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# Flowing southward: An interview with DHL's Roger Crook

A global marketplace requires new approaches to coordinating and moving freight. The CEO of DHL Global Forwarding explains the challenges—and opportunities.

**The evolution** of a truly global marketplace has profoundly affected logistics companies. In this interview with McKinsey director Jürgen Laartz, the chief executive officer of DHL Global Forwarding, Roger Crook, explains the challenges of coordinating and moving freight on a worldwide scale—and the opportunities that presents. An edited transcript of Crook's remarks follows.

I think that trade is facilitating the movement not only of goods but, obviously, of information and also of people.

## **How trade flows are changing**

There's a shift from the Northern Hemisphere to the Southern Hemisphere, where you see trade lanes that have developed over the last few years between, for instance, China and Africa or between Asia and Latin America. These trade lanes are smaller than those from Asia to the US or Europe to the US today. But these trade lanes from Asia to Africa or Asia to Latin America are growing much faster—driven, obviously, by high growth in these countries or higher growth than the average and by the demand of those populations for new goods and services.

## **Challenges of being global**

The challenge with growth in flows, for example, from Asia to Africa really means having the right infrastructure in place. Infrastructure itself, within the country, often is not as developed as it is, maybe, in the more mature markets of the world. You also see that from an infrastructure point of view, moving information in these countries can also be a challenge, and then getting goods and trade across borders.

### Opportunities for smaller players

The multinational is in a prime position to take advantage of the shift much earlier than smaller companies, mainly because multinationals may have some infrastructure, or they may have an organizational structure that's capable of taking advantage of these changes quicker.

But I also think that the Internet is helping smaller companies to be able to operate globally and to be able to open up new markets. And that in itself is creating trade flows. Then, what I also see is that companies in the developing world itself are more adventurous. The world is a smaller place today than it was ten years ago.

It's not so unusual for people to get on a plane and go to another country and do business. And therefore the development of growth in countries and more disposable income have given companies and people the opportunity to take advantage of other parts of the world.

### Moving data, not just boxes

For every shipment that moves from country A to country B, you also have to move information. So you need to have the technology and the information capability connected to all countries in the world. But, also, that information creates big opportunities for big data and to really start to understand the customer better and to understand the buying nature of customers from different parts of the world and compare them across markets. □

**Roger Crook** is the chief executive officer of DHL Global Forwarding. This interview was conducted by **Jürgen Laartz**, a director in McKinsey's Berlin office.

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