

Interview

Margaret Featherstone, Director Sales & Commercial Business – DSV Air & Sea

Paul Zalai, Director FTA, speaks to Margaret Featherstone on DSV's recent acquisitions and the current trade environment

1. Paul Zalai – Margaret, can you step us through the evolution of DSV and its acquisition trail over the last two decades?

DSV was established in 1976 by 9 independent hauliers and by 1989 had acquired several Danish competitors. From 1997 onwards, we saw the acquisition of Samson Transport, DFDS Transport Group, Frans Maas, ABX Logistics and UTi Worldwide, with the most recent being the acquisition of Panalpina in 2019.

In addition to its acquisition trail, DSV has built business through a focused sales strategy. Swiftly growing into a leading top four global logistics company.

Locally – here in Australia, DSV began as Container & General Forwarding (C&GF) in 1981 and was purchased by JH Bachmann in 1997. This company was acquired by DFDS Transport in 2005 and two years later, became known as DSV Air & Sea. DSV Australia operates a very successful business under the DSV Air & Sea and DSV Solutions banner.

2. Paul Zalai - What have been some of the challenges in integrating a powerhouse the size of Panalpina and how have they been addressed in an Australian context?

As illustrated through our history, DSV has a long track record of successful Mergers and Acquisitions (M&A). Each M&A has provided us with some invaluable learnings – which has better prepared us for the next one.

DSV and Panalpina were similar in many ways therefore complementing each other. Rolling out new operating systems, IT solutions and relocation of facilities is always a challenge however the integration has been seamless for all involved. The key to any merger is communication and I think we have done this extremely well this time with our employees, customers and suppliers.

3. Paul Zalai - Trade has been adversely impacted at the start of this year with the coronavirus causing significant disruption to supply chains, how do you see the outlook for the rest of the year?

Due to the diversity of the DSV business, the impact of the Novel Coronavirus has not been as influential compared to our competitors. The outlook for the remainder of the year will pose its own challenges as there will be much catching up to be done, by manufacturers and logistics service providers.

Our China offices and operations are back up and running with the demand of shipping services expected to increase dramatically and exceed supply. This will also no doubt see a significant increase in air and sea freight costs.

4. Paul Zalai - What services do you offer customers across the region?

We offer full door to door supply chain solutions. This includes air and sea services, warehousing and distribution solutions, cross-docking, transport, vendor management, purchase order management, single point account management and customer service.

5. Paul Zalai - Do you have specialist areas of focus?

Whilst we service a full range of cargo / industries our specialist areas could be identified as project cargo, pharmaceutical, auto, retail, mining and consumer goods.

6. Paul Zalai - How do you manage to implement strategic partnerships with major exporters and importers?

DSV offers flexible solutions by working in conjunction with our customers to find beneficial solutions whilst ensuring implementation plans, and accounts are managed closely. Our aim is to build

relationships across all stakeholders and areas of the business from Directors to Operational staff.

7. Paul Zalai - What is your focus in terms of corporate responsibility activities?

As a significant, global player in the transport and logistics industry, our business activities have an impact on the world around us - DSV has several Corporate Social Responsibility (CSR) initiatives centred around: the environment, business ethics, people and suppliers.

Locally we have been working with the Red Cross providing international humanitarian aid; logistics services and financial support. We have also (where possible) retrofitted our buildings to more energy efficient lighting as well as sourced suppliers that share the same CSR values.

8. Paul Zalai - How do you plan to further expand market share in Australia?

We will be using our competitive advantage bought about by the Panalpina acquisition. Our sales strategy that has been rolled out across businesses in Australia is centred around, leveraging our newly acquired volumes and product offerings. It also involves expanding and developing our products across the region. And as always, we are investing in our people to make sure they remain highly skilled and dedicated to finding the best solutions for our customers.

9. Paul Zalai - What do you see as the main threats and opportunities of doing business in Australia?

Our main constraints are time and cost – which is attributed to our geographical location.

The current uncertainty in the China market can pose a threat to customers but at the same time it can create an opportunity as other origin countries for manufacturing may be looked at.

Opportunities also exist in the development of new products to penetrate evolving markets.

Recent bushfires, flooding and of course the Coronavirus outbreak, all influence industry, the economy and the cost of logistics in Australia.

Increased workload for Australian Border Force and Biosecurity officers with longer processing times is a challenge. However, DSV as a Trusted Trader works closely with customers to gain their accreditation which leads to numerous benefits and exemptions from customs and quarantine obligations.

