



The transport industry has come a long way since the days of barges and horse-drawn carts: or has it? Larry Woelk FCILT of George Henderson poses the big question.

# Dust and diesel, or how do we get better people into logistics?

Certainly things move faster in today's global economy, where suppliers, manufacturers, assemblers and consumers are often found on different continents. Logistics, or what we used to call transport, is often still considered an industry that's all about lorries and sheds and diesel and dust.

Over the past decade or so, as a result of global logistics, logistics consumers have made a lot of noise about competing with their supply chains. Put another way, it's not so much about the products they sell, but about getting them to the consumer faster than their competitors. Wal-Mart is certainly an example that sells the same products as its competitors but makes them available faster and more efficiently. Why doesn't everyone follow suit? Probably because it's easier to talk about competing in the supply chain than to do it.

To run a good supply chain, you need good people. Herein lies the rub. The logistics sector isn't known for the quality and calibre of its staff. Why not? There are a few actors that interact to get us where we are, or are not. First of all, in spite of all the noise made about competing in the supply chain, companies often do not put logistics on the same level as other divisions. This is a historic 'lorries and sheds' categorisation of logistics. When push comes to shove, logistics isn't considered as important as finance, sales, procurement or manufacturing. If you go through the Fortune 500 list, you'll find very few companies whose logistics executives are on the board of directors.

Secondly, we don't train very well as a sector. Take as an example export airfreight clerks on their first day on the job. How many know their INCOTERMs; the difference between a house airway bill and a master airway bill; the pivot weight of an A container; or hazardous material regulations? The answer is, not many. Getting your first job in transport and logistics, no matter what the sector, doesn't require any qualifications.

Lack of training or qualifications is one reason why logistics isn't considered a profession by many. But things are different in other countries. Germany is a good example and one that we often talk about. In Germany, in

secondary school, you actually take courses in logistics, not only general courses, but ones about the sector you are going to work in. You also do a two-year apprenticeship and more courses. Is it any wonder that *Spedition* or *transport* is a good word in German, not a 'dust and diesel' one as it is in English. If you happen into an airport operation at Frankfurt airport, everyone knows their INCOTERMs and you'll find a quiet, professional atmosphere, not the chaos and noise you find around Heathrow, where everyone learns their trade after they start.

The irony is that logistics is an exciting occupation. Things do have to get delivered. Trucks have to be organised, ports have to be fought with and flights booked to get goods where they're supposed to be when they're supposed to be there. The global nature of the supply chain means you are often dealing with people on the other side of the world. A global supply chain results in a lot of international communicating, if not international travel. It's like a permanent gap year. We need to get this message out to the young to get them into the sector. Then we need to train them.

Which brings me to my third reason why the calibre of logistics staff isn't what it should be: the recruitment process doesn't always work very well. In order for recruiting to work, the recruitment company not only has to understand exactly what the client needs, but also has to understand the client. An individual might be qualified for a particular position. But unless he or she is a fit with the company's culture and management style, it's not going to work out. Putting those two things together isn't easy. It takes a lot of industry knowledge and management experience.

Companies complain that their recruitment companies send them piles of CVs that aren't vetted and therefore are a waste of time. These same companies also like to pay between 8% and 10% for recruitment services. Industry knowledge, understanding the client and vetting CVs costs more than 8% to 10%. It can be statistically proven that the cost of a company hiring its own logistics staff, when all costs are considered, is more than using a recruitment company – even when they charge more than 10%.