



# INNOVATION AND COLLABORATION

FREIGHT FORWARDERS FORUM

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# A DIFFICULT MARKET ENVIRONMENT

Focus on quality -> prove the value of air cargo to shippers  
-> where is the value proposition for Air Cargo!

To sustain the current and future challenges

**> Innovation is THE must !**

## New entrants

Smaller forwarders  
internationalize



## Suppliers

Rate decline has  
been bottoming out »



## « Buyers

Shippers continuously  
put pressure on Air  
Freight rates



## Substitutes

Ocean Freight, Rail  
Integrators (Express)

# INNOVATION – WHAT’S HAPPENING IN THE INDUSTRY?

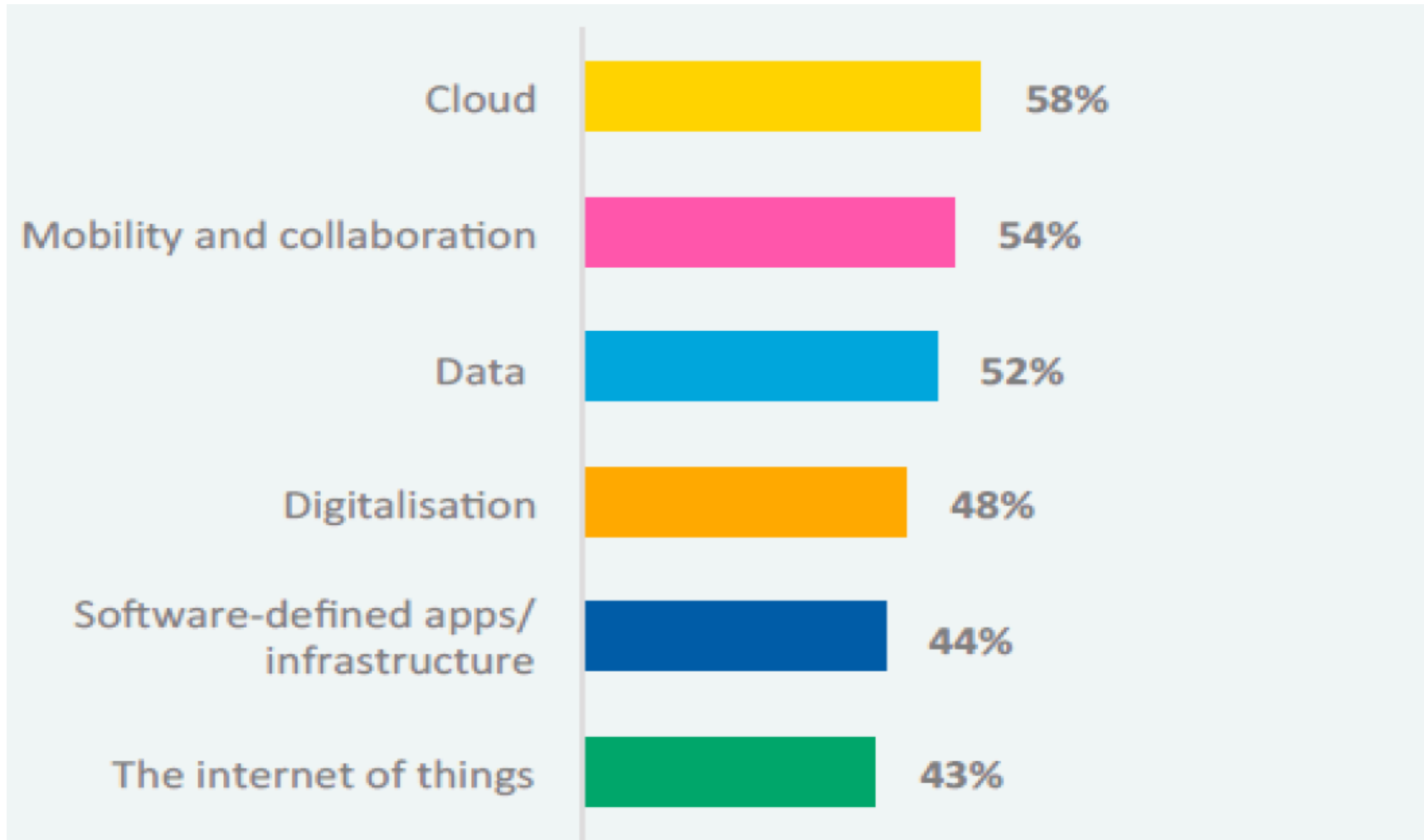
Without change there is no innovation, creativity or incentive for improvement. Those who initiate change will have a better opportunity to manage the change that is inevitable. **William Pollard**



Source: IATA

# INNOVATION – WHAT’S HAPPENING IN THE INDUSTRY?

Lack of technology and adaption is causing “disruption” in the industry



Source: Future Candy

# DIGITAL TORNADO

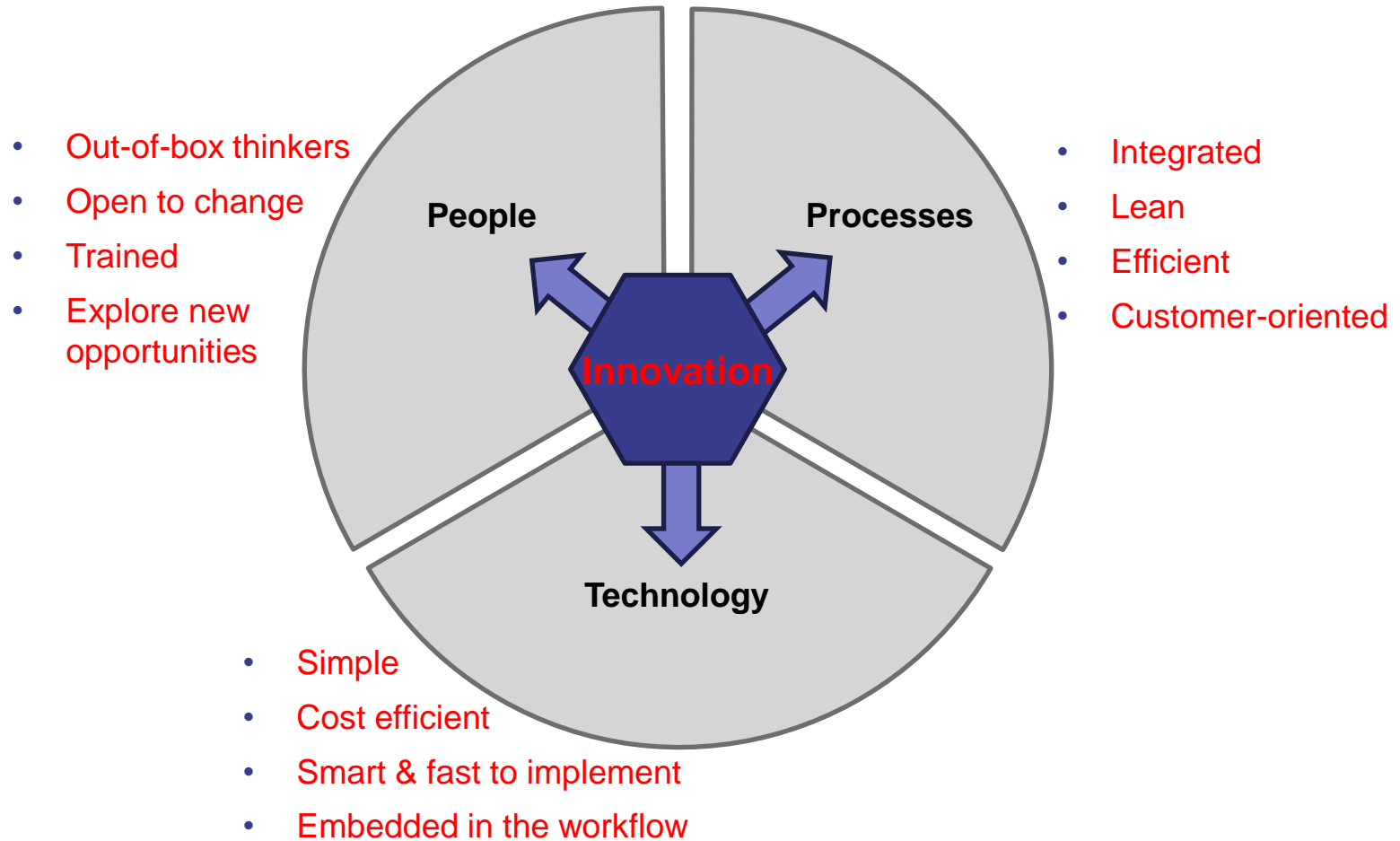
**Collaboration and innovation required to avoid the “Digital Tornado” which is knocking on the door**



Source: Future Candy

# WHAT 'S NEEDED FOR "INNOVATION"?

Several aspects need to be addressed, integrated to lead and manage change



# INNOVATION AT PANALPINA

**Innovation = Creativity + Delivery**



## Major pitfalls: what books are telling us...

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- Innovation is seen as a one-time effort
- Innovation is delegated to a dedicated department, detached from the rest of the organization
- Innovation process perceived as cumbersome bureaucracy and creativity killer
- Innovation process misses stage gates with transparent evaluation criteria; gut-feeling decisions only



## Our interpretation: 5 principles for innovation management

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1. Link innovation to strategy
2. Embed innovation responsibility in the organization
3. Use pragmatic approach, no over-engineering
4. Create incentives for employees to engage
5. Communicate and promote regularly both internally and externally

# INNOVATION – THE DILEMMA AND CHALLENGES

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To reach to the next level, basics need to be in place, also to meet customer expectations - **First walk, then run**

- Innovation versus ‘getting the basics right’
- Automation & Visibility – Cargo iQ, e-freight, eAWB’s
- Quality – Station capabilities, Lane categorization
- Better forecasts
- Need for cost efficient solutions through technology
- Collaboration e.g. Ericsson



## AIR FREIGHT INNOVATION – SUMMARY

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**A “collaborative” approach with industry & regulatory bodies as well as customers is required to deal with “disruption” and to be “innovative”**

- Standardization
- Quality
- Automation & visibility via Technology
- People
- Collaboration
- Innovation !!!

## THANK YOU

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