

Learning from pirates?

Many companies have defined values for themselves. These are often prescribed from above or simply used for image purposes. CargoLine has a different approach: the network incorporates its employees in the discussion about values and the future strategic direction that is to be taken.



► Picture this: in the 18th century – after America has been colonised and in the “golden era” of piracy – you’re the captain of a pirate ship that has been running successfully for many years. Your men have always bagged big prey and been satisfied with their leader. But for some time now, more and more pirating gangs are roaming the Caribbean and South American coasts. Most of the ships that your crew meets have already been looted. Your men are gradually becoming discontented. On a recent shore leave, the first of them left the ship to join other pirate groups.

Thinking about values playfully

CargoLine’s Managing Director Jörn Peter Struck enjoys telling this story. The shareholders were asked at the beginning of the year to think about which values were a mark of successful cooperation and what was necessary for their implementation. As discussions about values can be very abstract, the shareholders chose the indirect route via the pirates to work out their own values behind their cooperation by means of this concrete example. Even though piracy is condemned on a global scale, and transport and logistics obviously don’t follow the same rules.

Thinking about values playfully in this vein unlocks people’s imagination and creativity. “Even if the values of 18th century pirates can’t be transferred to modern logistics companies, this diversion was very inspiring”, says Struck. Over 100 concepts were gathered, applied to CargoLine and pinpointed step by step. Five central values emerged that are relevant throughout CargoLine and its partner companies:

- Partnership
- Responsibility
- Performance
- Reliability
- Innovation

A value(s) transporter on the road

These five umbrella terms only serve as first points of reference. Neither the cooperation headquarters nor the shareholders have defined or filled them with a specific meaning. What’s more important is to talk about the keywords in the partner companies and bring in suggestions from as many employees as possible. On postcards, they are asked to answer three questions about each of the values: How important is it? What does it mean for CargoLine? What still needs to be done for it? On an additional card, staff members have the chance to write down their own personal values and to answer the same questions for them as for the others. On the basis of these answers, the values are then given an exact description.

A value(s) transporter is made available to transfer the completed cards to a model lorry that is “driven” from site to site and placed in a prominent position.

CargoLine Managing Director Jörn Peter Struck and the shareholders are convinced that “real” company values can only be developed by involving as many employees as possible. “Only if everyone thinks about our values and identifies with them, can we together integrate these values in our daily work life and give them a credible voice.” For him and the shareholders, credibility is an important cue, as company values are only useful if they comply with reality and the daily routine at work. “This is why we need to question where we’re at with respect to individual values and what we need to be doing to achieve them.”

In that, CargoLine is one step ahead of most other companies, as a fairly recent study by Kienbaum Consultants shows: Involving

the staff in the process of developing values is far from the ordinary. While it is true that many company managers have realised the ever-growing significance of values for a company’s economic success and have therefore firmly integrated them into the company’s mission statement, those same values are hardly moored in the companies. As the survey found out, close to one-third of those interviewed rate the implementation of the defined values as good, 48 per cent deems the implementation partly successful, and 19 per cent diagnoses real weaknesses. The survey furthermore shows that there is hardly any specific inventory-taking of a company’s culture. What’s more, those few findings are hardly ever used to define and implement measures for improvement. ►





Brisk participation in the definition of CargoLine's values, e.g. at Interfracht ...

It is all the more important for Struck and the shareholders that it is the employees themselves who give the still somewhat general values an individual and distinctive note in further discussions in the network of medium-sized companies. "So that all employees can identify with them and live by them and, above all, want to live by them."

Company values and strategic aims

"Each company has values which guide its work – whether it wants to or not, whether they are lived for consciously or subliminally", says Struck. Those who live consciously for their values can use them in a goal-oriented way to stand out against the competition when it comes to battling for the best minds. Companies are only successful in the long run if they pursue their common values on a long-term scale, use them for their strategic aims and commercial successes, and make them a benchmark for their joint efforts.

This is why along with a discussion of the values, the cooperation is also realigning itself strategically. Since the last strategy evaluation about six years ago, the sector, the market environment as well as customer

requirements have inherently changed. Net security and net stability, optimum inclusion of European partners, expansion of contract logistics and sustainability have been stated as new objectives on this basis,



... and Balter Logistics.

amongst others. A new corporate culture with values that have been jointly developed and are actually "lived" is a natural component of the strategic reorientation.

"We can only implement these objectives if employees on all levels identify with them and act accordingly", says Struck. The open and critical discussion about CargoLine's values and how they can be put into practice is expected to make a significant contribution towards this end. "Ultimately, our customers will also benefit from the cooperation conveying a homogenous and consistent picture, and they can assess us in terms of our values."

In the next edition of CargoTime, we'll present to you the results of the value(s) transporter tour – something to look forward to! ◀

* Kienbaum, Company Culture 2009/2010: Role and significance. February 2010

Logistics made personal

Cargoline's partner Englmayer in Wels (Austria) already set out values for its own company several years ago. Gerald Ematinger, Member of the Management Board, explains what they are about and how they are implemented.

► **Mr Ematinger, a few years ago, Englmayer laid out its own values. What are they?**

Under the heading "Logistics made personal", we developed values such as "customer-oriented thinking and acting", "striving for quality", "reliability", "commitment", "sustainability" and "profitability".

Which objectives are you looking to follow with them?

The services we offer in European ground transport are becoming more and more alike with regard to daily departures, transit times and costs. It was clear that we were able to set ourselves apart from the competition with the advantages that the middle market provides, such as customer proximity. Our values are meant to bring these advantages home to the customer.

How do you make sure that the values are applied in everyday working life?

All of our new employees are made familiar with our core values. We also put them across at the Englmayer College, at regular training events and in further education classes. Moreover, each customer complaint is examined in view of our values and of course assessed by all parties involved. Customer surveys are another instrument to check whether our values are being put into practice.

Why does CargoLine require a separate set of values?

Its 70 partners in Germany and Europe together carry responsibility for implementing customer requirements. We all have to account for the fact that it's not just about our own customers, but about performance, quality and responsibility for CargoLine as a whole. This is why we need to convey a collective image. To do so, we require common values.

What's your personal take on generic terms like "partnership" and "reliability"?

Reliability builds customer confidence. Out of this, long-term partnerships emerge. It's only through partnerships that we can develop and be successful together in Europe.

What does CargoLine still need to be doing to comply with the values?

The most important step was taken when the values were formulated. Now we need to make sure that they melt into the broader discussion and lead to consequences in everyday working life further down the line. ◀

►► **Our values are meant to bring our advantages home to the customer** ◀◀



Is convinced the discussion of values in companies is worth it: Gerald Ematinger, Member of the Management Board of G. Englmayer Spedition GmbH.