INNOVATION IN THE TRANSPORTATION INDUSTRY

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May 2010

"Innovation remains the bedrock upon which the future of the transportation industry will be built"

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With economies and markets around the world becoming more interconnected, the volatile environment in which transportation businesses operate requires flexibility and constant adaptation. The needs of customers are becoming more complex, and precision in service delivery is becoming more critical.

Innovation in the transportation industry centers mainly on speed, efficiency, features and information.

Take the intermodal or shipping container, for example. The introduction of these standardised containers not only allowed for better and safer packing of goods for transport, it also allowed for vast improvements in port and airport handling efficiency, speeding up loading and unloading times. Extended over time, this in turn led to lowered costs of handling, helping to lower freight charges and ultimately boosting trade flow.

Another innovation example is the hub-and-spoke system which brought many similar benefits. The system routes all traffic through a network of spokes, connected by a central hub. This bundling of shipping volumes was a more efficient use of transportation resources compared to previous systems. The economies of scale realised through the use of the hub-and-spoke system definitely enhanced the efficiency of the transport industry, and the cost savings again helped to encourage trade flow.

Numerous innovations, such as the barcode allowing the track-and-trace to enhance the transparency of merchandise's movement, the variety of delivery options, or the specialisation through the emergence of express parcel products, make up the current state-of-the-art in the industry. Therefore continuous innovation is vital in the transport industry.

An innovative model that can meet these challenges and cope with the demands of the modern world is a network based around collaboration. This is a network where the assets are not owned by one company but instead belong to multiple owners. Collaboration allows large and medium-size or even small companies to operate and expand beyond their own borders and means, and results in a network that can rapidly adapt to changing demand.

GeoPost Intercontinental, a subsidiary of GeoPost, the express parcel arm of French Groupe La Poste, offers domestic and international parcel transportation services through access to leading domestic operators within its worldwide multi-stakeholder collaborative network DPD. GeoPost Intercontinental considers the global network and expansion model as an innovation in its own rights. The idea of the strategy that lies behind the collaborative model is the combination of the mammoth resources of a multi-billion dollar enterprise with the entrepreneurial spirit and dynamism of local and regional champions all around the world.

While collaboration may seem complex, successful collaborations are built around a common set of values and shared ambitions of the partners involved. Over time, a focus on joint prosperity and continuous mutual benefits helps to align the partners, and leaves room for innovation at all levels.

In the future, innovations in the transportation industry may mostly be needed and occur in the area of home deliveries as the consequence of the explosion of e-commerce, urban distribution to overcome congestion not only in the world's mega-centers and low carbon movements.

Organisations have to continuously challenge their view of the reality based on past experience and enhance these with alternative pictures of possible futures. Applying scenario techniques allows companies like GeoPost Intercontinental to take strategic decisions in respect to the future, including decisions about the areas where innovations should be sought and pushed most.

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