Murat Kavrar – Country Manager, Ekol Logistics Turkey



We do logistics differently than our competition in Europe

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Murat Kavrar, country manager at Ekol Turkey, offers readers a look at Ekol's innovative approach to the logistics sector, emphasizing his company's R&D capacity and eco-friendly solutions that provide client companies with efficient, cost-saving logistics services.

Could you introduce Ekol Logistics to our international audience?

Ekol has been in business for 28 years, now. We are still a privately owned company, and we are unique in the market. We do logistics differently than our competition in Europe.

We have competitors that have adopted an "asset light" system, in which they invest in people and their network; we also have competitors that invest in equipment, such as trucks and warehouses; and lastly, we have competitors that invest in infrastructure, such as train tracks and terminals.

Ekol is unique because we employ all three of those tactics. We are a company with EUR 700 million in revenue and operations across 15 countries using facilities that are completely owned by Ekol. We invest into our network, and we operate the third largest land freight program in Europe with over 5,500 loading units. And, we invest into infrastructure – we built our own port in Yalova, we are a major shareholder in the EMT terminal in Trieste, and we have 6 Ro-Ro vessels and 48 company trains that are constantly travelling in Europe.

Ekol provides our customers with top-of-the-line international transportation, warehousing solutions, domestic distribution, customs clearance, and supply chain management.

You have been at the helm of Ekol for over two years. What have been your major achievements and challenges?

I always knew of Ekol because I used to be a direct competitor. In my previous roles, I was responsible for sales and tenders, and Ekol was frequently one of the last competitors standing in the way of my company and a contract. As a dedicated sales practitioner, I kept close tabs on Ekol and tracked its business activity.

What surprised me after I joined Ekol, though, was discovering just how extensive the scope of the company truly is. Ekol is far more active than people realize in places like France, Poland, and Germany, and it is also far more technologically advanced than the rest of the playing field. At Ekol, we use our own ERP for transport management and warehousing solutions. Personally, I believe that this is Ekol’s largest competitive edge; we have a team of 120 people for R&D and software development that keeps Ekol at the top of the innovation race. Nowadays, in the logistics industry, shipping cargo is the easy part. The challenge lies in ensuring that the data surrounding the delivery is updated instantly, entirely and securely. Ekol’s technology allows the company to update our customers instantly, create reports on KPIs that help our management streamline our processes, and, overall, provide a superior service.

That established, one of my biggest achievement has been to adapt to the high-tech nature of Ekol. Coming from a more conservative niche in the industry, it was a big shock to work for a paperless company that employs robotics and digital solutions seamlessly.

Regarding challenges, perhaps one of the most difficult jobs that I must do is in separating the Turkish affiliate of Ekol from the international headquarters; at the moment, headquarters is too dependent upon the Turkey office for its everyday operations. As the company seeks to strengthen its presence in other markets, it will be increasingly necessary to establish an autonomous, robust global headquarters that can focus on internationalization. We are making progress in establishing an autonomous global office, but with the fluctuations in the domestic economy, the separation process is a bit delayed.

Ekol is unique in that it has an in-house R&D team and centre. Can you tell us more about the importance of this part of the company?

Our team is not only focused on developing our ERP software. They also develop solutions. For example, when we build our robotic conveyers, we buy hardware and then our team conducts the installation and develops our own software, in-house. The Ekol perspective has been a refreshing and completely novel experience for me as a manager in the logistics industry. In my old positions, my teams used to make a plan to move a product and then develop software to help us achieve that end. Here, though, the process is reversed; the R&D team at Ekol is so advanced that we have to find creative ways to move freight with our unparalleled technology!

Ekol has been growing rapidly since 2010. How was growth in 2017 and 2018?

For each of the past ten years, Ekol has grown an average of 15-20 percent, with revenues currently at EUR 700 million. For Ekol, economic fluctuations do not hinder us like they do other companies. Rather, it presents us an opportunity. Leveraging the talents of our world-class team, from our drivers to our sales department, we adapt to the economic situation and continue to invest in growth.

We have especially been able to shoulder the recent downturn in the Turkish economy because of our international prevalence; currently, 30 percent of our revenues come from our international operations. Soon, we anticipate that number to climb to 50 percent as we will expand our presence to 52 countries, overall.

Ekol is an opportunistic company – for example, when we signed a cooperative agreement with a well known automotive brand, we realized that it presented us an opportunity to enter the Slovenian market, despite the fact that we had not previously considered moving our operations to Slovenia. We explored this opportunity, and now, we are the third largest logistics player in the Slovenian market. Ekol finds opportunities when they present themselves, and this is another reason why we continue to grow organically.

Moving forward, we are considering acquisitions in Europe, particularly insofar as intermodal transportation is concerned.

Could you describe some of the broader trends shaping the Turkish logistics sector today?

Although Turkey has always been the bridge between Europe and Asia, the country has not historically taken advantage of its strategic positioning. This has changed, though, as evinced in the new Istanbul Airport, the Third Bridge, and the development of the Black Sea Corridor.

Turkey is hungry to take advantage of its positioning, and when I compare Turkish logistics companies to their European counterparts, I find that the Turkish groups are investing far more in infrastructure and technology. This forward-thinking, alongside the shortage of truck drivers, has presented Turkey (and Ekol, specifically) with the opportunity to increase its presence in intermodal transport. Rather than merely sticking to land freight, Ekol is dedicated to using creative solutions and establishing intermodal transportation routes.

With our planned acquisition and our diversion of traditional land routes to intermodal, we plan to have revenues of EUR 1.5 billion in five years. Our customers and the government are in favour of our diversion plan, and it is obviously inevitable for our industry, given the shortage of drivers.

What are the challenges that Ekol is currently facing in its expansion?

The state-run rail services in Europe present Ekol with challenges. There is a shortage of operators, the locomotives are not efficient, and there is a lot of congestion in the terminals and ports, respectively.

Nonetheless, we are cooperating with the municipalities in expanding the capacity of these transport facilities and we are looking into acquiring another port, perhaps.

Could you describe to our readership Ekol’s engagement with the pharmaceutical industry and the services that Ekol provides?

First of all, let me establish that at Ekol, we understand that pharmaceutical companies are struggling with the pricing system in Turkey. We recognize that there is a profit problem.

Given this profit problem, we invested in our IT capacity and innovation – this way, we increased our productivity and reduced the cost to our pharmaceutical customers. Our pharma logistics has since become a prevalent facet of our business, and one-third of all drugs consumed in Turkey pass

through an Ekol warehouse.

Ekol is also the partner of choice for the pharma industry because we have years of experience with drug tracking technologies. In Europe, there is no such technology, and we are therefore exporting it to improve the services offered to our foreign clientele. Moreover, we are industry leaders in robotics and automation, both of which allow us to offer cheaper, more efficient logistics solutions to our customers.

Could you provide our readers with a preview of an upcoming Ekol innovation that will change the industry?

We are working hard to save energy while maintaining the quality of our services. In order to meet both of these ends, one solution that we have created is our new facility, Lotus – it is the biggest warehouse under one roof in Turkey, with 200,020 square meters of storage area and full LEED certification. Lotus helps Ekol streamline its operational efficiency while also reducing energy consumption and costs.

Lotus is the first of its kind in Turkey, and we anticipate our competition to follow suit in creating eco-friendly, large-scale warehousing facilities.

Another innovation that we have that will change the industry is our preemptive technological capacity to track pharma delivery domestically; the Turkish government does not, at the moment, require tracking for domestic delivery of drugs and pharma products as do many governments in Europe. However, the government is planning on implementing a policy to require such tracking, and Ekol already has the technology prepared to do so. I am sure that when this becomes a mandatory measure, Ekol will lead the way in domestic delivery in Turkey.

When we come back to Turkey in 2023, where will we find Ekol?

First, we will certainly maintain our status as market leaders in Turkey. Second, I anticipate that our eco-friendly thinking and operations will set a precedent in Turkey; the government and other industry players will surely follow our example. Third, as Turkey transitions from a consumption economy to a production economy, Ekol’s export business will expand.

When our subscribers read this report, what image of Ekol would you like them to foster?

Ekol is a young, innovative company that produces solutions in close collaboration with our customers. For example, when we launched our transportation management system, our automotive clients helped us develop the technology. With the support of our customers, we create innovative solutions that change the logistics sector. We are not a conventional company. We are collaborative pioneers.

Do you have any final messages on behalf of Ekol or Turkey, more broadly?

In Turkey, there are obstacles to maximizing productivity in the logistics sector. For example, there are customs issues that create inefficiencies in international trade. Nonetheless, Ekol is working closely with our trade associations to work with the government on increasing efficiency and finding solutions.

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