

# Is small always beautiful?

It has proved so for logistics operator Liquid CONcept, but, as Felicity Landon reports, some growth is now on the agenda

Staying close to the customer, having the flexibility to meet demands and building long-lasting relationships – joint MDs Eycke-Christian Dörre and Ulrich Schnoor say there is no great secret behind Liquid CONcept's approach.

The Hamburg-based operator focuses on holistic logistics solutions for liquid bulks.

"We consider the whole team entrepreneurs – it is all about customer service," says Dörre. "I think customer awareness is much easier when you are smaller and don't have a lot of hierarchy or levels of responsibility."

There is, perhaps, one little secret to be revealed: chocolate.

The majority of Liquid CONcept's business is foodstuffs, which isn't as volatile as the chemical sector, he points out. "Volumes are quite stable, people still have to eat, and we are big in the chocolate business," he says.

"People either eat chocolate when they are unhappy or when they are happy – so it is very stable!"

Schnoor has a background in liquid bulk logistics, latterly with Hoyer when he decided to set up Liquid CONcept. Given that this was the end of 2007, to describe the times as 'challenging' seems a bit of an understatement.

Fortunately, the new venture had strong financial backing from a shareholder who believed in both the concept and the people, says Schnoor.

"Yes, 2008 was very difficult and growth was slower than we anticipated in our business plan. But we knew what we were going



to do, we just had to get through it. By 2009-10, it took off like a rocket and it hasn't stopped since."

Eycke Dörre, who also has a liquid bulk logistics background and was also with Hoyer, joined Liquid CONcept in 2011 and became joint MD in 2014.

The company has seen growth rates of 20-25% every year, although Dörre admits: "It is easy to grow 20% when you are small, and it will be more difficult to keep that growth ratio in the coming years."

In 2007, the focus was solely on IBC logistics. "The company did rental and logistics for stainless steel IBCs and then grew into tank containers and transport," says Dörre. "It was the same customers and products, but bigger quantities required. With IBCs we are moving up to 1,000 litres - in tank containers and tank trucks, the volumes are up to 30,000 litres depending on

the product. So we gained new services in the past few years."

In the past year, Liquid CONcept has focused on delivering a package of services, including drumming, defilling, storage and transport concepts.

"Our customers want one solution provider," says Schnoor. "We ask questions and develop various solutions for the customers. We have lots who are renting IBCs from us and who also order bulk transport and tank containers for intermediate storage; we fill the IBC from the tank container."

The company's fleet is made up of 4,000 stainless steel IBCs, 75 tank containers, used for transport as well as storage and special projects, and 35 tank trucks that transport liquid foodstuffs throughout Europe.

Although Liquid CONcept operates just one site in Hamburg, it has a depot structure through various

partners, covering Europe. "These depots are certified according to our customers' needs," says Dörre. "We don't have our own workshop or cleaning stations but we make sure our partners are performing in the way we ask."

A key development last year was being awarded the International Featured Standard Logistics (IFS-Logistics 2.1) certificate from the DEKRA testing organisation. This guarantees transparency along the entire supply chain by performing tests based on a globally uniform rating system.

Dörre says: "The certificate also covers intermediate bulk container logistics. We are the first company to receive IFS certification for small container transportation services."

The company rounded off 2016 by being named one of the 500 German companies with the biggest growth in turnover between 2012 and 2015. The 'Growth Champions' ranking, created by Focus-Spezial and Statista, put the company in 12th place among German logistics companies with the biggest growth.

The two MDs believe a key factor behind the success of their business model is the decline of in-house expertise in the industry. "Many big companies have changed their habits a little, from thinking they have to know all about logistics to focusing more on diversifying their product range," says Schnoor. "Everybody is reducing overheads and increasingly the logistics know-how may not be there. Also, expertise is being lost as key people come up to retirement age."

For Liquid CONcept, the holistic approach necessarily includes innovation. Among solutions are tank containers fitted with agitators to prevent liquid chocolate from getting stuck, and the development of a new aseptic handling solution for tank containers carrying food.

In this latter development, the company is working with partners in Scandinavia and



the first trials have been successful.

"Always, our focus is on finding a solution. For example, a customer might want to deliver a special product at a special temperature and in a special IBC but isn't able to fill it. We do all the planning and time scheduling; we will pick up the product in a tank container, bring it to a defilling station and defill in smaller quantities to IBC.

"We will also provide road transport in temperature-controlled trucks."

What's particularly important is presenting a single face to the customer, says Schnoor. "There is always one face from sales and operations dealing with the customer. And that covers onsite logistics for customers moving liquid products between two facilities, cleaning in between and special equipment to ensure that any loss of product is absolutely the minimum. We are talking about very sensitive and expensive products."

Customers are always surprised that they can get everything out of one small company, he says. "But we are highly professional and they like it. Our solutions can be very complex but once you have the project and concept up and running, if you do an excellent job and your customer trusts you, usually you have a long-lasting relationship."

IFS certification was really important, he adds. "The foodstuff customers we work with prefer to work with a logistics company that has IFS because they want to guarantee the quality of the product they are bringing to the manufacturer. In the early days we decided to focus more on the food sector because the chemical business was very volatile,

and this has proved successful for us. However, 10% of our current business is in the chemical sector, and we could expand that."

And so, to growth. If small is beautiful and Liquid CONcept – current team 16 – continues to grow, what happens next?

Dörre says: "We have both worked for very big companies in the past. We don't want to lose contact with our customers and we don't want to lose a grip on our staff – that is always going to be the basis for our business.

"Yes, we want to grow and we are asked to grow by our customers, but we are not going to be 100 people next year. It is organic growth we are looking for, nothing that is going to appear overnight."

At present the company is focused mainly on Germany, Austria, Switzerland, Belgium and the Netherlands, with business developing in Poland and a first project under way in Russia.

"We can only sustain our philosophy if we are careful with our growth," says Dörre. "Of course there are disadvantages to being small – we don't have a massive network or lots of staff and we don't lease tank containers. But our fleet is big enough to service requirements and what we do have is flexibility.

"Our staff are hand-picked and we look at exactly who is going to represent us. We specialise in solutions; we are in a niche and we are happy there."