



HALF YEAR REVIEW: GLOBAL LOGISTICS, SUPPLY CHAIN, AND TRANSPORTATION SECTORS



Market Overview: The first half of the year has shown a notable uptick in the global logistics, supply chain, and transportation sectors, marking a positive shift from the trends observed in 2023. This resurgence spans across multinational corporations and small to medium-sized enterprises (SMEs). For businesses with a turnover below £200 million, particularly those backed by private equity, decision-making processes regarding new ventures were notably postponed last year due to cautious scrutiny of market performance. However, the prevailing sentiment indicates that further delays in critical decision-making are untenable, as the risk of falling behind competitors becomes increasingly significant.

Organisational Performance and Transformation: Within larger multinational organisations, performance varies significantly. Several entities are undergoing substantial transformations and restructures, transitioning from regional matrix structures to more streamlined global and local teams. This restructuring often involves decentralising power to key countries and markets to enhance operational efficiency and market responsiveness.

Conversely, other organisations are bolstering their corporate functions through significant hires, with a pronounced focus on transformation projects and mergers and acquisitions (M&A).

Recruitment Trends and Market Sentiment: We have seen a 65% increase in executive searches going to market, from this time last year, reflecting an increase in optimism across the market. Despite this, business leaders display a cautious optimism, reflected in conservative hiring practices despite the increased demand for professionals with transformation expertise. Senior sales professionals, particularly those with strategic leadership capabilities and a new business development mindset, remain in high demand. The supply of such professionals continues to outstrip demand, highlighting a critical area for talent acquisition.

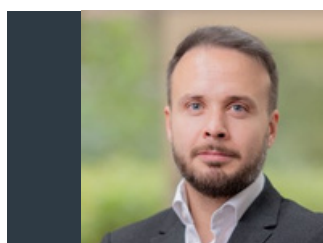
Candidate mobility has returned to more typical levels following the peaks in job transitions seen in 2021 and 2022. On average, candidates are negotiating for a 10%-20% increase in base salary. The primary motivator for job changes remains the allure of new opportunities, with candidates prioritising roles that offer challenges, a sense of purpose, and the ability to influence the strategic direction of the business.

Strategic Priorities and Economic Factors: Last year, the primary focus for CEOs and business leaders was on cost control, driven by rising energy costs and inflationary pressures. With inflation now stabilising, many businesses are shifting their focus to broader strategic priorities. The most significant topics in this regard are Environmental, Social, and Governance (ESG) concerns, with a notable emphasis on the social aspect. Generative AI and its adoption are equally critical, as organisations seek to leverage technological advancements to enhance efficiency and innovation.

While it is too early to definitively assess the impact of a change in government on the market, businesses are not expecting a significant shift in the short-term. The predictability of a change in government has meant that many business leaders have already prepared for his eventuality.

Mergers and Acquisitions: The M&A landscape has seen a marked increase in activity over the past seven months. The most high-profile acquisition has been GXO's purchase of Wincanton, which has set the stage for a heightened appetite for acquisitions, particularly among businesses with turnovers below £20 million. However, the market does not anticipate many, if any, acquisitions of businesses with turnovers exceeding £100 million within the UK this year.

Conclusion: In summary, the first half of the year has been characterised by a rebound in the global logistics, supply chain, and transportation sectors. While there is cautious optimism among business leaders, the focus remains on strategic hiring and transformation initiatives. The increased M&A activity underscores the sector's dynamism, setting the stage for continued growth and adaptation in the latter half of the year. As businesses navigate the evolving landscape, the emphasis on strategic planning and talent acquisition will be crucial in maintaining competitive advantage. With inflation stabilising, organisations are better positioned to address broader strategic goals, including ESG commitments and the integration of generative AI, ensuring sustained growth and innovation.



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