

PEOPLE

MAKING THINGS HAPPEN

Dr. Lutz Freytag

Board Member of Schenker for accounting/finance, controlling, risk management and purchasing



"Schenker, as a company, is already extremely well equipped - I don't see any need for any radical change. The challenge here is to further develop our controlling systems

so they exactly match and cater to Schenker's particular structure - the matrix of business divisions and regional responsibility."

■ Training: Physicist  
■ Office location: Essen

Natalja Wolodina

Manager at Railton Russia Services

In Russia, Wolodina is responsible for organizing intermodal freight traffic and dealing with waybills for international railroad freight both to and from eastern European countries.



■ Training: Engineer  
■ Office location: Moscow  
■ Colleagues: 6

Ralf Mueller

Schenker in Australia, General Manager



"After 18 years at Schenker, I am delighted to be in charge of my own branch now. In Melbourne, I'm responsible for managing transport at an air and ocean freight terminal. Previously, I worked

in product development for DB Schenker in Korea."

■ Training: Economics  
■ Office location: Victoria  
■ Employees: 170

Stephen Owles

General Manager of Schenker in New Zealand

Owles's responsibilities range from operations and sales to dealing with customers. The plan for this year is sophisticated sales strategies. He is especially interested in developing trans-



acific traffic and logistics chains.  
■ Training: Economics and logistics  
■ Office location: Auckland  
■ Employees: 55

Uwe Bakosch

Head of network corridor management, as well as a member of Intermodal's extended management

Since 2007, Intermodal's business has been divided into three European traffic corridors: Central, East-West, and North-South. For Bakosch, optimizing cooperation is the path to success.

■ Training: Maritime attorney and maritime shipping agent  
■ Office location: Berlin  
■ Employees: 56



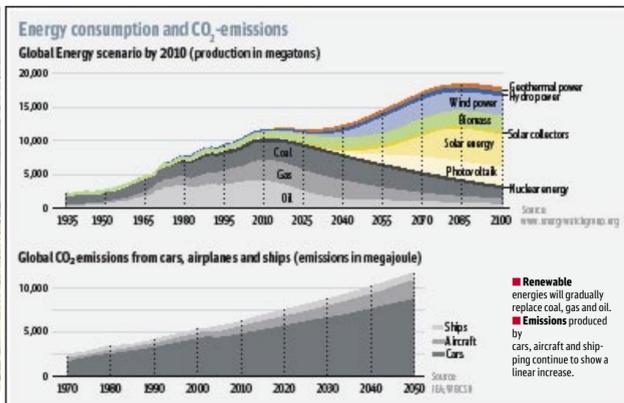
WRITE TO US

We'd like to hear from you. Please write and let us know if you have a colleague who has coped with an amazing task or mastered big challenges with great dedication. Deutsche Bahn, DB World, Potsdamer Platz 2, 10785 Berlin, Germany. E-mail: dbworld-contact@bahn.de

Deutsche Bahn's strategy department researches the products and services that will bring us into the future.



Routine use of renewable energies such as rapeseed (above) is still a long way off for rail transport.



Stephan Wehrmann with colleagues Andrea Bulle (center) and Achim Fiack (left).

# Stephan Wehrmann explores tomorrow's transport issues

**Strategy department team leader Stephan Wehrmann develops future scenarios and new traffic concepts so DB can stay a step ahead of global trends**

Berlin. Stephan Wehrmann has a view to die for. From his office on the 20th floor of Berlin's Deutsche Bahn headquarters, he enjoys a panorama of the city's parliament buildings, the chancellery, the main train station, and the Brandenburg Gate. You are a lucky man if you can see four of the German capital's main tourist attractions from your desk!



From his office, Stephan Wehrmann has a great view of Berlin.

It's an overview that Wehrmann also needs in his job. The 34-year-old is team leader in Deutsche Bahn's strategy department. What exactly does this department do? Wehrmann smiles to himself as he explains. "I monitor global trends and watch how certain markets develop," he says. "My team and I use this information to come up with strategies that will be important for DB and its customers in the future." Wehrmann and his colleagues have to answer the kinds of questions that are interesting to every large international company: What products do customers want me to provide in future? How does the world of politics view my business, and what regulations will I face in the coming years?

Today, Wehrmann meets with Achim Fiack, project manager of the strategy department, and Andrea Bulle from transport logistics strategy. The meeting's location is the seventh floor of the Bahn Tower and the subject on the agenda is the launch of a project involving DB's climate protection and energy strategy. The team has to come up with guidelines for top-level management at DB, on the basis of future scenarios involving the limited availability of fossil fuels.

» The simple questions are often the most important.  
Achim Fiack

It's obvious that Wehrmann enjoys looking for answers to the key issues of tomorrow. And in a competitive environment, the winner will always be the person with the better concept. The young manager is convinced of this. "That's why we always have to keep a step ahead of the competition," he says.

He shares this objective with 16 colleagues in the strategy department, which is headed up by Christian Schreyer and comprises four teams. The Process team deals with strategic business planning. Cross-division topics are handled by the Strategy & Company Group department as well as Cooperation & Innovation. Wehrmann himself is currently responsible for the Equity Story area. This involves presenting key parameters such as strategy, earning power, and DB's vision for potential investors to best effect.

What counts is which service provider has the most intelligent concept. DB is in a good position here thanks to its high level of rail traffic. But in the meantime our competitors are also giving greater consideration to this issue."

Thinking strategically also means finding out and defining what should be avoided. Apart from the blending stipulated by law, first-generation biofuels (based on oil plants) are not an issue for locomotives. Manufacture is too costly, and the competition between food and fuel crops is socially unacceptable. "There's absolutely no point in simply cloaking ourselves in green concepts and pretending we are a sustainable business."

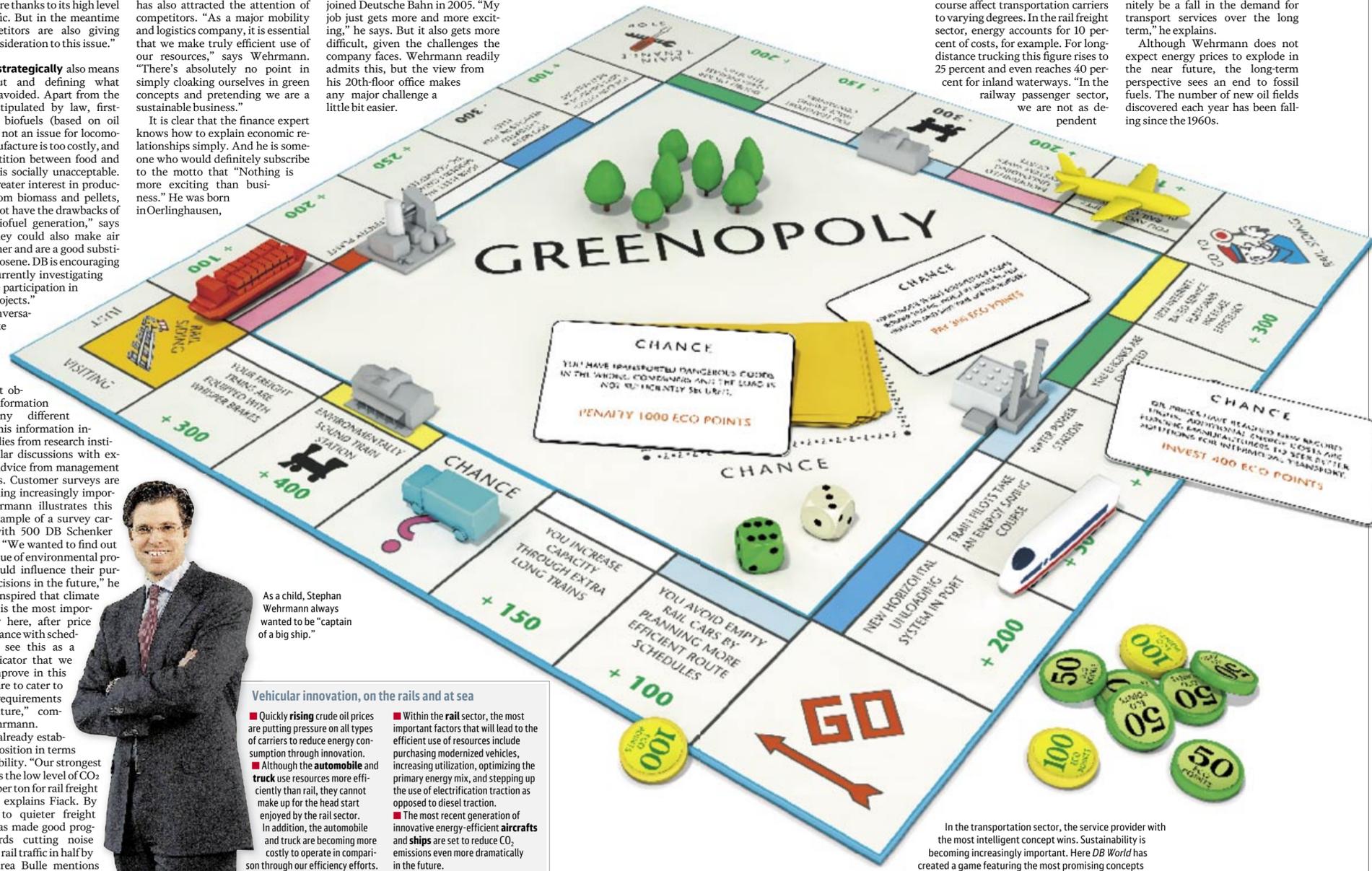
The conversations make perfectly clear that the strategy department obtains its information from many different sources. This information includes studies from research institutes, regular discussions with experts and advice from management consultants. Customer surveys are also becoming increasingly important. Wehrmann illustrates this with an example of a survey carried out with 500 DB Schenker customers. "We wanted to find out how the issue of environmental protection would influence their purchasing decisions in the future," he says. It transpired that climate protection is the most important factor here, after price and compliance with schedules. "We see this as a strong indicator that we need to improve in this area if we are to cater to customer requirements in the future," comments Wehrmann.

DB has already established its position in terms of sustainability. "Our strongest argument is the low level of CO<sub>2</sub> emissions per ton for rail freight transport," explains Fiack. By switching to quieter freight cars, DB has made good progress towards cutting noise levels from rail traffic in half by 2010. Andrea Bulle mentions the energy-efficient container

train that traveled to China. The principle of energy efficiency, which is applied by DB as a best practice, has also attracted the attention of competitors. "As a major mobility and logistics company, it is essential that we make truly efficient use of our resources," says Wehrmann. "There's absolutely no point in simply cloaking ourselves in green concepts and pretending we are a sustainable business."

It is clear that the finance expert knows how to explain economic relationships simply. And he is someone who would definitely subscribe to the motto that "Nothing is more exciting than business." He was born in Oerlinghausen,

studied business administration in Cologne, and used to work for Citigroup as an investment banker. He joined Deutsche Bahn in 2005. "My job just gets more and more exciting," he says. But it also gets more difficult, given the challenges the company faces. Wehrmann readily admits this, but the view from his 20th-floor office makes any major challenge a little bit easier.



As a child, Stephan Wehrmann always wanted to be "captain of a big ship."

Vehicular innovation, on the rails and at sea

- Quickly rising crude oil prices are putting pressure on all types of carriers to reduce energy consumption through innovation.
- Although the automobile and truck use resources more efficiently than rail, they cannot make up for the head start enjoyed by the rail sector. In addition, the automobile and truck are becoming more costly to operate in comparison through our efficiency efforts.
- Within the rail sector, the most important factors that will lead to the efficient use of resources include purchasing modernized vehicles, increasing utilization, optimizing the primary energy mix, and stepping up the use of electrification traction as opposed to diesel traction.
- The most recent generation of innovative energy-efficient aircrafts and ships are set to reduce CO<sub>2</sub> emissions even more dramatically in the future.

## Logistics companies cope with high oil prices

Rail traffic has the lowest energy costs

Berlin. Since 1998, the price of crude oil has nominally increased more than five-fold. Taking price adjustments into consideration, present levels are still slightly below those seen at the beginning of the 1980s, but that's little comfort to private consumers and industrial clients. It is especially disastrous that prices for other raw energy materials - for example, gas, and to a certain extent, coal - have also registered similar increases.

on oil and therefore have an advantage over the competition, in particular the automobile," says Wehrmann. "There is of course the drawback that, with a rise in energy costs, our customers have less money to spend. In the rail freight sector,

» In the railway passenger sector, we're not as dependent on oil.  
Stephan Wehrmann

All of this has far-reaching effects for global transport: costs are rising. "Throughout the world, the transport sector depends almost entirely on oil," says Stephan Wehrmann. "And because energy costs are passed on to the customers - one example is the fuel surcharge for aircraft passengers - all of this will impact the global economy."

Higher oil prices by themselves of course affect transportation carriers to varying degrees. In the rail freight sector, energy accounts for 10 percent of costs, for example. For long-distance trucking this figure rises to 25 percent and even reaches 40 percent for inland waterways. "In the railway passenger sector, we are not as dependent

we are less seriously affected by the high oil prices than road transport is, for example. The overall trend is more harmful to our global logistics business, which primarily uses carriers that are almost entirely dependent on oil." An added problem is that higher energy costs place a great burden on trade and industry around the world. "There will definitely be a fall in the demand for transport services over the long term," he explains.

Although Wehrmann does not expect energy prices to explode in the near future, the long-term perspective sees an end to fossil fuels. The number of new oil fields discovered each year has been falling since the 1960s.

In the transportation sector, the service provider with the most intelligent concept wins. Sustainability is becoming increasingly important. Here DB World has created a game featuring the most promising concepts for the goods and passenger traffic of tomorrow.