

IN 1976, A BARELY NOTICEABLE DEAL OCCURRED in Denmark: A gravel hauler for construction sites acquired another trucking business and formed a new company, De Sammensluttede Vognmænd (in English, “The United Truckers” is the usual translation). That was the humble beginning of what is now DSV, the third-largest freight forwarder and logistics company in the world.

“When they started, they were very poor,” says Jens Lund, the CEO of today’s DSV, a company with over 70,000 employees. But in 1976, that number was 10. “They worked really hard and were very competitive because it meant something real to them—it was a matter of whether or not they were going to have food on the table.

“They told Lief Tullberg, you’ve got the loudest voice, so you stay in the office and answer the phone when it rings,” Lund says. Tullberg became the de facto first president of new business and he and his successors began to push the company into other areas, including freight forwarding, the business of handling the shipping of goods for customers via



JENS LUND, the CEO of DSV, the third-largest freight forwarder company in the world, makes the case for transparency as the best instrument for productivity. By **SEBASTIAN URTHALER** and **CARLTON WILKINSON**.

From the GROUND

any means—trucks, rails, planes or ships—which quickly grew to become the company’s focus.

That early emphasis on productivity, the hard day-to-day work to bring in profit, is something that is still of keen importance to the culture at DSV—and to its current CEO. DSV continued to grow, organically and through acquisitions, and Lund, an investment banker at the time, worked with the company in 2000 to help on a deal that dramatically increased its size.

“At that point, DSV was more like many small entrepreneurial companies, not very well organized,” Lund says. “When you want to scale, you have to have your company organized. So they hired me to do the integration.”

Lund recalls that time as “quite a tough period.” Many difficult decisions were required. But the result was a central infrastructure, directly tied to the needs of the customer and the employees on the ground, that could serve as a platform for growth.

“The most important thing you need is good people,” he says. “We have good people. And then you need to give them transparency into all the relevant





information across the organization, so they feel empowered and make the right decisions.”

Lund and his wife, a professional nurse, have three grown children. Each morning after an early workout, he commutes 30 minutes, taking calls in his car or listening to podcasts (“there are so many good ones out there,” he says).

We spoke with Lund about his management style, the company’s growth strategy and the role of investing in infrastructure and technology.

DSV has grown primarily through acquisitions. I’m assuming integration, your initial focus with the business, is still of critical importance. Can you tell us about your approach?

Transparency is key. If you have good people, you need to give them transparency. This is actually what sets them free. With that, they can be entrepreneurial and there is more accountability. We believe that our staff will all make the right decisions if they have the right information.

For example, with some companies we have acquired, we saw that they didn’t have the right cost models or allocation models. When their employees went out and sold their product, they may have sold at the wrong price because they didn’t accurately know their cost base. The first responsibility of us in management is to give our employees the necessary information and infrastructure to make the right decisions.

We are a transactional business—we move cargo one shipment at a time, so many shipments per person per day. Those people on the front lines need transparency to have the highest productivity. People need to know what they are doing, why they are doing it and have the right tools. And they need to know we’re working hard on their behalf.

A consolidated infrastructure is key for creating transparency and is often underestimated. For us, investments in infrastructure are a structural priority and we see that this strategy really works. We have invested in both physical and technical infrastructure for 20-plus years and with every acquisition we’ve made, our first priority has always been to consolidate infrastructure. That disciplined approach is very uncommon in our industry and gives us a competitive advantage.

Does that resonate with employees?

We are above-benchmark on employee satisfaction—because we delegate a lot of power. People feel that they have their own little franchise. They feel very much empowered and they know they have

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a very important role in the goals of the company. And they know what we’re doing in management, that we’re working as hard as they are.

How would you describe your leadership approach and what does that mean for DSV now that you’re the CEO?

I’m a purpose guy. For me the objective is, when I retire, I want to leave a company that is in a very good state, very fit, so that it can continue that journey. This is my purpose.

So we have to develop certain things so that they work really well. We need to address the market in a way that is relevant for the customers, and where we have high productivity.

The objective is that we continue to take market share and grow the company. That’s the proof that your value proposition is relevant in the market. It’s not necessarily whether we are number one in the market or not, but that the company has a safe and strong path forward. Our colleagues and all our other stakeholders have to know that they can rely on us in the long run.

Hopefully, I will also be able to develop a successor who can then take over and hit the ground running—and preferably somebody from the inside the company. We have succession on other jobs as well; we want to give good jobs to the people that are inside the company, it’s a very important part of our culture and our values.

Have there been any big lessons in your time with DSV?

The most important lesson is that if there is a problem or if there are issues, we get them on the table.

Is that an insight that dawned on you at some point? Or was it always there?

It’s something that was in the company from the beginning, when there were just those 10 truckers.

I write a weekly report of three or four pages, for instance. I’ve always done that. All the difficult news goes in there. Then, of course, also all the good news and all that also has to be in there. But first priority is the difficult news.

On a personal level, this approach has always helped me and made me feel better about doing my job. When you own the problems that come up and work to try to solve them, you maintain control. And that translates into new possibilities for the business.

Let me give you an example: When I came into this business, there were two people doing insurance. It was not a significant business for DSV and



there were also some challenges in the way it was organized—there was a lot of complaining about it internally.

So when I took over that unit, we went in together with the team, openly put the issues on the table, got all the policies straightened out, and got the way we handle it straightened out, so that people paid the right amount for the insurance and there was clarity and a straight line to follow. It sounds simple, but it's rather complex if it's a big company.

The effect was like turning off the radio. Suddenly there was no noise, full control, everything worked, and everybody was happy about it.

We built that out and started selling insurance to people who buy freight. And then we took it further and set up our own insurance company, DSV Insurance. Today it's the largest seller of freight insurance in Northern Europe. It generates between 400 million and 500 million DKK (\$71.8 million) for DSV.

This is what I mean about the power of transparency. If there's bad news, you want to own it. You don't want to get undermined by suppressed information. For long, everybody wanted to duck the insurance problems. But once we owned it, the path to a solution got much clearer and we managed to turn it around.

A DSV hub in Lancaster, PA. The company has operations all over the world and has made recent acquisitions to build out its presence in the US Midwestern region.

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Sometimes you do that and it doesn't work out. But then it's like sports: Doesn't matter if you win or lose—if you gave it your all, it's a good feeling.

DSV talks about “keeping supply chains open as the world is constantly changing.” What does that mean to you, and what’s the role you see for DSV in that realm?

We've talked about the world changing—but really, I don't think we need to say that anymore. The world is chaos. I don't think we need to remind people of that. They know that the world is very unpredictable.

We help keep other companies running. Our services—we keep the cargo flowing—help keep the economy and society flowing. I think we saw clearly during COVID how important a part of the infrastructure we are, how much it means for society that we keep the supply chains open. People can get food on the table or the PPE equipment to the hospitals—it can be hundred different things.

During COVID, in order to make sure these things got done, shipments got to their recipients, many of our people slept in the office. They were there 24/7.

You'll remember, some things were very complicated, getting things out of China for instance, was very difficult. And then to have that arranged so that when they then landed in the middle of the night, the trucks would be ready to drive it immediately to the hospital, or whatever it was. Nobody had to ask our employees to do that, to put in the extra hours and effort to make all that happen. They just did it.

It was not only us. Many in the industry did it like this. That's when you understand that what you are doing really means something. It means something whether there's a crisis or not, but in a crisis you're more aware of it.

Where do you see the business headed in the next couple decades?

I would hope that we would have a very integrated offering to our customers, that would enable them to be successful.

Of course, that journey requires a ton of investments, both, you know, in the physical infrastructure, but also in the IT infrastructure, and also in the competencies in our people, so we stay relevant.

That is the thing, at the end of the day: You have to stay relevant. If we do the things that are necessary to achieve that, then I think we will have definitely earned a very prominent position within our industry. ♦