

DB Schenker targets Damco customers: "Shippers don't need more uncertainty"

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DB Schenker has put aside business niceties and is openly targeting Damco customers, following Maersk's decision to subsume the brand.

On Friday, the German forwarder offered a "stability package" against uncertainty in ocean cargo for Damco customers.

The package includes an offer to take over short-term agreements of up to two months, with the same conditions customers had with Damco.

"Stable conditions promise stable supply chains: that is what DB Schenker stands for," said Thorsten Meincke, board member for air and ocean freight at DB Schenker.

"The last thing shippers need at present is further uncertainty. We are making an offer to all those now looking for long-term security and reliability."

And Schenker has pledged to provide prioritised quotes at short notice for Damco customers.

Losing customers to rivals is one of the biggest risks of major structural changes, but companies rarely advertise their willingness to poach customers. One forwarder said the move could come back to bite DB Schenker.

"I'd do it, if I had the muscles to flex that DB Schenker has. But it's interesting that it is selling a negative against a competitor like Damco – because, with full Maersk integration, Damco is now turning into The Hulk.

"If Maersk reacts and targets Schenker's customers, it could be a proper world heavyweight fracas. Bring it on. It will be interesting to be a spectator."

Meanwhile, more details have emerged of Maersk's new strategy: it has <u>created a role</u> of "global head of LCL and air", which are not ordinarily combined.

But one forwarder said the roles had much in common: "LCL freight is despatched weekly and air freight is daily, potentially. FCLs are built up over a couple of weeks. So LCL and air freight are for urgent, quick turnaround products or critical stock. So the

two are linked.

"However, most companies don't structure it like that, and handle air and ocean separately.

"Maersk Logistics is also keeping its air and LCL functions separate from the FCL business, which Maersk wants to squeeze through the shipping line side. Payments, functions and tracking will be through the shipping line and everything else will go to Maersk Logistics, I am guessing."

But some in the market have expressed concern that an integrated Maersk would no longer be a 'neutral' company, which can be a "risky strategy", said one source.

He said Maersk was setting up "Chinese walls" between Maersk Line and Maersk Logistics staff, who are unable to discuss specific accounts.

"They are very conscious of competition law restrictions," he added. "Maersk is essentially saying that customers get two contacts and specialist areas, but via one system, technology.

"But the world isn't ready for it yet – that isn't how freight management and provision works, as every client has individuals that have different perspectives, requirements, and approaches – although ultimately it is all the same – but without differentiation.

"Who needs a shipping/logistics/supply chain manager running their movement of goods?

"Decision-makers protect their own positions globally in every business – and logistics is seen as a dark art."

(The LoadStar)