



Britannia Dynamic Logistics: Developing an Emotionally Intelligent Business - A Case Study

Item Type	Case Study
UoW Affiliated Authors	Murray, Pamela
Full Citation	Murray, Pamela (2023) Britannia Dynamic Logistics: Developing an Emotionally Intelligent Business - A Case Study. University of Worcester for the Participant Centred Learning in Management Education Research Group, University of Worcester.
Journal/Publisher	University of Worcester for the Participant Centred Learning in Management Education Research Group
Rights/Publisher Set Statement	Copyright © University of Worcester, 2023. No part of this publication may be copied, stored, transmitted, reproduced or distributed in any form or medium whatsoever without the permission of the copyright owner. Please address all correspondence to p.murray@worc.ac.uk .

For more information, please contact wrapteam@worc.ac.uk



ParCeL – Participant Centred Learning in Management Education
Research Group

Britannia Dynamic Logistics Developing an emotionally intelligent business

A Case Study

Dr Pamela F Murray

Worcester Business School, Castle Street Worcester, UK, WR1 3AS

T: 01905 54 2213 E: p.murray@worc.ac.uk

Dr Pamela F Murray wrote this case study as a part of the British Council Connect4Innovation Project. The case was developed using primary interview data and secondary data sources, to provide material for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

Copyright © University of Worcester, 2023. No part of this publication may be copied, stored, transmitted, reproduced or distributed in any form or medium whatsoever without the permission of the copyright owner. Please address all correspondence to p.murray@worc.ac.uk.



ORTA DOĞU TEKNİK ÜNİVERSİTESİ
MIDDLE EAST TECHNICAL UNIVERSITY



University
of Worcester

With the unforeseen onset of the Covid 19 pandemic, a UK nation-wide lockdown was experienced twice. Enforced change brought with it the opportunity to rethink logistics. Nigel Piercy, already semi-retired, had an idea to do things differently given the pervasive and imposed furlough period.

Long-term colleagues and friends Graham Storry, Phil Schiaffino and Ian Johnson joined Piercy to form a new logistics company Britannia Dynamic Logistics [BDL]. Each founding partner gave 3k respectively. This financial investment was coupled with a sound background in efficacious business strategies. The rationale was to optimise the core groups substantial industry know-how and considerable networks. All partners were prepared to dedicate what was needed to make the venture successful.

At the initial board meeting at a local golf club discussions entailed envisaged roles. Storry and Piercy proffered a notional two-year interest in the business providing back-office accounting, administration, implementation, and an operational function for international non-European road/air consignments. Schiaffino's input was to be mainly operational drawing from extensive customer and supplier contacts. Johnson planned on an initial speculative contribution to be revisited given his extant business commitments. An explicit agreement on a time-phased review of this arrangement was forged which all were glad to have in place. Later Johnson's resignation from the directorate came to pass after his reviewing life and professional goals. This change was amicable and orderly where BDL held the 25% share in the company and wished their outgoing founding colleague well on his departure.

From a 'beer mat business plan', this group of experienced logistics specialists boasted a combined total of more than 150 years of professional experience in the sector. The vision to create BDL was proposed to stage logistical services tailored to meet the unique needs of its clientele.¹ BDL was formed and registered at Companies House with each director holding a 25% share and investment.

The explicit valuing of implicit trust between its directors was integral to BDL's actions. This mandate was held to account in its company context. With a genuinely lived awareness of the human dynamic in a process-focused industry, BDL endeavoured to uphold its mantra voiced by Piercy - "*you are only as good as your staff*".

A thoughtful mindfulness of a person-centric orientation in good business relationships had been a prevailing value throughout Piercy's professional accomplishments:

"You need to treat people properly- and all people- colleagues, the supplier, the customer- we use an organic human approach and try to recognise people's overlapping and differing drivers for getting onboard."

¹ See <https://www.bdl-groupservices.com>

The directorate shared their motivations and aspirations. Respective skill competencies to be contributed were judiciously demarcated and incorporated into the planning for the business. With layers of rich industry acumen, the company directorate made for a powerful business force ready to make its mark in the logistics sector. From transportation and warehousing to supply chain management and consulting, BDL came to being, dedicated to delivering efficient and cost-wary solutions. Within two years the company was thriving, but when it was time for Piercy and Storry to hand over the reins in readiness for retirement, unwelcome uncertainty neared. Given the centrality of their experiential mastery in the business, questions on how to navigate their departure arose. In seeking to continue the cohesive ethos and character of the company alongside its complementary logistical specialism, advantages of emotionally intelligent practices realised at the heart of a process-based logistics industry were acknowledged.

Background:

As an 18-year-old Piercy was drawn to industrial logistics services. Interested in the movement and transportation of components and goods to where they needed to be Piercy ambitiously aimed to advance his skill repertoire and make for a challenging career.

As a young businessman Piercy flourished in the working environment. He was sufficiently confident to be cognisant of his personal attributes and suitably humble to heed lessons from others to address perceived shortfalls. Such attributes were accompanied by a curious mindset and enthusiastic disposition, giving plenty of energy to fuel the twists and turns of exploring the logistics profession. Through shadowing peers in the workplace, volunteering for jobs, receiving mentoring from experienced colleagues, and proactively trialling approaches, Piercy gradually learned about the business context.

Piercy made the most of the establishment phase in his career taking stock of a logistics portfolio compatible with his wish to optimise his potential. Mid-vocation Piercy sought opportunities for increased responsibility. This involved a step change with the supervision and management of work teams. Developing others within the company made for a distinctive dimension to Piercy's work pursuits which he relished. Reflecting: - *"You can't manage people you don't know, and you can't manage your friends"*, Piercy revealed a discerning awareness of the people dimension in a small company.

Company creation:

BDL was a company geared up for handling the logistics for any business involved in international trade with *raison d'être* 'to provide a reliable service for an honest price'. A flexible, budget-conscious service based on a sensible and realistic approach to pricing ensued. BDL offered multi-modal transport solutions along with a 'cherry picked' team of international freight forwarding experts. By having the right systems in the designated place, BDLs service ensured precision, cost-effective transport solutions.

Through the highly valued accumulative capability of the core directorate, BDL worked with partner customers to produce a honed attentive core logistics service and a range of corresponding functions via centrally located warehousing, within the UK. Additionally, third party logistics (3PL) was operationalised, enhanced by latest stock management, and tracking technology. As a 3PL provider, BDL's long term commitment to outsourcing a range of distribution services to third-party logistics businesses was determined.

Where technical capability made for essential estimation of the customer base, BDL proactively sought to align this with environmental sustainability and social responsibility. Assigned to an environmental protection programme to minimise detrimental planet impact,² BDL prided itself on having high quality people and processes to guarantee each shipment received dutiful attention on its tracked transportation journey.

Capability for adaptation:

With a steadfast logistics service, paramount to industries driven by speed, timing, and reliability criteria, BDL took root in the logistics sector. The intrateam unity across its directorate also made its mark. Distributed wisdom surfaced, and healthy continuity rituals and routines were nurtured.

The business plan was to work logistics out for customers at a reasonable price by accurately profiling their supplies and identifying where they needed to go. BDL offered a comprehensive range of logistics services tailored to meet the unique needs of its clientele [<https://www.bdl-groupservices.com/>]. The automotive industry was representative of 65-70% of BDL's early business activities, where an exemplary 'tuning in' to the caring transportation of parts for Jaguar Land Rover, Morgan, and Bentley Cars, set the operational calibre.

In consideration of growth and risk, BDL's envisaged activity for the first Financial Year (FY) was €740,000. This turned out to be €1,600,000. The second year was €4,400,000 and a significant increase was recorded in the subsequent FY. No bank borrowings were taken, no additional investment from the director-shareholders was required. Piercy attributed this to financial prudence and, the company's benefiting from the well-managed relationships with suppliers and customers. BDL grew in number and surety by taking on an operations team member dedicated to underpinning the business growth. This was followed by an appointee with portfolio to generate an ergonomic interface between bookings and accounts to optimize the company's IT function. Such activities were indicative of BDL's matching its internal capability with its external performance requirements.

In a vertical market, which encompassed a group of companies and customers interconnected by a specific niche, BDL devoted time to pursue a comprehensive appraisal

² See environmental protection programme <https://www.dynamic-freight-shipping.co.uk/about-our-work/environmental-policy/>

of the specialized logistical needs. Where vertical markets typically followed business standards, BDL strove for sustainable, strategic relationships in the governance and legislation of its core business. Efficacy in BDL was headlined via membership to the British International Freight Association, BIFA. This provided industry know-how through institutional guidance, representation of, and training for members and international traders. With industry-led instruction on air cargo security, import/export customs and international trade procedures, BIFA affiliation stipulated an independent robustness to complete the experiential wisdom embodied by BDL. The BIFA standards for trading also attracted industry players and client groups to BDL when considering selecting system solutions for their freight.

For BDL, a global voice of freight logistics was attained through membership with the International Federation of Freight Forwarders Association, FIATA, a body which provided vital links, productive networking, and due diligence parameters for the sector. Acting in the role of freight broker, BDL facilitated the identification and organisation of carriers for goods. The responsibility for facilitating the delivery of goods to their destination, with client-focused updates on the status of the shipment, demonstrated belief in BDL's activities. BDL wanted to simplify the complex logistics with 'stripped down' transparency of sequences involved from 'start to finish' such as needed for the transport of goods from laptops to cars. *"We operated using knowledge of the logistical context combined with the benefits of a human dynamic to help get the best out of all involved. By interrogating the process, we were able to streamline our processes and limit our attrition"*, said Piercy.

The strategy shown to work with the automotive industry was 'just in time'. This clarity in approach worked for the BDL group as entrepreneurs in business, noted Piercy, where each member was *"guided by the established business systematic processes, influenced by experience-based judgements and decision making"*. The difference between the price and the cost is what BDL aimed for. Where most of the primary business was undertaken by road transportation, the business proliferated to air and sea freight.

Resolution:

For BDL the move to a leaner process was based on a clear understanding of the suppliers and client contexts and requirements. BDL's seasoned 'corporate gut' gave a felt sense of what was important, realistic, and ethical for all parties. This made for viable competitive pricing strategy which accounted for inherent processes undertaken in the realisation of effectual logistics. BDL's operational emphasis was customer relationships. Consequently, a matching fit between the client base and the established logistical framework based on the client criteria, was moulded.

"Our business has a lot of cowboys in it" acknowledged Piercy and to that end, *"we all appreciate how important our being open and honest is for all concerned. Our trust is built on lots of variables which we uphold across our business relationships. Our prestige is being reliable and that is our reputation"*. BDL's customer orientation comprised formal service delivery and engagement in informal courtesies such as by enjoying social catchups and

gatherings. Appreciating “*flexibility goes two ways*”, Piercy observed “*we’re not their only supplier and take heed of our customer’s market intelligence*”.

BDL’s business liveness was also germane to the quality of its client relationships seen through its animated responsiveness to challenges such as when parties were faced by driver shortages, or imbalances of trade from overseas due to surges in freight costs. A willingly pragmatic and divergent thinking capability was accepted as mutually advantageous. Respectful attention was paid to making visible the care taken throughout the logistical cycle for manufacturing partners, factories, vendors, and their suppliers. The corresponding supply chains were mapped, showing envisaged routes and plausible alternatives, particularly in consideration of post Brexit measures, abated Covid-19 conditions, and potential for enviable or less desirable terms across nations. BDL built a vital image of its footprint with state-of-the-art processing. The key to this simplification of what was involved comprised the breaking down of supply chains into a system of ‘tiers’ based on the closeness of the business or final product.

Acting as 1st tier supplier through the provision of parts and materials directly to a manufacturer of goods, and as a 2nd tier supplier, with materials or parts provided to another company that then supplies the manufacturer, BDL was able to both store and transport freight. Peaks and troughs were anticipated in some circumstances and cushioned in others. Services were deemed ‘important’ without preferential differentiation. By treating every customer freight as highly prized, consistent customer service was securely anchored. The default for ‘low hanging fruit’ in business terms, was met with as much zealous service obligation as for more daring assignments. The metaphorical journey of a palette from Worcester to Ankara emphasised the mindset to ensure the safe passage of all precious cargo. BDL’s stellar care for clients’ logistic concerns made for entrusting relationships.

International business was met with rigorous knowledge of essential operational parameters and a vigilant familiarity with cultural variations. Piercy commented “*we needed to have an apt network such as to look after our currencies and bring to the fore mitigation for national and societal morays*”. Nation-determined variation such as downtime was encompassed to account for festivities, holidays, and notable events. The spread of risk was both informed and robust.

Yet despite BDL’s business ascendancy in the sector due to its victories in brokering logistical manoeuvres, there was a wariness of ‘founder fatigue’. An ambivalent directorate discovered by working all the time, productivity lessened, and appetite for this habituated pattern weakened. The downside of each director being ‘contactable as needed’ was tiresome. Additionally, where the tight knit coverage of directorate tasks was commendable, losing directorate members would result in irrecoverable gaps in the operational set-up.

To offset the diminishing returns on director energy, and in case of directorate turnover, succession planning was put into action. With a mindful overseeing of the longevity of the core senior management the approach was described “*like a jigsaw with us all coming*”

together". Fourteen months passed seeing turnover in exceed of five million euro. Steady and future-proofed progress was purposefully undertaken.

Moving forward:

From the off Piercy was mindful of the benefits of openness and honesty across the business in its entirety. In the professional setting Piercy's background showed a rich vantage gained from getting on with people and acting on behalf of what mattered to them. Over time and with maturity, Piercy's consideration of the capability of trust as a unifying, enduring force across business internal operations and external service realisation, was justified and sharpened.

With multichannel commerce platforms, increasingly demanding customer needs and hyper-competitive markets, the prerequisite for seamless logistical processes backing industry logistics was tantamount. Piercy's seeing the big picture was shown to be as important as his close attention to detail, where even the slightest freight damage during transportation, delivery, or storage, bore monetary and reputational costs. Piercy's unwavering watchfulness in looking to what mattered for participants in the logistical cycle reaped immeasurable reward for BDL. Undertaking to meet clients with a 'can-do' mindset imbued BDL with a holistic forward reach, foreseeing and implementing logistical operations of benefit to every phase of its supply chain.

After a helpful courtship Tony Seifas joined as Operations Director offering incisive administrative and operational capabilities. Further smart decisions included taking on an excellent accounts manager Helen Fletcher who readily progressed to Finance Director. It became clear to the remaining directors that both Piercy and Storry's positions would be difficult ones to replace. The company knew that a clear re-think about succession planning was needed to safeguard the ethos that had enabled the company to prosper.