

## Market Insight Exclusive: Revealed – the AP Møller-Maersk Group reorganisation



Maersk headquarters in Copenhagen

By [Alessandro Pasetti](#)  
11/10/2018

I have spent so much time on the Damco story over the past few weeks that I almost overlooked the bigger picture. But, luckily, I have ended up catching a much larger fish – below you will find details of the corporate reorganisation of Damco's owner,

AP Møller-Maersk Group (APMM), effective 1 January 2019, which has been obtained by *The Loadstar* but has yet to be announced publicly – at least to my knowledge.

My first impression of the grand plan was not bad – I decided to ignore for a moment the management changes at its \$1.3bn-revenue freight forwarding unit and related troubles (I heard it has just “lost the Electrolux Australia contract”, which was a renewal) and focus on the group’s prospects, just as many Damco senior staff appear to be moving to lead the transformation of APMM.

Over the next five years, the idea is to grow revenues to the days before the separation of energy assets, which means APMM is targeting the \$40bn-\$50bn annual sales mark, up from \$33bn last year and \$38bn-\$39bn expected for 2018.

To do that, it will likely chase inorganic growth, one banking source in London reminded me late last night.

### Stay Ahead

The plan, internally called Stay Ahead, is transformational insofar as, “we are transforming APMM in multiple dimensions”, it says, which intrinsically sounds reasonable, given the results achieved in recent years.

It is moving “from a conglomerate, to a more focused company”, it claims, aligning “the operating model to the vision”.

Stay Ahead 28

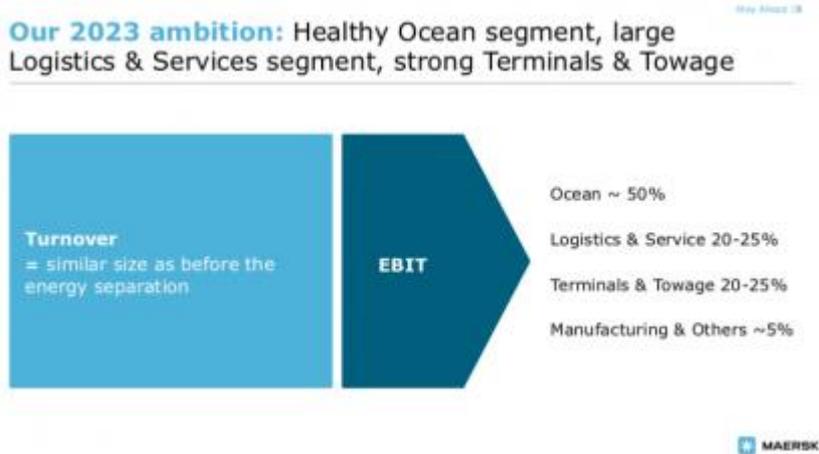
**We are transforming APMM in multiple dimensions –  
From a conglomerate to one focused company**

<b>Transformed container transport</b> <small>Effective, reliable &amp; customer-centric</small>	<b>Leading integrated logistics capability</b> <small>Buy &amp; build</small>	<b>Terminals capabilities aligned and improved</b> <small>For Maersk and other customers</small>
<b>Transform digitally and technologically – embedded in all businesses and functions</b>		
<b>Aligned operating model to the vision</b>		

 MAERSK

Source APMM's Stay Ahead plan

“Was it McKinsey or Boston Consulting who put the plan together?” one New York-based logistics veteran asked me when I shared the news. I did not get that particular detail confirmed by my sources, but its mid-term goals are clearly detailed in the table below.



Source APMM's Stay Ahead plan

Damco remains tied to the parent company as a kind of appendix – outside what still, inevitably, resembles a vast conglomerate structure – led, just as in the past 12 months, by Saskia Groen-in't-Woud.



Source APMM's Stay Ahead plan

All the other brands – APM Terminals, Hamburg Süd, Maersk Container Industry, Safmarine, Twill and Svitzer – will remain unchanged, “setting us up for growth”.

### The core

This is not a marketing exercise in the way that many described the integration of regional shipping brands MCC Transport, SeaGo and Sealand Americas into Sealand was, because the “management team should know very well that if it doesn’t work out by the end of 2020 the executive team will look completely different”, a source close to the board told me.

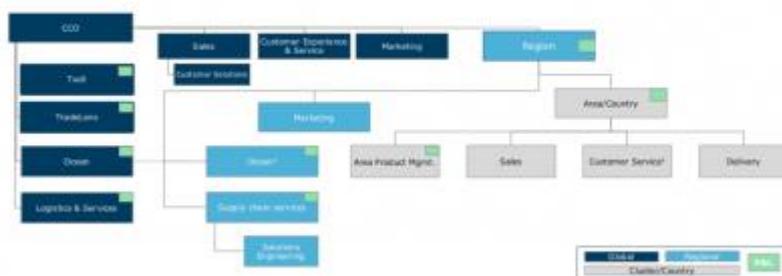
A.P. Moller – Maersk management team



Source APMM’s Stay Ahead plan

As it has repeatedly said over the past year or so, APMM is merging logistics, tech and ocean assets to provide end-to-end solutions, likely gaining a competitive edge and deeper intelligence from the big vessels it owns and charters, as well as its other increasingly wired assets – think what the remote container management system in its reefer fleet could do for both its perishables shipper customers, but also the Damco fresh vertical managers who support them.

### More empowered frontline for quick decision making, agility, aligned delivery



1. Includes delivery of certain products



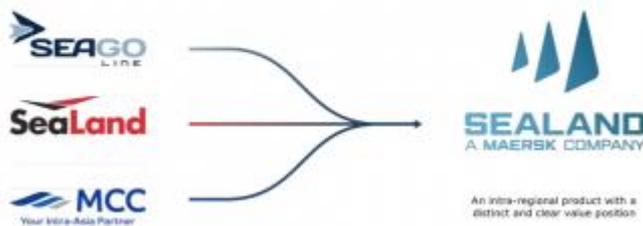
### A new leadership team building on strong capabilities to enable new ways of working



Source APMM's Stay Ahead plan

The strategy highlights “a new leadership team building on strong capabilities to enable new ways of working”, and that is great, also considering that from all the internal documents I sighted (the Stay Ahead package comprises several other files), there are vacancies in many places (at Damco now, in particular), but Europe has been sorted out, with a vision for “a simpler way to go to the market” with other products.

### A simpler way of going to market



Source APMM's Stay Ahead plan

### Europe Region

UPDATED 2020.10 - Organization effective as of 1 January 2020 | 18



Source APMM's Stay Ahead plan

We are now at “the building the team” stage...



Source APMM's *Stay Ahead plan*

... which is leaving several employees fuming/disgruntled. More on that and all the other changes next week, and I'll keep in mind to “be careful” with my findings.

“You don't want to find yourself inside a shipping container at the bottom of the sea,” the New York veteran jokingly told me.

### Previous coverage

Analysis: is DSV ready to move on Damco's freight forwarding business? (9 October, [click here](#))

Market Insight: Damco FF – a people business, but does it have too many? (5 October, [click here](#))

Market Insight: Damco – has the latest revamp broken APMM's 'beating heart'? (26 September, [click here](#))

*Alessandro Pasetti does not invest in the companies he covers. Alessandro Pasetti and The Loadstar team have no positions in any stocks mentioned in this market insight column, and have no plans to initiate any positions within the next 72 hours.*