



# Regional development in the Baltic Sea Region

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# Regional development – what is it all about?

## Growth

- Thru expansion of regional companies
- Thru attracting new companies to the region

How can ICT and logistics support that development ?

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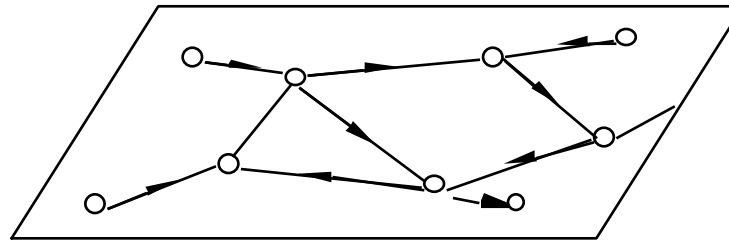
## The presentation today:

- understanding the complexity
- How do companies decide where to locate facilities?
- Identified areas of importance in the regions
- Critical success factors



# Understanding the complexity

Distribution and Production companies

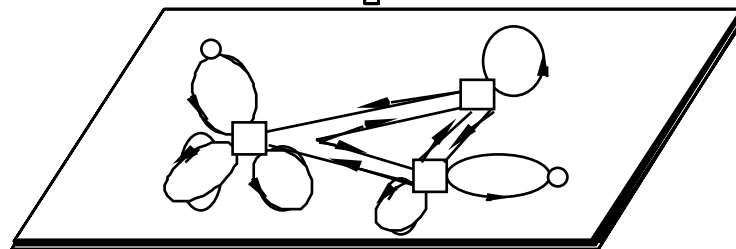


Availability of  
-Warehouses  
-competence



Transport market

Transport Companies and Logistics service providers

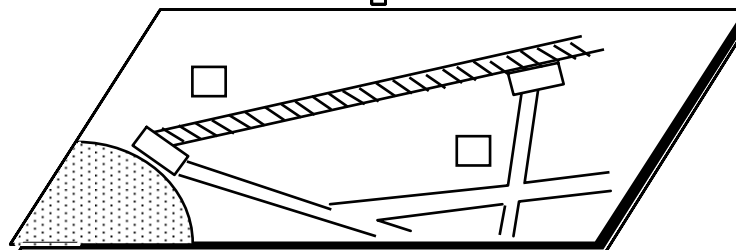


Availability of  
- Modes of transports  
- Regular transports  
- Transport nodes



Traffic market

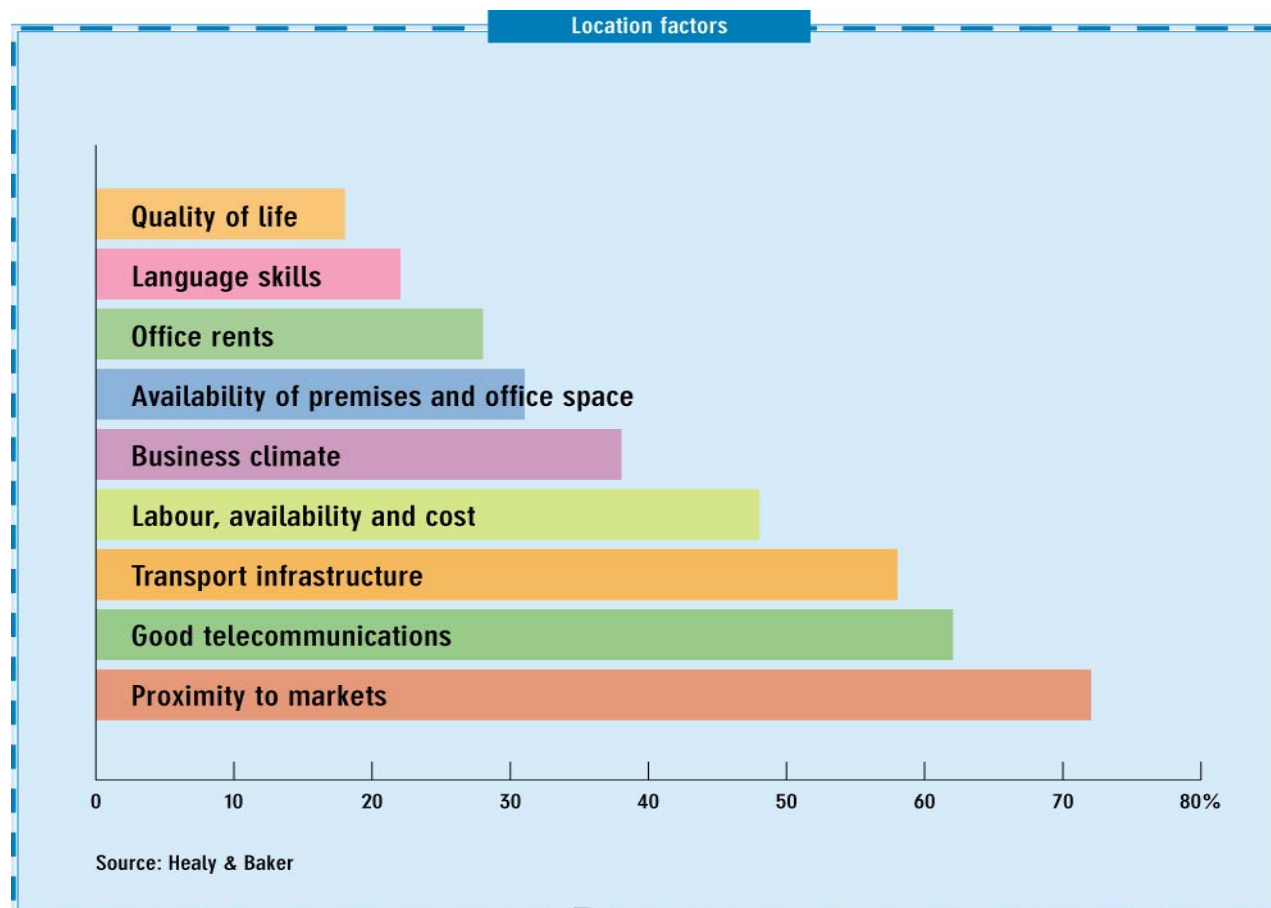
Infrastructure



Availability of:  
- Infrastructure  
- cross docking nodes



# How do companies decide where to locate facilities ?



These are the most important factors influencing location decisions according to 200 Fortune 500 companies in 11 countries, compiled in a study by Healy & Baker.



## Areas pointed out by regional experts

- Infrastructure
- Education
- Competent workforce ( Relevant education and training )
- Geographical position
  
- Regional planning
- Company – regional government cooperation

## Critical success factors

- Search for companies that benefits to your regional profile
  - Based on facts, not general marketing
- Strong regional organisation who is working proactively
- Infrastructure that support market requirements
- Cluster oriented view
  - Try to attract businesses that fits into regional clusters
- Private and public co-operation and partnership
- Understand needs for support to existing companies in order to support their growth potential



# Example facts about Östergötland 1 Regional Clusters ("competence areas")

## "World-class competence"

The Twin Cities of Sweden have achieved prominence within both research and development and production in several areas. The Twin Cities of Sweden has been identified as having world-leading competence and knowledge in nine areas:

- **Aviation engineering \***
- **Electronics**
- **Software \***
- **Life science technologies**
- **Communications technology**
- **Transport and logistics**
- **Paper and packaging \***
- **Modelling and simulation \***
- **Foods**

Remark: The above is how the Region market areas of competence, in our opinion areas with \* is closer to reality.

## Example of facts about Östergötland 2

Best logistics choice											
Key purchasing criteria	Sweden	Netherlands	Denmark	Finland	Germany	Norway	Poland	Estonia	Latvia	Lithuania	Russia*
Market perception	5	5	3	3	3	3	2	1	1	1	1
Market size	5	3	4	3	4	3	3	2	2	2	1
Logistics expertise	4	5	4	4	3	3	2	1	1	1	1
Service capability	5	3	3	4	3	3	4	2	2	2	1
Infrastructure	5	5	5	4	5	4	3	2	2	2	1
Cost position	4	4	4	4	3	3	5	5	5	5	5
Business environment	5	4	5	5	5	4	3	2	2	2	1
Environmental concerns	5	5	5	5	4	5	3	3	3	3	2
<b>Overall</b>	<b>38</b>	34	33	32	30	28	25	18	18	18	13

5=Best, 4=Good, 3=Acceptable, 2=Questionable, 1=Unacceptable  
\* St Petersburg

Source: A.T. Kearney, interviews with goods owners

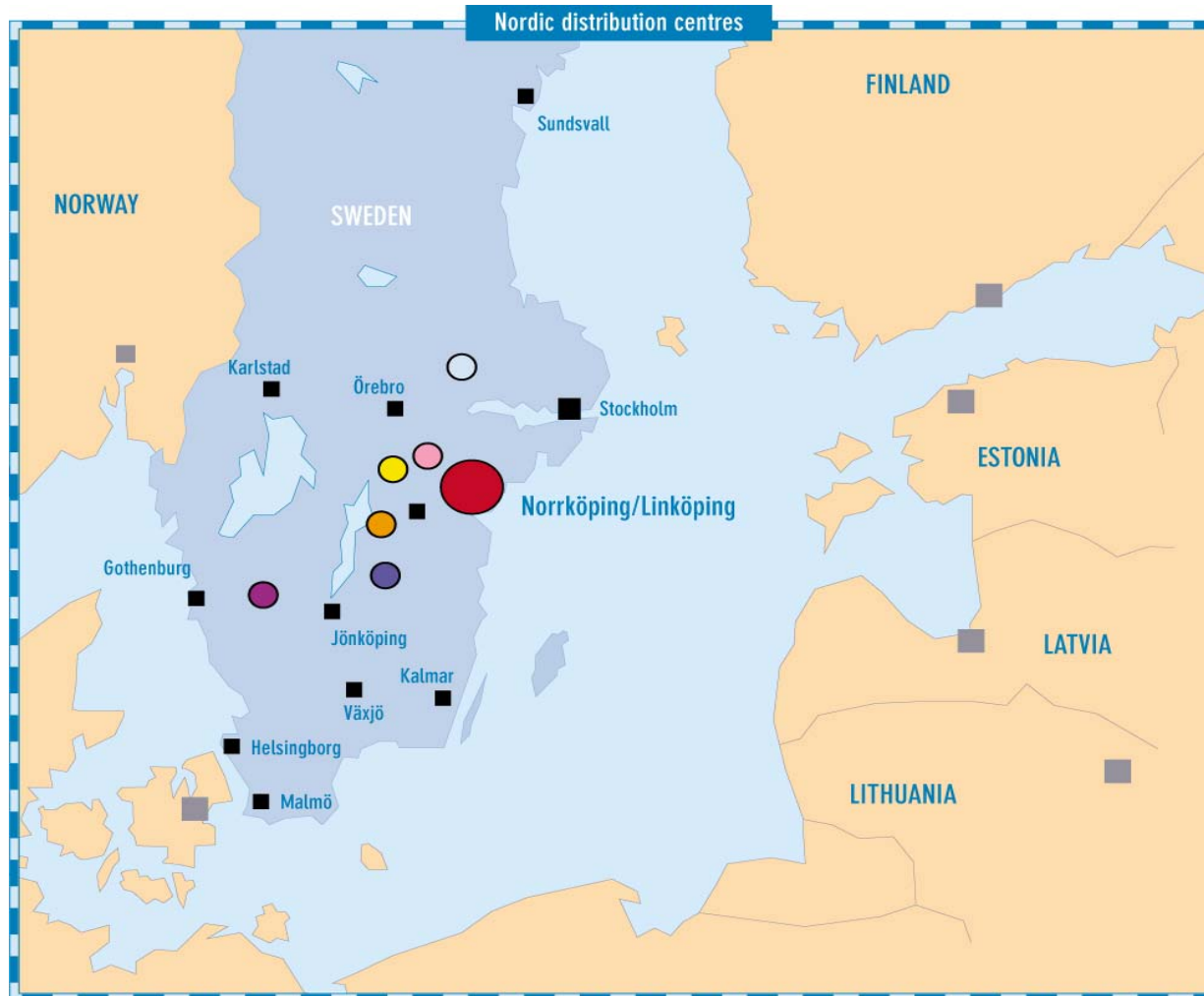
"A lot of companies are looking to combine centralized distribution in the Benelux countries or northern France with satellite-centres in the U.K., Italy, Spain, and Scandinavia. As the natural logistics hub for Scandinavia and the Baltic Sea region, Sweden stands a lot gain."

Gilbert Debecker

Director, European  
Sales and Marketing,  
Cat Logistics



# Facts about Östergötland 3



Centres of gravity  
for Nordic  
distribution

- Paper industry
- Consumer goods, Nordic market
- Engineering industry
- Food industry
- Textile industry
- All industries



## Facts about Östergötland 4 Brands in Linköping/Norrköping (example)



Procter & Gamble

STADIUM®



GOODYEAR



THOMSON



green  
cargo

BAUHAUS



## Infrastructure

Regional infrastructure need to support efficient logistics solutions:

Keywords:

- **Sustainability** (Transport system)
- **Intermodality** (Co-modality)

Locations that support at least 3 modes of transportation and is part of TEN-T network will create a competitive advantage.

## .....and finally

- 50 % of the success of a region is related to professional skills, competence, structure, organisations and relevant infrastructure ("Hardware")
- 50 % of the success of a region is related to relations, feelings, emotions etc. ("Software")

The above is our firm belief based on experience.

**SO GOOD LUCK EVERYBODY !**

# Contact

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