old joined Dachser’s Executive Board as CFO in 2013. He was responsible for the worldwide implementation of the SAP system and shaped the company’s transition to the legal form of an SE. He also managed the company-wide strategic innovation program Idea2net.

Can you give an example of this as well?

One excellent example is our concept in the domain of urban logistics, which two years ago won a prize awarded by the German Federal Ministry for the Environment. We are rolling out DACHSER Emission-Free Delivery in at least 11 European cities over the next 24 months. Even if we ourselves operate only a small fleet and cooperate with independent subcontractors, fossil fuels used in transport and logistics must be replaced by climate-friendly alternatives over the coming decades.

In this context, how do you see e-mobility in freight transport?

Electric motors are certainly suitable for urban traffic, but for long-distance transport, we believe the future is in hydrogen technology. The groundwork for this change is being laid now. We will do our part to actively contribute, including through our participation in the German Hydrogen and Fuel Cell Association.

When people talk about the future, the first words that usually come to mind are digitalization, automation, big data, and artificial intelligence. Where do human beings fit into all of this?

The way people talk about this subject sometimes, one might get the impression that humans will soon be superfluous in logistics. We do not share this vision of the future. Quite the opposite, in fact: technologies are there solely to support logistics employees in carrying out their work. The training and commitment of our employees are the crucial factor in determining our quality, the satisfaction and loyalty of our customers, and therefore ultimately the success of our company. This conviction has been strengthened in no small part by the way we have tackled the coronavirus crisis.

What kind of agility do you expect from employees in this context?

As I mentioned, logistics is a highly dynamic environment. This is a challenge for all of us. That's why we are strongly committed to providing ongoing training opportunities for our employees. Many tasks still await us in this regard—particularly in how we handle new technologies. We will continue to invest in Dachser's attractiveness as a good employer, so that we will enjoy further success on the jobs market for skilled employees and managers.



The Dachser network connects the world

A rock of stability

Dachser kept Group revenue more or less constant in the year of the coronavirus. For the current financial year, the company will focus on investments in logistics capacity, technical equipment, and digital systems.

We have delivered on our promise to be a rock of stability during the coronavirus crisis,” said Burkhard Eling as he presented the Group figures for 2020. At the digital press conference, Dachser’s CEO reported consolidated Group revenue of EUR 5.61 billion. Despite the wide range of serious effects the coronavirus had on trade and the economy, this represents only a slight year-on-year decline in revenue of 0.9 percent.

Dachser kept its customers’ global supply chains running without interruption and came up with flexible solutions to capacity bottlenecks, particularly on intercontinental freight services. “At the same time, the company provided the best possible protection for its employees’ health and supported its longstanding service partners in Europe,” Eling emphasized.

He also reported that, although the Road Logistics business field saw a 2.2 percent decline in revenue to EUR 4.50 billion, this was offset by the 5.2 percent increase in revenue to EUR 1.20 billion in Air & Sea Logistics. That Business Field benefited from having air freight charter capacity of its own as well as from high freight rates for intercontinental transport. At the Group level, the number of shipments dropped by 2.5 percent to 78.6 million, while tonnage fell by 2.9 percent to 39.8 million metric tons.

Eling said the pandemic had challenged the company and its customers in many ways: “Following a solid first quarter, the lockdowns in many European countries meant

sometimes drastic declines in overland transport shipments,” the Dachser CEO said. “There was a clear improvement by June, however, with volumes remaining more or less consistently above 2019 levels. Our business model has proved that it can withstand crises, while at the same time boasting strong growth potential and adaptability.”

DACHSER SUCCESS FACTORS

EUR 190 million

is the amount to be invested in 2021 (2020: EUR 142.6 million), specifically for the Dachser logistics network, additional capacity in contract logistics, and the digitalization of processes and business models.

61.6 percent

is Dachser’s equity ratio. Combined with the shareholders’ clear allegiance to the family-owned company, this ratio gives Dachser the support it needs to continue its tried-and-true policy of growth by drawing on its own resources.

625

new trainees and students in work-study programs started their careers at Dachser in Germany in 2020—despite the constraints of the coronavirus crisis.