

Interview with Ken Leith – Creative solutions need persistence

Intro: At Kuehne+Nagel we believe our people, their passion, their resourcefulness are what sets us apart and make the difference in the lives of colleagues, customers and the society where we live and work.

In this podcast we share some of the stories that move us and invite you to discover the world of logistics through the voices of the people and customers of Kuehne+Nagel. Find us in our stories and help us write new ones.

Jan:
00:00:31 In 2021, our customer, a global biotechnology company, was facing real problems in getting their high value finished goods out of the port of Jacksonville, in Florida and up to their facility in Louisville, Kentucky. We talked to Ken Leith, Director of Key Account Development Healthcare, about the creative solution he and his team developed and what it took to get it over the line. Hi, Ken. Great to talk with you. What was the situation facing our customer and why?

Ken:
00:01:00 Hi Jan, great to be here. The primary situation that my customer was facing for the last year was a shortage of team drivers to handle their high value reefer containers upon arrival at the Jacksonville, Florida, port. The team driver concept is always to have two drivers in the cab, which eliminates the need for layovers and overnight stops. These are high value commercial shipments with values exceeding \$10 million per container. In addition to the high value of these shipments, they needed to be maintained at a temperature range of plus two to plus eight Celsius. The team driver mandate was put in place by the client for about 20 years and has been applied to any commercial shipment traveling over 200 miles. In the early part of 2021 there were approximately 60,000 less drivers in the US market than in the same time period for the prior year and our client was already starting to feel the pain of these market challenges. Obviously we knew that their current model was unsustainable long term.

Jan:
00:02:01 Right. So tell us about the solution you came up with.

Ken:
00:02:04 The team driver mandate was originally developed by both the security and quality teams within their organization. Again, going back almost 20 years, our solution was to change the mindset with the client, to accept single drivers. To handle these moves we needed to ensure that the solution we developed addressed specific areas of security and quality to ensure success. The solution we developed used a combination of enhanced technology and dedicated human resources. The technology solution we presented was an enhanced temperature monitoring device that we're currently using with our third party supplier. However, this new technology had geofencing enabled software that would give us a real time visibility to the actual location of each container while in transit from the port of Jacksonville, Florida, to the client's distribution center in Louisville, Kentucky. The other part of the solution was having someone monitor these containers in 30 minute intervals. For this part of the solution, we actually outsourced this to the technology company that supplied us with the devices and they incorporated this enhanced monitoring into their command and control center. We also created a dedicated route map with predefined rest stops that the driver could use. Both the route map and predefined rest stops were all vetted by Kuehne+Nagel security prior to submission to the client.

Jan:
00:03:25 Okay, great. And so what were the hurdles you faced throughout the project and how did you overcome them?

Ken:
00:03:32 The biggest hurdle that we faced was literally changing their mindset. Again, this is something that they've had in place for the last 20 years. Both their security and quality teams have very strict parameters on how these high value commercial orders are handled. We were able to overcome these objections with executive level sponsorship and support from both sides. Their

upper management clearly saw the need for change due to the dramatic changes seen in the market. They knew that their old way of doing business was not sustainable.

Jan: And how did it feel when the customer agreed to run the pilot?

00:04:04

Ken: It felt great, like we almost set them free from the pain and frustration they've been dealing with over the past few years. The first shipments we handled during the pilot phase went flawlessly. It was a great team win on both sides.

Jan: So could this solution be applied to other customers or even other industries?

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Ken: Absolutely. This is a true plug and play solution that could be adapted to other customers and industries. We've developed a business case model that can be used for other clients very easily.

Jan: And what would you say is your biggest learning from this project?

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Ken: I would say the biggest learning I gained from this project was a change in mindset from my side. I truly looked at this as if I were a consultant for the client, someone they would hire off the street to solve a problem within their organization. Being able to address the problem, create the solution and to implement it was very rewarding, not just for myself but for both sides. I look forward to using the same methodology to address other challenges my clients are facing.

Jan: Great. Thanks for talking with us, Ken. It's been a fascinating insight into what it takes to get innovative solutions over the line in our industry.

00:05:09

Ken: Thanks, Jan. It was a pleasure sharing the story with you and your listeners. Have a great day.

00:05:16



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