

DIALOGUES

# MARKUS MEISSNER

MANAGING DIRECTOR, AEB





## SLOW & STEADY IN ASIA'S TECH RACE

Asia is at the stage of a fascinating evolution. From being the low-cost manufacturing darling of the industry, to the provider of higher value services for the world, the economic landscape of the region is in the middle of a massive transformation. With this dynamic change comes the inevitable revamp of supply chains in order to support the region's business growth. As a result, it would be logical for technology and innovation to be the centre stage on every supply chain manager's agenda in Asia.

But that is not the case at the moment. The technology take-up rate in Asia remains low compared to its phenomenal growth worldwide. **Mr Markus Meissner, Managing Director of AEB**, considers low-level labour wages still a determining factor in this equation.

"Despite its continued progress and advancement, the region still offers comparably low-cost labour. This particularly applies to the warehouse and transportation sector, which is at the heart of global supply chains and subject to strong competition. So naturally, small companies would rather increase their low-cost labour force than invest in software or automation to improve efficiency – ultimately choosing 'quick fixes' over long-term productivity. Even so, we strongly believe that more and more companies will eventually realise the importance of technology as they scale up and their business grows, and we will be here to help them when that happens," says Mr Meissner, who started his career as a freelancer at BOSCH, introducing electronic communication systems and developing training programmes at the early onset of the Internet era.

As a firm believer in the region and its potential, Mr Meissner initiated the founding of AEB Asia Pacific back in 2001, at a time when the market was in its infancy stages of growth. In this interview piece with *Supply Chain Asia*, Mr Meissner shares his passion for Asia, thoughts on the region's development, and insights into the corporate culture of AEB.

### **An Asian Passion**

“I was immediately fascinated by Asia upon my very first business travel as one of the first delegates from AEB. My respect and affinity for this vast area, its markets, people, cultures, as well as for its business performance and potential grew steadily over the years. It is simply an exciting region, and it was obvious to me that an industry boom is imminent here,” explains the managing director, who also holds a degree in electro technology from the University of Stuttgart.

Although currently in the midst of transformation, one regional aspect remains steady thus far: Mr Meissner believes that Singapore will continue to be “the natural hub for Asia, especially for a software company.” Citing high-skilled labour, developed infrastructure and strategic location, Singapore is the logical choice for the industry.

“In fact, we have aligned to the region’s hub strategy and our team in Singapore is responsible for managing all our clients in Asia, with particular focus on those in the emerging markets. Our office is fully equipped with the necessary skills to serve

the entire region,” says the managing director, who is also a member of the AEB executive board since 2003.

### **A Diamond in the Rough**

Mr Meissner remains optimistic about the rise of Asia Pacific, although the supply chain industry here is still hesitant and refrains from embracing technology too quickly.

“Asia is still considered a challenging area today. It is difficult to understand the region due to its complexity as it transforms from a manufacturing hub to a formidable market. As such, I still see the region as uncharted waters in a way, despite the tremendous growth and present opportunities. Supply chain and logistics management will play an increasingly important role in supporting the continued growth and transformation of Asia. Our customers understand this development, and they have implemented a global approach including a foothold in Asia, even if they do not have their headquarters in the region,” explains Mr Meissner.

Despite emerging markets, such as Vietnam and Myanmar, still at the early stages of development, AEB is determined to stay and further establish a strong footprint in Asia.

“Our ultimate goal is to further grow and increase our market share. For more sophisticated markets such as Singapore, Malaysia and Indonesia, we are continuously enhancing our solutions and services to meet the demands and challenges of complex supply chain networks. At the moment, we are also preparing ourselves for the upcoming ASEAN Economic Community. We plan to leverage the knowledge of our experts in the area of European Union set-up, dynamics and challenges and share experiences. We can then combine our best-practices and lessons learned with local demands in Asia in order to shape the right services for the region, and support its growth. We are taking a proactive approach in this,” says the managing director.



## Strength in the Integrated Approach

While many software companies pride themselves with multiple acquisitions to expand their portfolio nowadays, AEB strongly believes in developing own solutions to expand its comprehensive software suite to best support their clients from end to end.

“Our strategy is to provide an integrated solution with a global approach. Many of our competitors buy into markets, which frequently results in a fragmental landscape of solutions that do not fit together. We develop our solution portfolio on our own, and we manage it on our own. We have the skills to ensure that our solutions are continuously maintained. In fact, we have clients using our ASSIST4 solution for the past 20 years to support their business throughout all stages. And of course, these clients work with the latest technology because we constantly update our software,” shares Mr Meissner.

## Investing in Talent is Investing in Success

Employers usually prefer to give their new staff members a quick head start by promptly piling assignments on their desks. After all, what is the quickest way to learn than by hands-on experience?

At AEB, however, new employees have to go through an intensive six-month training phase (12-month in some cases) before they may receive their first assignment. This might seem like a risky move, but Mr Meissner believes this is an important investment, which is confirmed by the company’s staff turnover rate.

“People are our most valuable asset, so it is crucial to invest in them and to continuously develop their potential in order to retain them. Our belief in our members of staff coupled with our corporate culture and management style has resulted in our low turnover rate. We have many employees who have been with AEB for more than a

decade, some even longer than me,” says Mr Meissner, who himself has been with AEB for the past 20 years.

## Worth Every Cent

Many companies in the region are hesitant to invest in technology due to the potentially high cost. Unlike their European counterparts, Asian companies tend to be more conservative when it comes to such high investments aimed at long-term, internal improvement for future growth. But Mr Meissner guarantees that without investing in technology, a company will not be able to grow or keep its competitive edge.

“This is an important message for the region to support its continued growth: Even though implementing IT support means investment in the beginning, it is very much worth it. I understand that investment in hi-tech is not seen in the same positive light here as it is in Europe, but such investments will literally pay off - always and in many ways. Without this investment, businesses cannot be cost-efficient and succeed in the long run. We look very forward to being part of Asia’s ongoing developments, and engaging the region’s businesses in further discussions about strategies, goals, challenges and latest solutions.”



## What are AEB’s goals for 2015?

In the last few years, AEB has successfully established a solid partner channel framework, and implemented a strong regional sales strategy for approaching diverse market and industry sectors including existing, new and emerging markets in the Asia Pacific region.

AEB will continue to build long-term relationships and strategic partnerships with the valued customers. Focusing on market demands and product innovation through AEB’s team of logistics and foreign trade specialists will also be a priority in 2015.

AEB’s strategy is to drive sustainable and profitable business growth in order to continuously increase the company’s global market footprint while helping AEB’s business partners succeed and expand in their respective markets. The company also plans to leverage AEB’s strengths in specific industry sectors like high-tech, aerospace and defence, retail, food & beverages, pharmaceutical and automotive, among others, to maximum advantage.

AEB is looking forward to moving into the next growth phase in Asia with more flexible and expandable solutions to meet new market demands. The year will be an interesting time as the new supply chain blueprint for AEC takes hold, and cross-border trading is expected to increase with more regional borders opening up.