

LogOn Baltic Regional reports
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**EXPERT INTERVIEWS IN THE
SOUTHERN METROPOLITAN
REGION OF HAMBURG, GERMANY**
Results and analysis of the
intersectoral expert interviews in
the field of logistics and ICT

**Wolfgang Kersten,
Meike Schröder,
Carolin Singer and
Mareike Böger**



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EXECUTIVE SUMMARY

This report is part of the LogOn Baltic Project. The aim of this project is to provide an understanding and comparable results on how best to develop the region through effective ICT and Logistics activities and spatial planning means. The results are based on user needs of manufacturing and trading firms and logistics service providers. The project, which is part of Baltic Sea Region (BSR) INTERREG III B Programme, is co-funded by the European Union (EU) and national project partners.

One of the methodologies used in the project are expert interviews, whose results are presented in this report. The objective of the interviews was to investigate regional strengths and weaknesses as well as expectations and future visions from the perspective of different companies and institutions.

The following report focuses on results of interviews conducted in the Southern Metropolitan Region of Hamburg and is divided into four chapters. The first chapter of this study gives an overview of the LogOn Baltic project, the partners involved and the aim of the expert interviews. The second chapter describes the methodology used, the interview design and the sample of participating experts.

The main part of the report is the third chapter, in which the results of the interviews are presented and interpreted. The main topics covered are:

- Trends in logistics and ICT
- Business connections in the BSR
- Regional development
- Education and skills in the region and
- Company expectations.

The last chapter of the report summarizes the results and gives an outlook on future regional development issues. The main results show that globalisation and internationalisation as well as infrastructure development are currently the most important issues companies and institutions in Hamburg are facing. These trends provide both opportunities and threats for the region and are thus a challenge for further regional development.

EXECUTIVE SUMMARY

Dieser Bericht ist Bestandteil des EU-Projektes LogOn Baltic. Ziel dieses Projektes ist es, die regionale Entwicklung und Integration in den Bereichen Logistik und Informations- und Kommunikationstechnologien (IKT, Englisch: ICT) durch Erfahrung- und Wissensaustausch voranzutreiben. Das Projekt ist Teil des Baltic Sea Region (BSR) INTERREG III B Programms der Europäischen Union. Eine der wichtigsten im Projekt genutzten Methoden sind überwiegend qualitative Experteninterviews, die auch Gegenstand des vorliegenden Berichts sind.

Der Bericht betrachtet die Ergebnisse der Interviews in der südlichen Metropolregion Hamburg und gliedert sich in vier Teile. Kapitel 1 gibt einen Überblick über das Projekt, die beteiligten Projektpartner sowie das Ziel der Experteninterviews. Kapitel 2 beschreibt die verwendete Methode, das Interviewdesign sowie die Auswahl der Experten.

In Kapitel 3 werden die Hauptergebnisse der Interviews präsentiert und interpretiert. Die wesentlichen Themen, die dabei abgedeckt werden, sind:

- Trends in der Logistik und in IKT
- Geschäftsbeziehungen mit der Ostseeregion
- Regionalentwicklung
- Aus- und Weiterbildung in der Region Hamburg sowie
- Erwartungen der Unternehmen an die Regionalentwicklung.

Im vierten und letzten Kapitel werden die Ergebnisse zusammengefasst und es erfolgt ein Ausblick auf die künftige Entwicklung der südlichen Metropolregion Hamburg.

Die Hauptergebnisse zeigen, dass Globalisierung/Internationalisierung sowie Infrastrukturentwicklung derzeit die Aspekte sind, die sowohl Unternehmen bzw. Institutionen als auch die Region Hamburg am meisten in ihren Geschäften beeinflussen. Diese bieten sowohl Chancen als auch Risiken für die Region und stellen eine Herausforderung für weitere Aktivitäten von Unternehmen und Politik im Bereich der Regionalentwicklung dar.

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LIST OF ABBREVIATIONS

BSR	Baltic Sea Region
CIP	Continuous Improvement Process^
cp.	compare
DEMIA	Development Measure Impact Analysis
e.g.	for example
ERDF	European Regional Development Fund
EU	European Union
HSL	Hamburg School of Logistics
ICT	Information and Communication Technology
i.e.	that is
IT	Information Technology
IUK	Informations- und Kommunikationstechnologie
PPP	Public-Private Partnership
RFID	Radio Frequency IDentification
SAG	Wachstumsinitiative Süderelbe AG
SMEs	Small and Medium-sized Enterprises
TUHH	Hamburg University of Technology
WP	Work Package

1 INTRODUCTION

1.1 Project introduction – LogOn Baltic

The LogOn Baltic project was approved within the Baltic Sea Region (BSR) INTERREG III B Neighbourhood Programme, which is sponsored by the European Regional Development Fund (ERDF), as part of the Structural Funds, and co-financed by national project partners.

The purpose of LogOn Baltic is to present solutions to improve the interplay between logistics and Information and Communication Technologies (ICT) competence and spatial planning and strengthening Small and Medium-sized Enterprises (SMEs) competitiveness in the BSR. This is primarily done by the production and dissemination of information for regional development agencies on how to support enterprises in the participating regions in the field of ICT and logistics, thus improving regional development.

The following regions are participating in the project:

- South-West Finland
- Östergötland (Sweden)
- Denmark
- Southern Metropolitan Region of Hamburg (Germany)
- West-Mecklenburg (Germany)
- North-East Poland
- Lithuania
- Latvia
- Estonia
- St. Petersburg (Russia)

LogOn Baltic provides an overview of logistics efficiency and logistics information systems and their exploitation, in order to improve the interaction between SMEs and other public/private actors.

On the one hand, the empirical activities of LogOn Baltic compare the existing logistics services and infrastructure with the logistics needs in the participating regions, making it possible to develop perspectives and action plans for strengthening the logistics competence in the

regions. On the other hand it describes the existing ICT infrastructure and services, revealing up to what extent they meet with the companies' needs for further development. In this way, LogOn Baltic focuses on:

- a. identifying development agencies and evaluating their performance in each region
- b. evaluating the level of logistics and ICT efficiency
- c. suggesting concrete actions for regional and local public sector bodies

Data are gathered in each participating region using four tools, Development Measure Impact Analysis (DEMIA), Logistics survey, ICT survey and Expert Interviews; each of these is presented in a separate report. These results together with secondary data is presented in a regional report, that will describe the state of affairs in the region, with recommendations on what and how the region needs to develop. The regional reports are used as a basis for making an interregional comparison which is reported in an inter-regional report. All reports are available on the project homepage, www.logonbaltic.info.

1.2 Regional partner introduction

The **HSL Hamburg School of Logistics** was founded in 2003 as an innovative partnership between the Hamburg University of Technology (TUHH) and the Kuehne Foundation of Schindellegi (Switzerland). Its aim is to combat current shortfalls in the training of logistics managers by providing appropriate further training and thus preparing young professionals within the logistics sector for their future tasks in senior management. The HSL vision is to become a top business and logistics school and a leading international competence centre for applied research in logistics. The challenging program offered by the HSL consists of three elements: in addition to the one-year full-time or two-year part-time MBA degree, which is targeted at highly-qualified young professionals, the HSL also offers part-time training and a competence centre for practice-oriented research. A network of high-calibre academic and business partners ensure that training is both practice-oriented and academically sound. The HSL participates as WP 3 leader with its expertise in logistics research in the LogOn Baltic Project.

The regional partner of the HSL Hamburg School of Logistics is the **Wachstumsinitiative Süderelbe AG** (abbrev. SAG). It was founded in

December 2004 against the background of an increased need for regional cooperation between Hamburg and its surrounding region in regard to the growing international metropolis competition. Representing a new type of regional development agency, the SAG cooperates with its partners in the form of a “*private-public partnership*” (PPP) in which the participation of the business sector is to the fore. With its cluster-oriented strategy the SAG aims to achieve sustainable economic growth in the Southern Metropolitan Region of Hamburg by forming networks and accomplishing project-oriented cooperation between regional companies, service providers, scientific institutions and authorities, thereby crossing borderlines of municipalities, districts and federal states. For this innovative approach to action the SAG was recently awarded the national “kommKoop Award” by the Federal Ministry of Transport, Building and Urban Development. According to the laudation, the SAG is “an outstanding and trend-setting example of inter-communal cooperation” in Germany.

1.3 Expert interview introduction

Some of the main methodologies used within the LogOn Baltic project are expert interviews and empirical web-based surveys based on a large number of respondents. While the surveys mainly focus on the current status and needs of the logistics community and allow for a quantitative analysis, the expert interviews mainly follow a qualitative approach. The aim is to investigate regional strengths and weaknesses with respect to logistics and ICT. Nevertheless, expectations and future visions of different kinds of institutions and companies are to be determined as well.

The willingness to answer questions in a greater depth and in an open discussion can only be achieved by personal and individual conversations with selected interview partners. Furthermore, it is not only the aim to analyse the current situation but also the background and causes leading to this situation as well as to give recommendations and to determine future trends of regional development. Thus, the complexity and multifariousness of the research questions require personal interviews and a qualitative approach. With ten to fifteen interviews it is possible to cover the major views on regional development regarding logistics and ICT.

The expert interviews will play an important role in the stage of the project when it comes to the development of a comparative report on

the Baltic Sea Region (BSR). Since expert meetings will take place in all participating regions around the Baltic Sea, best practices and recommendations will be deduced for the regional decision makers.

2 INTERVIEW DESIGN

In the following, the target group and sample as well as the main topics covered in the interviews are described.

2.1 Target group and sample

The objective was to choose a heterogeneous group in order to guarantee an analysis based on many perspectives. Ten to fifteen interview partners were selected in each region, representing seven different institutions or company groups in total: Local authorities, logistics consultants, logistics service providers, research institutions, support initiatives and companies from the manufacturing as well as the retail industry. Another aspect in selecting the companies or institutions was the possibility to contact potential interview partners on a higher management level in order to assure that the interview partners had the willingness to answer the questions and possessed a good overview of the development of the industry in the region.

The private sector is represented by four different company groups: The manufacturing industry, the retail industry, logistics service providers and logistics consultants. The latter two were chosen because their employees are usually experienced with a lot of different clients and/or projects.

The public sector is mainly represented by local authorities who are responsible for regional development. Support initiatives may either belong to the private or the public sector or are public-private partnerships. Both institutional groups have experience in initiating, financing and executing regional development activities. Last, representatives from research institutions complete the target group by their independent and research-oriented perspective. The following figure (figure 1) shows the target groups distinguished by the public and the private sector.

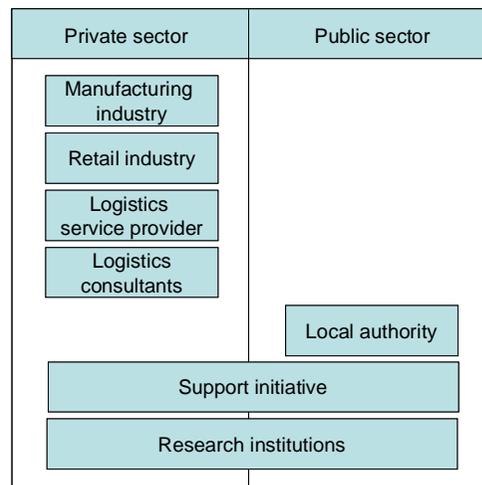


Figure 1 Target groups of the expert interviews by public and private sector (Own illustration)

For the Southern Metropolitan Region of Hamburg, the distribution of the interview partners can be withdrawn from table 1.

Table 1 Chosen experts by the HSL Hamburg School of Logistics

Group	Name of company/ institution	Interview partner
Local Authority	Local & District Authority, Department of Economy & Labour (Behörde für Wirtschaft und Arbeit)	Head of division, department for logistics and pilot projects
	Chamber of Commerce	Business division for infrastructure; department for transportation routes, harbour and shipping industry
Logistics Consultant	Different reputable Freelancers of the Metropolitan Region of Hamburg	
Logistics Service Provider	Transport and Logistics Companies	Managing partner/ former managing director
	International Haulier	Managing director
Manufacturing industry	Company from Automotive Industry	Head of logistics department
Research Institution	Research Institute at Hamburg University of Technology (TUHH)	Head of institute
Support Initiative	Logistics Initiative Hamburg	Head of cluster management
	Wachstumsinitiative Süderelbe	Head of cluster development

2.2 Main topics covered in the interviews

The interviews were conducted according to a half-standardized interview guideline. Most questions were open questions. A quantitative scale was used in addition to qualitative answers, when it seemed useful for a later comparison of the interviews.

The interview guideline comprises five major parts. The first part covers general trends regarding logistics and ICT. The second part deals with current and planned business contacts in the BSR. Furthermore, barriers and problems of doing business in the BSR are discussed. Part three analyzes regional development measures. Starting from key issues and from the evaluation of regional development activities, the strengths and weaknesses of the region, the competence level with respect to logistics and ICT and proposals for improvements are examined. Part four addresses the qualification level in logistics and ICT as well as future needs for education. The guideline finishes with expectations, wishes and concrete recommendations given by the interview partners.

3 FINDINGS FROM THE INTERVIEWS CONDUCTED

The structure of this chapter follows the structure of the interview guideline. Therefore, the following subchapters refer to the five parts of the guideline listing and analysing the findings regarding trends in logistics and ICT, regarding business connections in the Baltic Sea Region, regarding regional developments, regarding education and skills in the regions and regarding company expectations.

3.1 Findings regarding trends in logistics and ICT

The objective of the first questions was to find out the main topics that are currently influencing the business environment from the perspective of different players. Therefore, the interview partners were asked to name the developments and trends with respect to logistics and ICT that are important to their company on the one hand and to the region on the other hand.

3.1.1 Trends in logistics

Regarding logistics, the results show that most companies/institutions evaluate the trends affecting the region similar to the trends affecting themselves. Internationalisation, globalisation and the expansion of the EU are the keywords most mentioned by the experts of all industry groups.

For the **manufacturing industry**, the most important issue influencing their day-to-day business is the general increase in costs of transportation as a consequence of high petrol prices, tolls and personnel costs. Therefore, the increasing expenditures minimize their profit and endanger their competitiveness. Furthermore, the expert mentions the movement of suppliers to Eastern Europe. Many suppliers choose new business locations in Eastern European countries to benefit from their growing economy and from lower labour costs. Most of them provide contact persons who speak German, so

that a smooth contact is still assured. The biggest problem seen by manufacturing companies are the required standards that do not conform to the Western ones.

The **logistics consultants** explained that projects of internal reorganisation currently take place in many companies, especially in the fields of logistics and materials management planning. The main objective is usually optimizing the flow of goods and materials in order to cut costs and to save time as well as to achieve a higher quality.

While outsourcing and the enlargement of the EU were mentioned by the **logistics service providers** as two important aspects, they particularly pointed out that the infrastructure development is an important issue for the Southern Metropolitan Region of Hamburg. Generally, Hamburg is considered as a perfect location for companies: There are good highway and hinterland connections, the city is close to the port and the latter has a company-owned siding. Nevertheless, there is a need for further development and the extension of infrastructure and terminals. An important aspect is the provision of space, which is especially limited in the port area. This issue is also very important with regard to the competition of locations, as raised by the **local authorities**.

For **support initiatives**, the longer-term planning concerning cargo agents, infrastructure and hinterland is important for the future since container handling is supposed to double until 2015. This answer has to be interpreted by considering projects such as the deepening of the Elbe River. Another future aspect will be the demand for labour. Offering a better education system leads to a higher number of better qualified employees. Thus, the growth of the logistics sector in Hamburg comes along with a lot of different topics, such as new logistics space, transport infrastructure, support innovations, competence networks, and ensuring the supply of workforce.

While support initiatives mainly focus on the field of infrastructure, automation is equally important to **research institutions**. From their point of view, it is necessary to achieve interoperable business processes and to increase the productivity.

In conclusion, there is a wide range of answers for the question of trends and developments in logistics. While globalisation and infrastructure development are the most-mentioned aspects, the results show that organisations tend to view those issues as most important for the region, which are currently the most important problems and challenges for themselves. This seems to be quite a natural behaviour;

however, it shows that all parties should be involved in planning the future of logistics in the Hamburg region.

3.1.2 Trends in ICT

The role of ICT in internationalisation and globalisation was mentioned by the experts of almost all surveyed groups. The answers regarding trends in ICT indicate that RFID is currently seen as the key measure in logistics development.

For instance, for **logistics service providers**, RFID plays an important role when it comes to identifying containers. This issue, however, also brings up the question of security standards. RFID technology is expected to find several diverse application areas in the future. **Local authorities** mentioned, for example, systems integration and automation as possible future fields of usage.

The **logistics consultants** mentioned the design and management of logistics and Supply Chain networks. They support the idea of building up dynamic networks with the assistance of service providers. Moreover, they explained that ICT are urgently needed in order to build up transparent networks through “tracking and tracing”.

The trend towards globalisation is leaving its mark on information technology and its related functions, with outsourcing and off-shoring becoming key issues and considerations for both logistics consultants and **support initiatives**. The **logistics consultants** believe that information systems could be used for capacity planning and logistics optimisation, for example in warehouses and terminals. Another important field of application is traffic planning with the main objective being the avoidance of traffic jams. The **logistics service providers** mentioned mobile radios for trucks in this regard.

Decentralized planning in supply chains leads to new challenges for tracking and tracing in the order fulfilment process. Nevertheless, information about progress and delays in production, for instance, still need to be gathered to plan and control supply chain activities. Decentralized planning has resulted in a lack of central information about structures and schedules in the customer fulfilment process. Tracking and tracing systems therefore have to combine data from dispersed databases.

3.2 Findings regarding business connections in the Baltic Sea Region

In order to get an understanding about business contacts in the BSR, experts were asked to specify the number of their current and planned business partners in the different regions. Furthermore, the experts explained what kind of challenges emerge concerning the business relations and the institutional setup when cooperating with partners in the BSR.

3.2.1 Current business contacts and projects in the BSR

As table 2 shows, most companies have rather limited connections to Poland, the Baltic States, Russia and Scandinavia. The majority of interviewed experts from **manufacturing** and **services companies** and **institutions** focus on the regional market of the Southern Metropolitan Region of Hamburg. This is often due to restricted capacity and limited human resources. Companies therefore have to focus on core competencies and have to be active in markets promising the largest success.

Scandinavian business partners are generally seen as reliable partners. In fact, business relations with them are considered to be similar to business relations with other German companies. There are no linguistic problems because nearly all Scandinavians speak English fluently. Cultural issues as well as negotiations and communication techniques are also similar to German ones. Therefore Scandinavians are welcomed business partners all over Germany.

Businesses with Russia have developed slowly during the last years. The most common reasons for this are language difficulties. The number of people who can speak Russian fluently is very limited in Germany, due to the fact that it is not a common language to be learned at school or at educational institutions. Language difficulties can easily cause misunderstandings, which may affect business processes in a negative way. Another important issue is the learning of negotiation and communication techniques. In co-operations with Russian partners, the knowledge of cultural characteristics is of great importance. Furthermore, the knowledge of economic characteristics such as analysis and planning is highly relevant with regards to business activities. The bureaucracy reducing the speed of business transactions is another administrative hurdle. The implementation of

standards and certifications is still missing and hedging projects by insurance is often difficult as well as long-winded. In some cases uncertainty about liquidity and about the willingness to pay are mentioned as further obstacles. These reasons show why many German companies still flinch from establishing business contacts with Russian companies. However, because of the high market potential, the Baltic States and Russia are of great interest for the private sector in the future.

The **support initiatives** often have a higher number (> 25) of rather loose contacts. These contacts were established for example by organizing common conferences within the Baltic Sea Region. Due to the fact that the Russian city of St Petersburg is a twin city of Hamburg, the attention of many activities is on Russia. Some initiatives also have representatives there facilitating the relationship with local institutions.

The number of business contacts of **research institutions** is rather low since for them only those organisations working on the same platform are relevant. Their aim is to find qualified partners for the projects in order to achieve the best results, the number of partners being of less importance.

Table 2 Number of current business contacts and projects in the BSR

Number of contact	0-5	6-15	16-25	>25
Poland and Baltic States (Lithuania, Latvia, Estonia)	7*	1	0	2
Russia	7	0	0	3
Scandinavia (Denmark, Sweden, Finland, Norway)	7	2	0	2

* The "7" in this field means that 7 interview partners said they had 0-5 contacts in Poland and the Baltic States, 1 said they had 6-15 contacts etc.

3.2.2 Planned business contacts and projects in the BSR

The majority of experts stated that their companies were planning only 0-2 concrete projects for the next years (see table 3).

The **research institutes** expected two bigger projects if the projects are financially supported by the EU and if enough personal resources are available. Due to the fact that these kinds of projects are very labour-intensive and take a long time the research institutes can only carry out selected projects. Apart from these, the research institutes

are involved in smaller, short-term projects. It is however not possible to forecast the number of them beforehand.

Table 3 Number of logistics projects in the BSR

Number of logistics projects	0-2	3-5	6-10	>10
	6	0	0	1

The number of cross-national projects supervised by **local authorities** and **support agencies** was estimated also as 0-2 projects (see table 4). The most important ones will be to reinforce marketing measures and to be present at expositions, like the Trans Russia in Moscow. **Support initiatives** more or less concentrate on local markets before expanding their activities because of limited resources. They focus on strengthening the Southern Metropolitan Region of Hamburg e.g. by forming a network within the business, academic and political communities ranging from the exchange of information to long term cooperation. The ultimate ambition of Hamburg's initiatives and support agencies is the support of regional logistics companies.

Table 4 Number of cross-national projects in the BSR

Number of cross-national projects	0-2	3-5	6-10	>10
	2	0	0	0

3.2.3 Constraints and problems of co-operations in the BSR

Manufacturing companies, logistics service providers, support initiatives and **local authorities** claimed that there are language barriers. The English language has established itself as an international business language resulting from the globalisation and the expansion of the EU. The ability to communicate with foreign business partners and customers has become very important. Therefore, companies and institutions still have to adapt their qualification requirements to these new challenges. According to some **logistics service providers**, however, there has been an improvement in the knowledge of the English language over the last ten years.

In contrast to the experience of these company groups, the language problem seems of less importance for **research institutes**. As they mainly work together with other institutions on the academic sector, this seems logical due to the fact that most people they deal with have an academic background and at least some minor language skills.

Important issues for the **manufacturing industry** concerning business relations are of cultural nature or represent differences in standards. The former leads to misunderstandings because there are different approaches to disruptions, bottlenecks, and the handling of information. However, companies of the manufacturing industry are overall satisfied with the pool of well-trained employees. Regarding the institutional set-up, the mentioned problems include custom formalities and political instabilities in the countries.

The infrastructure and political situations are a concern for **logistics service providers**. For instance, inland water transportation is not possible in winter as a result of frozen waterways in some areas of Russia and Scandinavia. In addition, there is a lack of well-constructed highways and hinterland connections. Moreover, going from Germany to Russia by train poses problems, as there is no interoperability in rail traffic. Differences in tracks e.g. require adjusting the cars' undercarriage which costs money and is time-consuming.

Logistics consultants encounter many problems in business relationships, especially with Russia. They note that business transactions are not structured in the same way German companies are used to, since there are different expectations in their processes and preparations. The decision-making process takes a long time, in particular when dealing with Russian partners, because projects are generally focused on individuals. Furthermore, there is uncertainty about whether several Russian partners see a business agreement as binding and to be realised in a determined time. Moreover, conflict management differs among Russia and Germany. For the consultants, the main reason for the different development of businesses was the quick transition in policy from communism to liberalism which complicated the creation of stable circumstances in Russia.

On the other hand, there are hardly any problems with the language or the education in business relations with Scandinavia and the other Baltic States as mentioned before in chapter 3.2.1.

Support initiatives also mentioned visa problems when dealing with some countries which make the entry to the countries and personnel contacts more difficult.

Research Institutes did not have any problems when working on EU projects because there were common objectives. There have been only a few barriers which were rather seen as a challenge with regard to the allocation of EU subsidies, since partners' claims often differ.

3.3 Findings regarding regional developments

In the following, the interview partners were asked which regional development activities they knew in their region, what the key regional development issues for logistics and ICT were in their region, and which regional development projects had been successful. Furthermore, they listed strengths and weaknesses in logistics and ICT in their region, described the logistics competence level as well as their participation in logistics support agencies, networks or initiatives. As a next step, the experts specified how satisfied they are with the local authorities' support and policy concerning logistics and ICT issues; they made suggestions for improving logistics and ICT as well as stated the roles and responsibilities in regional development from their point of view.

3.3.1 Known regional development activities

Most of the interviewed experts only know of very few regional development activities in the fields of logistics and ICT. These are the ones that have been promoted by Wachstumsinitiative Süderelbe, Logistics Initiative Hamburg, Port of Hamburg, Logistics Initiative Norderelbe, Logistics Initiative Lower Saxony, Maritime Cluster, Air Traffic Initiative (Luftverkehrsinitiative), Hanse Aerospace etc.

Well-known projects are the following ones:

- Waterways and port projects:
 - The Elbe River is not sufficiently developed towards the Czech Republic. It is necessary to build higher bridges, because only two-part loading of containerships is currently possible.
 - Addition to capacity/deepening of the Elbe river is taking place since bigger ships are expected to call at the port of Hamburg in the future. Nowadays, bigger ships are already dependent on high tide to be able to enter the port.

- More handling capacity is created (at the Burchardkai). In the free trade zone, the old port basin is being cut and new terminals are being created offering resident companies alternative accommodation.
- The quayside railway is to be extended and reconstructed since its capacity limit is almost reached and the quayside railway is not in a good condition.
- The hinterland connection with streets is to be expanded: The motorway A7 is to be extended to eight lanes and the port link road is to be built to handle the disproportionate increase of volume of traffic.
- The project “Logistics 50+” aims at the re-integration of unemployed people (elder than 50 years) into the logistics field by offering educational measures etc.

The answers show that projects that are promoted by initiatives are well-known, but other activities often do not seem to reach the companies. On the one hand, this is certainly a marketing issue; on the other hand, it is also a question of whether activities have been successful if the companies who it may concern do not know about them.

(Further information about regional development institutions and their projects can be found in the LogOn Baltic report “Regional Development in the Southern Metropolitan Region of Hamburg, Germany”).

3.3.2 Key regional development issues

The most important regional development issue in the field of logistics is the lack of logistics space in the Metropolitan Region of Hamburg and the industrial real estates that are being offered for businesses in and around Hamburg. Currently, it is difficult to get additional logistics space for the enlargement of warehouses, production facilities or office buildings. Alternative strategies have to be developed to provide space, e.g. the revitalisation of existing industrial areas.

The extension of the quayside railway is another important issue. The quayside railway connects the handling terminals with the German and therefore the European rail network enabling the railway traffic companies to transport their goods to the domestic market. Its renewal should be pressed ahead with more effort since it represents an

indispensable element of the port infrastructure. Furthermore, port and hinterland capacities should be adjusted.

The availability of a pool of sufficiently qualified workers poses a challenge to the Metropolitan Region of Hamburg. A study ordered by the Hamburg Port Authority shows that the number of jobs directly depending on the Port of Hamburg has increased between 2004 and 2005. According to the study, more than 156,000 jobs were located in the Port of the Metropolitan Region of Hamburg in 2005, which corresponds to 12.7% of all jobs in Hamburg. This dynamic is set to continue in the following years. First analyses have shown that with the help of regional development projects, up to 14,150 new jobs may be added within the logistics sector of the Metropolitan Region of Hamburg. Therefore, the need for qualified workers will increase seriously and the coordination and adjustment of regional activities in the North/South of Hamburg will become more important during the next years.

The most pressing regional ICT development issue is the need for co-ordination of activities in the region. This is generally initiated by companies themselves. More modal points should be created to ensure faster communication. Furthermore, ICT standards should apply for the whole of Europe. The establishment of intelligent traffic-routing and traffic-controlling in and around the port (early traffic jam information at the Köhlbrandbrücke) is also very important.

3.3.3 Successful regional development projects

Experts were asked to evaluate the success of past and present regional development projects (see table 5). The answers across all interviewees were relatively similar. The majority of experts said that most of the important, but often expensive projects have been announced, but not realized. This is especially true for the ones with respect to the infrastructure (e.g. ailing quayside railway, streets timeworn, no fourth tube for Elbtunnel, no metro to the airport yet, control of indicator light bad).

The following projects have been described as successful:

- The Hafen City project: A realisation of a prominent European city centre with an area of 155 hectare where 650 new luxury apartments, leisure facilities and retail can be found.
- Foundation of the Hamburg School of Logistics: an educational institute which was founded in 2003 as a public-

private partnership between the Hamburg University of Technology and the Kuehne Foundation, Schindellegi, Switzerland.

- Foundation of the Logistics Initiative Hamburg: It aims to form a network within the business, academic and political communities ranging from the exchange of information to long term cooperation.
- Project “Mittlerer Freihafen”: The existing container terminal is extended for about 40 hectares and a new quay wall of about 1000 meters is built.
- Port of Hamburg: The platform serves as an information forum about logistics and ICT.
- Etc.

Projects with less marketing measures are not being perceived as well as the aforementioned with more promotion.

(Further information about regional development institutions and their projects can be found in the LogOn Baltic report “Regional Development in the Southern Metropolitan Region of Hamburg, Germany”).

Table 5 Number of successful regional development projects

Number of successful regional development projects	<25%	25-50%	51-75%	>75%
	9	1	0	1

3.3.4 Strengths and weaknesses of the regions

The experts described strengths and weaknesses of their region from the different perspectives. First, the logistics field will be discussed. Second, ICT related statements are summarized.

3.3.4.1 Logistics

In general, the experts were mostly satisfied with the conditions for doing business in the region. However, there were also a number of critical issues mentioned.

Manufacturing companies mentioned several problems, for instance, infrastructure constraints. While the construction and renewal of roads takes a long time, there are only a few road alternatives, which have a great impact on the traffic.

The port is accepted as an international hub by **logistics service providers, support initiatives, research institutions** and **logistics consultants**, representing a gate not only to Scandinavia and to Eastern Europe but also to the Far East. That is also why **logistics service providers** settle in Hamburg. Carriers' presence in the region gives them an additional incentive. According to logistics service providers, container terminals are available but they need more space. Furthermore, the river Elbe currently lacks the depth needed by inland navigation vessels to reach the Czech Republic and other destinations. The logistics service providers also mentioned their concerns about the infrastructure and the education level of employees.

Logistics consultants view Hamburg as a well-established hub area for logistics. Therefore, there is a large amount of competition between companies. Although the location can be regarded as irrelevant for the work of logistic consultants, Hamburg is an exception since it is a meeting point and platform for many players in the market. Many players that are successful in Europe are based in the Metropolitan Region of Hamburg because of the excellent transport connections. Logistics consultants also consider the allocation and flexibility of space as important problems that have to be resolved in the future. The railway connections need to be adjusted and air connections need to be extended. There is a lack of service orientation towards interested companies.

In the **local authorities'** view, Hamburg is geographically and logistically well-positioned, in particular since the recent enlargement of the EU. The city is home to a competence network and to many other institutions that provide platforms for logistics initiatives. There are also education opportunities abound in Hamburg. According to the local authorities, more employees are needed in the field of logistics so that transportation is handled in a more sensible way. Even though local authorities find the city successful in general, they mention the lack of land available for business. **Research institutions** also emphasize that there is not enough land for business and they note that there are transport problems, too.

Support initiatives consider Hamburg to be an attractive home for managers, logistics companies and experts, because it has a high-capacity transport network and a high volume of traffic clocked services

for all carriers. Although most experts think that Hamburg has a good infrastructure, support initiatives implied that the infrastructure is not strongly financed by the German government and the political processes of projects are time consuming.

3.3.4.2 ICT

With respect to ICT, only few statements were made.

The experts from the **manufacturing industry**, **logistics service providers** and **logistics consultants** remarked that there are no real weaknesses in the area of ICT. In case there are any issues, they depend on the own company.

Interviewees from the **local authorities** stressed on the network competence. DAKOSY AG was named as a leading IT service provider for the transport industry and the logistics sectors of trade and industry in Hamburg. Still, **local authorities** are of the opinion that ICT systems need improvement. **Support initiatives** consider maritime competence and customer proximity as strengths of the region and criticize that there are only few ICT providers who are specialized in logistics although there are many consultants.

The **research institutions** do not see any specific weakness, although they did make some suggestions. ICT administration bodies should exchange data in order to optimise transport. In addition, they should guarantee data security and prevent fraudulent use by employing a 3rd party confidence broker.

3.3.5 The logistics competence level

Experts were asked to estimate the level of logistics competence of their own company/institution, their region, the local authorities and the regional support agencies. The results show that the level of logistics competence is considered to be acceptable to very high in all four categories (cp. table 6).

The majority of interviewed experts think that their company's/ institution's level of logistics competence is "high" to "very high" in comparison to leading companies in their region. One of the **logistics consultants** mentioned that most SMEs have profound knowledge concerning methods controlling and optimising. Therefore processes often exist in a low number only, despite the fact that business success

and performance depend very much on the structure and management of a company.

Except for a few, most experts knew about the advantages of being located in the Metropolitan Region of Hamburg and therefore had a positive attitude towards their region's level of competence in logistics. They judged the competence to be "very high" in comparison to other regions in the Baltic Sea Region (cp. table 6).

The opinions differ from "acceptable" to "very high" when estimating the competence of local authorities and support agencies in the region. The poorer results for local authorities are due to the fact that the local authorities cannot be summarized as a whole. There are different divisions of local authorities, each having their own focus. Therefore, for each special request the logistics companies have a different contact person from another department of the local authority. A general judgement of the local authorities' competence is hardly possible. It is the same for the support agencies in the region. The judgements differ from "acceptable" to "very high". Those companies who have for example worked together with the Süderelbe or the Logistics Initiative have been satisfied with their work and judged them to be very competent. Others, who have hardly been in contact with them so far, were not able to judge their activities. However, the results make clear that there is room for improvement for the public sector and that marketing measures of regional development projects should be reinforced.

Table 6 Level of regional logistics competence

	very low	questionable	acceptable	high	very high
of your company/ institution in comparison to leading companies in your branch?	0	0	0	3	5
of your region in comparison to other regions in the Baltic Sea Region	0	1	2	0	6
of the local authorities in the region?	0	0	5	0	2
of the support agencies in the region?	0	0	3	3	2

3.3.6 Participation of the interviewed companies in logistics support agencies, networks or initiatives

The next question targeted at finding out whether the companies/institutions are members of logistics support agencies, networks or initiatives. The majority of experts participate in initiatives. The largest and most common one is the Logistics Initiatives of Hamburg, followed by the Wachstumsinitiative Süderelbe AG and the Logistics Initiative of Lower Saxony.

By organizing workshops, research groups and events on current issues in the logistics field these initiatives build a network of and for logistics companies in the Metropolitan Region of Hamburg. The organisations act as a channel for companies' ideas, demands and interests. Some of them also offer a comprehensive consulting service and communicate with authorities and institutions. Through their work, location conditions for logistics activities and regional development projects in the Metropolitan Region of Hamburg are being further developed.

The main reason for companies and institutions participating in their events and meetings is to get information about current issues concerning the logistics field and to gain knowledge in methods of resolution. Another important aspect is networking. A very minor role

for participating in such initiatives seems to be the expectation for the support in a concrete project.

3.3.7 Assessment of local authorities' support and policy concerning logistics and ICT issues

The experts were asked to assess the support and policy of local authorities concerning logistics and ICT issues.

Most experts chose an answer between "rather unsatisfied" and "satisfied", i.e. answers lie in the middle of the range (see table 7). They had difficulties in judging the local authorities' support and policy because the support depends on the specific subject and the reason why the company needs the support. Other experts indicated that they had not yet worked together with local authorities and therefore preferred not to answer this question.

Experts commented that despite announcements for promising projects which are well-supported through marketing efforts, final results in terms of implementation are often disappointing. However, the interviewees praised marketing activities for logistics as a growing and successful industry in the Metropolitan Region of Hamburg as well as on a national and on an international level.

Table 7 Assessment of local authorities' support and policy concerning logistics

very unsatisfied	rather unsatisfied	neither unsatisfied nor satisfied	satisfied	fully satisfied
0	2	2	5	0

The majority of experts were neither unsatisfied nor satisfied with the local authorities' support and policy with respect to ICT (see table 8). They are often not in contact or experienced with these institutions.

Table 8 Assessment of local authorities' support and policy concerning ICT

very unsatisfied	rather unsatisfied	neither unsatisfied nor satisfied	satisfied	fully satisfied
0	0	4	0	1

3.3.8 Proposals for improvement of Logistics and ICT

Based on the evaluation of strengths and weaknesses of the region, companies were asked about logistics and ICT improvements on three levels: their own company, the local authorities, and the support agencies.

The **manufacturing companies** did not mention any general problem in their own companies or in the cooperation with regional development agencies. However, they did express the wish for support from local authorities and support agencies for finding additional business areas and solving infrastructure problems. Furthermore, they mentioned the importance of transport routes for their just-in-time production especially in case of road works.

Some **logistics service providers** have problems with ICT in their companies. The software needs to be updated for freight forwarders, but it is either too expensive or not available. SAP software is a typical example for the former. Furthermore, logistics service providers claimed that bureaucracy consumes a lot of time at local authorities, who unnecessarily prolong processes and make it difficult for them to keep deadlines.

Logistics service providers commented on support agencies as well. They would like logistics concepts to be well-defined and want precise measures for logistics to be disseminated. A good example is the proclamation of companies engaged in the Logistics Initiative that aims to create 14,000 new jobs until 2015. However, it has not yet become clear where and how these jobs are to be created. Another issue for logistics service providers was the provision of better opportunities for moving containers on waterways.

Logistics consultants are generally satisfied with logistics and ICT in support agencies. They mainly focus on logistics processes and the optimisation in their own companies. They do not give much attention

to the development of ICT systems; as a result, IT systems are often not fully developed.

Logistics consultants see the response time of local authorities with regard to licensing logistics centres in need of improving. They suggest local authorities to focus on important current issues and methods of resolution. Moreover, a higher degree of utilisation and further development of local know-how is needed. Local authorities should be geared to the market and the customer value.

Local authorities generally seemed to agree that support agencies work well. But they also pointed out several issues with regard to local authorities' handling of logistics and ICT. They mentioned the need for an improvement in transport infrastructure and allocation of land use for business purposes. The expansion of the competence network needs to be handled adequately. Education should be enhanced by some organisations. It is crucial that young people are inspired. This can be achieved by creating transparency in the education system and by holding conferences focusing on current topics of logistics.

Local authorities maintain the innovations, technologies and research groups. They link systems and support their integration, especially with the private sector. Collaboration with companies needs to be sustained in order to ensure applicability and durability of EU projects. Research also needs to expand. This can be done by setting up research establishments close to a logistics hub. Moreover, ICT systems need to be developed and IT platform needs to be created for import purpose.

From the **support initiatives'** point of view, an improvement is needed in the general conditions for service providers, the industry and retail. Traffic conditions, logistic spaces, further education, innovations and marketing of locations are all components of the network. They should specialise more in logistics with research and science close to IT. **Local authorities** support the project "Logistics Initiative Hamburg", which helps to realize specific goals such as the accurate identification of logistics space. They also tend to believe that cluster management is a good method to define targets better.

It is also claimed that different actors involved in a field have to be coordinated by local authorities. Nowadays a need for simple, timely and clear strategic plans is crucial. Executives face important challenges in setting effective strategic visions in order to meet complex global challenges. Long-term plans very often become lengthy and thus delay the forming of tangible results.

The role of support agencies is being seen as enhancing the cooperation between local authorities and support initiatives. This ideal cooperative work should be strengthened more.

Research institutes mainly play a role in the theoretical part of logistics. They see competence networks as a necessity. Research institutes have difficulties with regard to ICT and its use in logistics, because it is difficult to find well-educated people who can handle the processes. They feel a lot of pressure to take part in the development of ICT and also believe that qualified people are needed in logistics in the Southern Metropolitan Region of Hamburg.

Research institutes generally regard the infrastructure in need of improvement. They mentioned that bureaucracy consumes too much time for planning infrastructure. The main conclusion of this question is that not enough attention is being given to ICT and that IT development must be enhanced.

3.3.9 Roles and responsibilities in regional development

The experts' statements concerning the question of who should carry out regional development measures are very similar. The development of regional logistics projects should ideally come from the companies, because they generally ensure the demand for projects. The companies developing the projects not only know the needs and the market, but are also able to estimate the consequences of realized projects. The advantage of companies is their independence, allowing them to change the course in a relatively short period of time. Projects realized by the public sector always depend on the current political situation. Particular projects may be good for companies and the economy but are not pursued because of differing interests.

If companies are not able to develop and to start a project they should contact regional associations like the Wachstumsinitiative Süderelbe, the Logistics Initiative Hamburg or the Chamber of Commerce. They offer a comprehensive consulting service which includes the communication with authorities and institutions, the support in administrative or permit-related matters, and the search for real estate.

The majority of interviewed experts are of the opinion that projects concerning the infrastructure, like port infrastructure and streets, should be started by the state, after mutual consent by associations and companies. If the state does not have the financial resources available,

a public-private partnership can be an alternative solution for these kinds of infrastructure projects. A public-private partnership is any partnership with federal agencies, state agencies or individuals or any combination of federal agencies, state agencies or individuals, including corporations and private persons or organisations. By sharing costs and risks, the state is able to realise more projects. The following figure (figure 2) illustrates the interplay between the companies, the associations and the state.

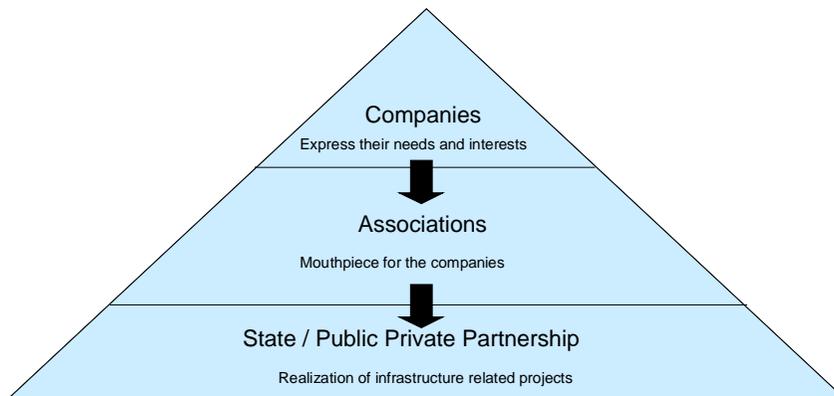


Figure 2 Interplay between companies, associations and state (Own illustration)

As figure 2 shows, projects can only be developed successfully if there is a good communication flow between the companies and the associations as well as between the associations and the state or the public-private partnership. In preparation for future projects these channels of communication should be strengthened.

3.4 Findings regarding education and skills in the regions

The experts were requested to state the qualification level of employees in both logistics and ICT as well as to explain their expectations for future educational training in logistics and ICT.

3.4.1 Qualification of employees in logistics

The interviewees were asked to estimate the qualification level of employees in logistics in their company and in their region. To get a

more detailed picture, employees were classified into three groups: blue-collar workers, white-collar workers and managers. Some experts were not able to fully rate the level of qualification in their company, because they do not employ all kinds of employees. In other cases they neither allow themselves to judge the level of qualification in logistics nor in ICT in the region because of limited knowledge. In some cases they had little direct connections to single categories like blue-collar or white-collar workers and therefore did not know their qualification level in detail.

In the majority of cases the opinions concerning the qualification of employees in logistics in the experts' companies are similar. The experts in all interviewed groups concur that the qualification level in logistics in their company concerning all categories (blue-collar, white-collar workers and management) is "high" to "very high" (cp. table 9). One reason might be that all companies of the interviewed experts offer targeted further education to their employees. This is especially true for white-collar workers and members of the management.

Table 9 Qualification level in logistics in the experts' companies

Qualification level in logistics					
	very low	Rather low	acceptable	high	very high
blue-collar workers	0	0	0	0	2
white-collar workers	0	0	0	2	4
management	0	0	0	2	4

When the experts were asked to characterize the qualification level in logistics in the Metropolitan Region of Hamburg, the results were more heterogeneous (cp. table 10). This is primarily due to the fact that the definition of "logistics" has not been reduced to a specific industry like the aircraft industry or the shipping industry. This led to different estimates regarding the whole spectrum of logistics industries. Nevertheless, it can be stated that in general the experts consider the level of qualification in logistics as "high" to "very high".

Some experts are of the opinion that the management's qualification level in logistics is rather acceptable. It can be problematic when the management of an organisation has an academic background but does not know the service, product, or even the branch very well. Another problem that may occur is connected with the fact that non-academic

work has grown in parallel to the logistics boom many years ago, without the acquisition of junior staff. This has led to a situation where nowadays very often some employees are close to retirement and in case there is no transitional period between instructing the junior staff and retirement, the older staff will take away their industry-specific knowledge and experience. If this happens, it is hard to find replacement.

Table 10 Qualification level in logistics in the Southern Metropolitan Region of Hamburg

Qualification level in logistics					
	very low	Rather low	acceptable	high	very high
blue-collar workers	0	1	1	2	4
white-collar workers	0	1	1	1	5
management	0	0	3	1	4

3.4.2 Qualification of employees in ICT

The experts were requested to estimate the qualification level in ICT in their company as well as in their region. Similar to the logistics field, not all experts were able to judge the competence level, as they do not work in this area.

All experts stated their qualification level in ICT in their company to be “acceptable” to “very high” (cp. table 11). If problems arise, an ICT related service provider is usually consulted.

Table 11 Qualification level in ICT in the experts' companies

Qualification level in ICT					
	Very low	Rather low	acceptable	high	very high
blue-collar workers	0	0	0	1	2
white-collar workers	0	0	1	2	2
management	0	0	1	2	1

The estimate of the qualification level in ICT in the Metropolitan Region of Hamburg is different. For all employee groups, some experts ranked their qualification as rather low (cp. table 12).

Table 12 Qualification level in ICT in the Southern Metropolitan Region of Hamburg

Qualification level in ICT					
	Very low	rather low	acceptable	high	very high
blue-collar worker	0	2	0	1	4
white-collar worker	0	3	2	1	3
management	0	1	2	2	4

3.4.3 Expectations for future educational training in logistics and ICT

Next, the experts were asked what educational training they expect to be relevant in the future and how they support further education and training in logistics and ICT in their company.

Expectations for future educational training in logistics and ICT differ from one expert group to another. In the **manufacturing industry**, educational measures depend on the person and the task, therefore no general trend is apparent. Soft skills account for at least 50% of the content in further education. Apart from this, the specialized further education depends on the job. About 80% of the training is typically done internally in these companies.

Experts from **logistics service providers** mostly regard logistics and ICT education to be of very high importance. The requirements for

employees in the logistics field are constantly changing but also increasing. Often employees are not qualified to take on these new tasks exceeding their individual knowledge and experiences. If companies want to stay competitive in the long term, they have to eliminate and prevent existing deficits in qualification with the help of qualification measures. Therefore they need to offer regular further education to their employees. There is an increasing demand for employees to be qualified in specific job-related functions. Safety rules need to be taught in particular in order to cover the rising demand for knowledge. An example of a training programme offers all employees a training at the beginning of their job for one year, afterwards once per week in order to avoid any gaps in knowledge.

The majority of the other expert groups (**logistics consultancy, local authorities, support initiatives and research institutions**) also send their employees to external congresses, workshops and conferences. The aim is to refresh their soft skills and knowledge in process and project management and to press ahead with continuous improvement processes (CIP). Employees will get updated information and can enforce their local network.

Another common educational measure is in-house-training which enables the training of several employees in a customized manner. The content can be adjusted very well, compared for example with general management training. Supervisors can orientate the training towards the circumstances and the issues of the individual company.

In conclusion, most interviewed experts regard future educational measures as a very important issue.

3.5 Findings regarding companies' expectations

The objective of the last questions was to find out about the experts' expectations and wishes for further logistics and ICT development as well as their policy recommendations.

3.5.1 Expectations and wishes for further logistics and ICT development

The experts had the possibility to describe their expectations and to express their specific wishes for further logistics and ICT development.

The most-often mentioned desire of the experts pertains to infrastructure-related projects in Hamburg and the Southern Metropolitan Region. These and their supporting measures need to be realized faster. Other wishes include, for instance, that the field of logistics receives continuous support now and in the near future. This is necessary in order to achieve the forecasted increase of 14,000 new jobs in the logistics field up to 2015.

Institutions should also attempt to jointly develop intelligent solutions and systems to achieve a higher level of efficiency and a better use of resources. Instead of only expanding the capacity, logistics companies should be restructured to better use valuable and scarce resources.

Further expectations are that Hamburg must reinforce the region's positions as a unity. That means that marketing measures should not only focus on the city of Hamburg but also on the Southern Metropolitan Region. The marketing of Hamburg to foreign countries needs to be more consistent.

In terms of long-term considerations, there is a need for the establishment of similar laws in all countries of the EU. This can prevent distortion of competition and it helps SMEs to remain competitive in the midst of the EU.

3.5.2 Policy recommendations

The interviews concluded with a question regarding policy recommendations of the experts for policy makers and institutions.

Among the most-often mentioned recommendations is the support and realization of more projects that improve Hamburg's infrastructure in order to secure the region's competitiveness in the future. The regional projects also need to be put into action more quickly, even though they often depend on political decisions. One example is the setup of the port link road, a connection between the motorways A1 and A7, in order to relieve the increasing traffic flow.

Another recommendation is for the government to support more (regional) benchmark projects in order to learn from other regions and companies, especially those who are not direct competitors.

The Wachstumsinitiative Süderelbe and the Logistics Initiative Hamburg are two regional development initiatives that are currently realizing many projects. They also support logistics companies effectively. However, more information about these measures and already realized projects need to be disseminated more efficiently.

Many SMEs in the Metropolitan Region of Hamburg have only heard about different initiatives but do not have an adequate knowledge regarding successfully realized projects. Another expert request is to initiate more ICT-related co-operation projects. This could help in overcoming hurdles with regard to the use of new technologies in the field of logistics. For example, the development and promotion of innovative handling technology for port logistics and the setup of inter-modal information systems could both help to reduce current infrastructure problems.

One example of an innovative regional activity is the recent foundation of the public-private partnership of the Logistics Initiative Hamburg called Hamburg@work. Founded in 1997, this initiative for media, IT and telecommunication has about 2,500 members now. With its broad range of services and support functions such as networking, events, and working groups, Hamburg@work has established itself as a valuable contact for anyone with questions regarding digital economy in Hamburg.

Furthermore, initiatives should intensify their support of logistics companies in the opening up of new markets for the building-up of new networks and business relationships. They facilitate especially smaller companies to stay competitive by obtaining detailed information or a contact person who can place further experts and arrange help.

But a close collaboration is mutual. Thus, recommendations for logistics companies in Hamburg include becoming more proactive in initiating new logistics and ICT related projects and using opportunities to participate in established logistics related networks like the Wachstumsinitiative Süderelbe and the Logistics Initiative of Hamburg or Lower Saxony.

The recommendations of the experts for educational institutions include intensifying the promotion of qualified people so that they become a mouthpiece outside Germany and offering a more broad-based education in the field of logistics (e.g. for bookers, schedulers and operationally active employees). Students and apprentices need to be adequately trained in both logistics and ICT if they want to be prepared for the future.

4 SUMMARY AND OUTLOOK

In this report, the results of the conducted expert interviews in the Southern Metropolitan Region of Hamburg are summarized. The aim of the interviews was to identify current strengths and weaknesses of the region but also to have a look into the future and to discuss trends, developments and expectations of private companies as well as representatives from research institutions, development agencies and local authorities.

As it is always the case with expert interviews, the outcomes often depend on the companies and persons chosen. Therefore, the results are not necessarily the opinion of the entire industry but of individuals. This, however, made it also possible to have very personalized views from different perspectives on the same topic.

After introducing the project and the methodology of the expert interviews, the main chapter of the report was divided into five parts, corresponding to the five parts of the interview guideline (see Appendix 1).

The first part of the report covered trends in logistics and information and communication technology (ICT). Globalization, internationalization and infrastructure development were most important trends on the logistics side, while RFID seems to be predominant theme regarding ICT.

The second part of the report discussed current and future contacts and projects in the Baltic Sea Region as well as the constraints and problems associated with them. Most companies/institutions have rather limited contacts and projects for – very often - individual reasons. Although the Baltic Sea Region, particularly the Baltic States (Estonia, Latvia, Lithuania) and Russia, offer a huge market potential for the future, there are relatively few concrete activities planned for the next years. While there were no problems associated with businesses in Scandinavia (Finland, Sweden, Denmark), there were several issues mentioned for the Eastern European countries (Baltic States and Poland) and Russia, among these were language problems and differences in standards and business cultures.

The third part of the report dealt with regional development activities. It became clear that there is still room for improvement when it comes

to communicating these activities to companies, but even more to realize successful projects and not only to market them. Infrastructure aspects, education and co-ordination/networking were highlighted as the key regional development issues. The work of support agencies and local authorities was evaluated differently. Nevertheless, the experts were generally satisfied with the business conditions and the positioning of Hamburg as a logistics hub.

In the fourth part, the competence levels with respect to logistics and ICT were evaluated. With some exceptions, the competence level for all employee groups (blue-collar workers, white-collar workers and managers) was ranked at least acceptable, mostly high or rather high. Education and internal training was seen as a main aspect to remain competitive in the future.

In the last part of the report experts specified their wishes, expectations and recommendations for policy makers. In accordance with the aforementioned issues, the main wishes and recommendations involved infrastructure projects, simplifying time consuming planning procedures and investing in education institutions.

APPENDIX

Appendix 1 Interview guideline

Structure

Introduction:

<i>Introduction of the interviewer</i>
<i>Short presentation of the LogOn Baltic project and its objectives</i>

Question clusters:

<i>I: Trends (1 question)</i>	Σ min 5 min
<i>II: Business Connections (3 questions)</i>	Σ min 12 min
<i>III: Regional Development (9 questions)</i>	Σ min 30 min
<i>IV: Education/Skills (2 questions)</i>	Σ min 5 min
<i>V: Outlook (2 questions)</i>	Σ min 8 min

Interview – Basic information

<p><u>Interviewer</u></p> <p>Name:</p> <p>Institution:</p>

<p><u>Interviewee</u></p> <p>Name:</p> <p>Function:</p> <p>Name of institution:</p> <p>Type of institution:</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Manufacturing industry</td> <td><input type="checkbox"/> Local authority</td> </tr> <tr> <td><input type="checkbox"/> Retail industry</td> <td><input type="checkbox"/> Support initiative</td> </tr> <tr> <td><input type="checkbox"/> Logistics service provider</td> <td><input type="checkbox"/> Research institution</td> </tr> <tr> <td><input type="checkbox"/> Logistics consultant</td> <td></td> </tr> </table>	<input type="checkbox"/> Manufacturing industry	<input type="checkbox"/> Local authority	<input type="checkbox"/> Retail industry	<input type="checkbox"/> Support initiative	<input type="checkbox"/> Logistics service provider	<input type="checkbox"/> Research institution	<input type="checkbox"/> Logistics consultant	
<input type="checkbox"/> Manufacturing industry	<input type="checkbox"/> Local authority							
<input type="checkbox"/> Retail industry	<input type="checkbox"/> Support initiative							
<input type="checkbox"/> Logistics service provider	<input type="checkbox"/> Research institution							
<input type="checkbox"/> Logistics consultant								

Date, duration and location of interview

Date:

Duration:

Location:

Interview – Questions**I: Trends**

I.1.) What do you think are currently the most important trends relevant for logistics and ICT that will influence:

a) your company / institution / organisation?

Logistics:

ICT:

b) your region?

Logistics:

ICT:

II: Business Connections

II.1.) Do you have any business contacts to the Baltic Sea Region? If so, please differentiate among:

Number of contact	0-5	6-15	16-25	>25
Federal Republic of Germany	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poland and Baltic States (Lithuania, Latvia, Estonia)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Russia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scandinavia (Denmark, Sweden, Finland, Norway)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Why do you have so many / no contacts?

II.2.) Are there any logistic projects planned with new suppliers / customers in the BSR in the next year(s)? *[for industry and research]*

Number of logistics projects	0-2	3-5	6-10	>10
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What kind of projects?

II.2.) Are there any (state-run) cross-national projects planned with local authorities / institutions / companies in the BSR in the next year(s)? [for local authorities and support agencies]

Number of cross-national projects	0-2	3-5	6-10	>10
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What kind of projects?

II.3.) When cooperating with partners from Eastern Europe, new EU member countries, Russia, Scandinavia¹ respectively what kind of challenges did emerge?

Please describe inhibitors or possible constraints when dealing with these foreign business partners:

- a) concerning the business relations (e.g. intercultural differences, business performance factors, skills of workforce, management skills)
- b) concerning institutional setup (e.g. transport and ICT infrastructure, general political conditions, ...)

III: Regional Development

III.1.) Do you know of any regional development activities in your region?

III.2.) What are the key regional development issues (e.g. concerning infrastructure, location, training, local support ...) for:

- a) logistics in your region?
- b) ICT in your region?

III.3.) What kind of former regional development projects in your region have been successful?

Number of successful regional development projects	<25%	25-50%	51-75%	>75%
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How did you come to this judgement?

III.4.) In your opinion, what are the strengths and weaknesses in the area of logistics and ICT in your region? What determined your decision to

¹ Eastern European countries, Russia, Scandinavia will add Federal Republic of Germany respectively and cancel their home country.

locate in this region (please refer to special regional logistics competences, locational factors, infrastructural conditions, support programs, skilled workforce ...)?

	of Logistics	of ICT
Strengths		
Weaknesses		

III.5.) How do you think is the logistics competence level...

	very low	question-able	accept-able	high	very high
of your company/institution in comparison to leading companies in your branch?	<input type="checkbox"/>				
of your region in comparison to other regions in the Baltic Sea Region	<input type="checkbox"/>				
of the local authorities in the region?	<input type="checkbox"/>				
of the support agencies in the region?	<input type="checkbox"/>				

Please comment.

III.6.) Is your company participating in logistics support agencies, networks or initiatives (e.g. for Hamburg Region: Logistics Initiative Hamburg, Süderelbe etc.²)? Why?

III.7.) How satisfied are you with the local authorities' support and policy (e.g. for Hamburg³: Wirtschaftsbehörde) concerning logistics and ICT issues?

Logistics:

very unsatisfied	rather unsatisfied	neither unsatisfied nor satisfied	satisfied	fully satisfied
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please comment.

² please add locally the most important local agencies

³ please adapt locally

ICT:

very unsatisfied	rather unsatisfied	neither unsatisfied nor satisfied	satisfied	fully satisfied
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please comment.

III.8.) Where do you see room for logistical and ICT improvements?

Improvement	of Logistics	of ICT
a) in your company / organisation		
b) in local authorities		
c) in support agencies		

III.9.) How do you see the different roles and responsibilities for regional development (e.g. who should start development activities: state, public-private-partnerships, companies by themselves, associations, etc.)?

IV: Education/Skills

IV.1.) How would you value the employees' qualification level in logistics / ICT

a) in your company?

Qualification level in logistics					
	very low	rather low	acceptable	high	very high
blue-collar worker	<input type="checkbox"/>				
white-collar worker	<input type="checkbox"/>				
management	<input type="checkbox"/>				
Qualification level in ICT					
	very low	rather low	acceptable	high	very high
blue-collar worker	<input type="checkbox"/>				
white-collar worker	<input type="checkbox"/>				
management	<input type="checkbox"/>				

b) in the region?

Qualification level in logistics					
	very low	rather low	acceptable	high	very high
blue-collar worker	<input type="checkbox"/>				
white-collar worker	<input type="checkbox"/>				
management	<input type="checkbox"/>				
Qualification level in ICT					
	very low	rather low	acceptable	high	very high
blue-collar worker	<input type="checkbox"/>				
white-collar worker	<input type="checkbox"/>				
management	<input type="checkbox"/>				

Please provide some background information on the professional qualification of your employees.

IV.2.) What educational training do you expect to be relevant in the future and how do you support further education and training in the area of logistics and ICT?

V: Outlook

V.1.) What are your expectations and wishes for further logistics and ICT development (from local authorities, support agencies...)?

V.2.) Do you have any concrete policy recommendations in the area of logistics / ICT?

LogOn Baltic Publications (as of 21.9.2007)**LogOn Baltic Master reports**

- 1:2007 Developing Regions through Spatial Planning and Logistics & ICT competence - Final report
Wolfgang Kersten, Mareike Böger, Meike Schröder and Carolin Singer
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Eric Kron, Gunnar Prause and Anatoli Beifert
- 3:2007 Aggregated logistics survey report (*working title*)
Håkan Aronsson and Naveen Kumar
- 4:2007 Aggregated ICT survey report (*working title*)
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