

## Rapid Response Transcript – Susy Schoneberg

### “The logistical challenge of supporting refugees”

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This crisis affects people on so, so many levels.-We are servicing the neighboring countries of Ukraine as well as Ukraine itself. The need for the good is ever evolving.

I myself was born in a country with a totalitarian regime. And I know that peace anywhere on this earth is not a given. And so we constantly have to look out for each other.

What makes this crisis different is it's almost like a crisis on another crisis. And so we are constantly learning and trying to improve our response every day.

**BOB SAFIAN:** That's Susy Schoneberg, head of Flexport.org, the nonprofit arm of logistics firm Flexport.

Since launching in 2016, Flexport.org has delivered aid to more than 60 countries. And now is actively at work around Ukraine, assisting aid organizations from Unicef to Project Hope.

I'm Bob Safian, former editor of Fast Company, founder of the Flux Group, and host of Masters of Scale: Rapid response.

I wanted to talk to Susy because, in the effort to help the millions of people displaced by Russia's invasion, getting the right goods to the right places at the right time is critical.

Susy is herself Eastern European, and she has a personal connection to the refugees and their situation.

She is also a pragmatic, disciplined operator, who has unvarnished advice for businesses and individuals looking to help.

Susy notes that some well-meaning efforts can actually complicate things. Even though needs are high right now, she says, sometimes you need to go slow, to clear the way for fast action to follow.

She emphasizes that the crisis is in its early days, and will spawn needs and repercussions for years to come. That has distinct implications for how we plan and act today.

**[THEME MUSIC]**

**SAFIAN:** I'm Bob Safian, and I'm here with Susy Schoneberg of Flexport. Susy is joining us from her home near San Diego, as I ask my questions from my home in Brooklyn.

Susy, thanks for joining us.

**SCHONEBERG:** Thank you, such an honor to speak to you today.

**SAFIAN:** So you launched and run Flexport's nonprofit arm, Flexport.org. And I understand you returned from maternity leave early this year, at a moment when the top of mind humanitarian concern was Covid-19. Omicron was raging. There was lots of uncertainty on its impact.

Today, of course, the humanitarian focus is on Ukraine and on the massive number of refugees flooding into nearby countries. When did you first realize that Ukraine might be the next or new priority? And how have Flexport.org's activities and operations shifted since you came back in January?

**SCHONEBERG:** I was at home on the evening of February 23rd, which is when I heard about the start of the armed conflict, but there is another moment that really stuck with me. As you just mentioned, I had my first baby just a couple months ago, and I was walking on the beach. He was in his bright yellow carrier, and it was a weekday. So the beach was relatively empty, and I made my way to the water. Luckily the waves were loud enough so that he fell asleep, and I started to listen to a news podcast. The main question — I think it was like early February, mid February — was if all the troops at the Ukrainian border were actually just a bluff.

Suddenly I just felt this massive hole in my stomach. And I didn't know if you know those moments, those split seconds where the whole world just like stops. I didn't feel the warm of the sun anymore. I didn't feel the rhythmic breath of my baby. All that I could just think about was that our world might fundamentally change.

Many of us take the status quo for granted, but we shouldn't. I myself was actually born in a country that no longer exists, a country with a totalitarian regime. And I know that peace anywhere on this earth is not a given. And so we constantly have to look out for each other and before everyone is now Googling all the countries that do not exist anymore, I was born in east Germany.

**SAFIAN:** Yeah. And so, you have this moment on the beach, do you then turn to, well, how do we prepare for this? I mean, you don't know at that point that it's gonna happen.

**SCHONEBERG:** We don't, but Flexport.org has been doing this work for multiple years. So we have a set disaster relief playbook. We definitely knew that we, you know, slowly had to get prepared in case something was to happen.

**SAFIAN:** What playbook did you follow? Did that go into motion that day that you heard that the assault was underway?

**SCHONEBERG:** Exactly. We activated our disaster response on February 24th. Our disaster relief playbook basically lays out all the actions or each phase of a crisis. So

firstly, we reach out to all of our nonprofit partners, everything we do follows their lead, right? They're highly experienced humanitarian aid organizations, and our goal is to empower them as much as we can.

So we ask them: one, if they respond, and two, if they have any additional context on this crisis, based on their personnel on the ground. In parallel, we are then working on setting up our own operational capabilities. This means that we set up a Flexport emergency team in our Europe office. We alerted our internal teams that manage air freight, ocean freight, trucking, and warehousing. We also contacted our partners in countries like Poland and Romania and so on to make sure that we have strong insights into potentially changing regulations, for example, for customs. And then on the second day, we basically take the constant flow of information, you know, that is shared among all parties to make sure that the aid supply chains are set up as successfully as possible.

**SAFIAN:** So on the one hand, you're sort of preparing for how to help your partners and maybe new partners be able to get supplies and relief to the areas in need. And at the same time you're setting up your own independent efforts to bring your own aid to those areas.

**SCHONEBERG:** Well, it's less our own aid, right? So we always make sure that we follow the lead of the nonprofit organizations, meaning we ask them which products are needed, right? And typically they have a lot of the product already prepositioned at the warehouses. We have to kind of almost match three different sides, right? So we have to coordinate with the parties that are on the ground, receiving the items. We have to coordinate with the parties that get the items ready at a warehouse. And then we need this middle piece, which is setting up the logistics. So making sure that we have a truck picking up the goods, that planes are ready to then bring the goods to Eastern Europe if necessary, and then from there the distribution.

**SAFIAN:** Mm. And so if, if I'm donating money to UNICEF so that they can help in Ukraine or I'm giving the goods to my local community group that is, you know, taking donations, all of those things are being funneled, if they're partners of yours, through your network, to be able to get those goods from wherever they are, to where they are most needed?

**SCHONEBERG:** Exactly. So what most people are not aware of is that organizations spend on average 60 to 80% of their total budget on supply chain related activities. So this means procuring the goods and then shipping them, and shipping can be very, very expensive, which is why, you know, it's really draining their budgets and why we are not only supporting with our expertise and technology, but we are also trying to fund as many aid shipments as possible.

**SAFIAN:** Are there things about the situation in Ukraine that make servicing this crisis different than other ones that you have worked with?

**SCHONEBERG:** There are definitely patterns that we see in every type of crisis. However, based on the location and also the scale of the crisis, there are also a lot of differences. We are not faced with destroyed roads, for example, that we often see if there's a natural disaster, but we are faced with a huge amount of people who are affected. We have to work across different regions. We are servicing the neighboring countries of Ukraine as well as Ukraine itself. And it's an ever evolving situation. So right now we don't even know yet how the situation will play out. And that means that the need for the good is ever evolving.

**SAFIAN:** We had an earlier guest on this show talk about sort of sometimes the waste of shipping goods to a crisis zone. If the wrong things end up in the wrong places, you know, it's part of the reason their emphasis is in sending cash so that you can use the local supply chain to help. How do you approach that?

**SCHONEBERG:** I couldn't agree with the CEO of Mercy Corps more. And if anyone has missed this episode, please check it out. It's fantastic.

**SAFIAN:** Thank you.

**SCHONEBERG:** So cash is definitely, really, really important in those situations for immediate relief, but also for supporting the local economy. However, we still know that physical goods are needed as well. It is estimated that 60% — so that means over half of — all the items that arrive at a disaster site cannot be used immediately, or even have to be destroyed, which is a staggering number. And this did not only happen, you know, 10 or 20 years ago when we didn't have all the technology, it is even happening today. We were just on a call with UN organizations, and they shared that for this crisis, the amount of unaddressed cargo, meaning goods that are just being sent without a real or defined recipient is clogging the infrastructure.

It's making all the processes slow. It's taking up storage space, and it's taking up the time of the volunteers on the ground that have to sort through the goods. So it is a massive problem.

We try to educate companies and clients we are working with. If they want to donate product, you know, we are really appreciative of their generosity, but we tell them that their product is potentially not needed now, but maybe in three or six months when we are rebuilding and more supplies are needed.

In the current phase, we rely on the signals of our nonprofit partners and the ministry of health that tell us exactly what is needed. And so we are transporting only those supplies. And here it's really important to be very specific. So for example, if we talk about medical supplies, you can't just send any syringe or any kind of piece for medical equipment. It has to be very specific. There's a lot of regulations. So the only way to do it right is to work with those established aid organizations and the government entities.

**SAFIAN:** And so if I'm at a company or an organization, and there's some sort of a drive where we're gathering goods, who should I reach out to to make sure that the right things are being sent to the right places?

**SCHONEBERG:** I would highly encourage you to not even start a drive for goods. I would like to invite you to consider cash donation to certain organizations, so that they can disperse cash to the affected population. And if your company produces an item that is really helpful in a disaster setting, wait for the organizations to approach you. In our case, we invite companies that want to help to share the items with us that they're able to donate. We collect the information and once we receive a needs list or an ask for an item, we will let those companies know. We will only ship them once they're really needed on the ground.

**SAFIAN:** Yeah. It is also like a long process, right? It doesn't seem like the situation Ukraine is in is gonna end anytime real soon. We're only a few weeks into it. How do you think about the long term commitment versus the short term commitment?

**SCHONEBERG:** We know from experience that this will be a long term response. On average refugees are displaced for 20 years. So it will take not only a month but years for, you know, families to reunite and potentially to go home. At some point we have to rebuild homes, schools, hospitals, and many other parts of important infrastructure, which will also take time. And for which again, physical supplies will be needed. So there will be a time for those companies and donors to kind of step in.

Typically, studies show that giving is significantly dropping after the first four weeks. So a third of the giving is done in the first four weeks. And then after probably five to six months, it almost completely stops. So there's no way that we can raise too much money right now because we know that it will be needed in the long term.

**SAFIAN:** I first saw Flexport's name connected to Ukraine efforts from a GoFundMe campaign launched by Ashton Kitcher and Mila Kunis, who is Ukrainian born. How did you get connected to Ashton and Mila?

**SCHONEBERG:** So actually Mila and Ashton have been long-term supporters of Flexport.org. They helped us, already, to raise funds in 2020 for bringing masks and personal protective equipment to China and then to frontline responders around the world. And Ashton realized really early on how powerful Flexport.org could be. And so he set time aside years ago to advise us on storytelling, and Ashton and Mila are doing a lot of great work just behind the scenes. And so it was also them who started the GoFundMe campaign. And then the Ron Conway family donated. And they're also really big supporters. And we are just like really grateful and lucky that we are one of the beneficiaries of their GoFundMe. And of course also we are just really humbled by all the contributions that we have seen. And everyone's generosity.

**SAFIAN:** Where does the funding come from beyond GoFundMe campaigns?

**SCHONEBERG:** So Flexport is taking care of our team. So they're covering basically all the operating costs that are related to our responses. And then for the Flexport.org fund, we are raising outside capital. There are also many instances where Flexport will actually pay for a specific shipment, but given the scale of our operation, it's just impossible for Flexport itself to pay, you know, for all the work that we are doing. And that's why the Flexport.org fund exists and everyone can contribute. So it could be any individual, any company it's open to everyone.

**SAFIAN:** To what extent is the Ukraine situation distracting or cutting into some things that otherwise would be priorities?

**SCHONEBERG:** It's definitely true that our main focus right now is the crisis in Ukraine. And again, we are following the lead of our nonprofit partners. We are also actively shipping into other regions in the world right now. There are still ongoing projects that we are supporting. We are still responding to the crisis in Syria. We're sending supplies to Haiti, to African countries. There's so much that needs to be done.

There are two major benefits that we provide to those organizations independent to where they're responding to right now. One is just like the real time visibility: the supplies, where are they now? When are they arriving? What is arriving? But also: just the coordination. There's so many parties involved. And so communication it's really crucial to an effective operation.

**SAFIAN:** Before the break we heard Flexport.org head Susy Schoneberg talk about how crisis-response efforts are unfolding in Ukraine and the priorities to optimize impact. Now she shares what she's hearing on-the-ground in the region, and how that connects to her own personal experiences in Eastern Europe and elsewhere. She also offers lessons that apply to any crisis: that you need to go slow to go fast. And that joining together can produce way better results than trying to go it alone.

You mentioned just before we started recording that you've been working straight nonstop for the last three weeks. How are you managing being in the mid of this stress on top of the stress that we've had over the last two years

**SCHONEBERG:** Personally, I have no reason at all to complain. I feel very fortunate that my team and I are in a position where we can make a difference, but of course those times are intense, right? We have people telling us that they need medical supplies so urgently because right now they have to perform surgeries without any pain medication or without any antibiotics. So there's definitely a lot of pressure.

**SAFIAN:** So someone will reach out to you and say, "Hey, we don't have enough pain medication in..." wherever, Poland, Romania, wherever it is. And then you are reaching out to your other partners and saying, who has some of that and can get it there most quickly based on what you're seeing in the supply chain?

**SCHONEBERG:** So we can make those matches. Ideally, we don't want to interfere with the operations of those aid organizations. And they have really strong procurement departments. And again, the requirements are also very specific. We don't want to send any painkillers, right? It has to be allowed in the country. And so they're really experts in getting the right goods. But if needed, yes, we are also enabling product-donor matches, which is what we call them.

**SAFIAN:** Are you in touch with people on the ground? And what are they seeing?

**SCHONEBERG:** So there's no Flexport staff in Ukraine, but we have team members in neighboring countries. And so they're working on the ground with our partners. We hear that the situation is getting more dire every day. We also hear that the need for support is far larger than they thought.

**SAFIAN:** Hmm.

**SCHONEBERG:** So every signal that we are receiving right now indicates a larger response than previously anticipated.

**SAFIAN:** And the numbers of refugees just keep growing.

**SCHONEBERG:** Yes. A million children alone. Many of the children might even be separated from their parents or any family. So there's also just a big need for reunification services. So this crisis affects people on so, so many levels.

**SAFIAN:** Having grown up in that part of the world, do you have reflections on being there? Do you have reflections on the experience? Anything like that comes to mind?

**SCHONEBERG:** Many of us can't remember conflict, and they don't know what it does to families. But to me, it's a very vivid memory and I know how it's affected me personally.

We have to look out for each other, and we also have to help each other in a crisis because maybe in a couple of years, it might be you that is needing help. And I often notice that we talk about those people now as kind of refugees. And maybe if you just like take a moment and you try to imagine a refugee, there might be a preconceived notion, and this particular picture might pop into your head, but we should all remind ourselves that it could be us like you and I could be refugees in the future that need support. And that's something I want to stay conscious of.

**SAFIAN:** Is that childhood experience why you do this work, or have there been other key moments?

**SCHONEBERG:** I once got sick in a foreign country, and was really close to dying. So I know how it feels if you don't have medical supplies. I'm doing this work personally, because I saw people dying around me. I was in Chiang, China, close to the border to Afghanistan, Tajikistan. So really remote.

I personally contracted cholera. I wasn't aware of what I was suffering from. Suffered from internal bleeding, and there was no hospital infrastructure available, at least not similar to how you and I might think of a hospital wWhen we hear the word. People tried to treat me, but there weren't even tools to just give me an IV. For example, there was just literally a plastic bag and kind an open needle, which was really scary. And I was the only foreigner in this hall.

They placed me in the middle, but around me, there were other sick patients. And I remember well that the families of those patients brought in food, right? There's like, there's no meal service. And whenever someone died, you heard those people scream and cry. And I still remember those cries really vividly and the desperation, I was fortunate enough because I still had some money and was able to get some medical supplies and could arrange an airlift out of this region. All the other people that were with me that day in that room didn't have this opportunity. And so I know how critical those medical supplies are and how large the desperation is if you don't have access to basic necessities.

**SAFIAN:** Thanks for sharing that with us. Stories like yours often have such an impact on the listeners here, and I know there are folks out there who have seen a huge need in the world like you have by experiencing it first-hand, and are on their own journey to solve that need with their business.

I'd love to shift the conversation just a bit to how you learned from one crisis, and used those learnings. Are there things you learned in addressing Covid that are helping you understand better how to act relative to Ukraine?

**SCHONEBERG:** So we know that those aid organizations, their goal is to provide the lifesaving and critical needed supplies as soon as possible. But it's so difficult because so many different parties are involved, right? And they each have to carry out actions pretty quickly in succession. We provide the platform so that they can see what is happening.

So let's say you plan to send a plane from the us to Eastern Europe. And for some reason there is a delay. We will highlight this delay as soon as we can to you. So if like a hundred shipments are going as normal, you can focus on the things that need your attention. And this proves to be extremely helpful in a crisis where there is a lot of chaos around you. So in 2020 Flexport delivered almost half a billion units of PPE and other medical supplies and also food aid around the world. And so you can imagine with all the shipments going on, right, you only wanna see what really needs your attention.

It's really crucial that every party, the donors, the NGOs, the shippers, all have one single source of truth. And this transparency and clear communication really helps them to be successful. So I would say that's the common denominator and big learnings from our Covid-19 response.

What makes this crisis different is we are not sure yet where kind of this will go, how many people are affected. It's almost like a crisis on another crisis. We are in a situation where we can't just fly planes in. There's a safety aspect that is different compared to our Covid-19 response. And so we are constantly learning and trying to improve our response every day

**SAFIAN:** Flexport.org utilizes the core Flexport products to be able to execute this humanitarian transfer of goods and information. How does the Ukraine situation impact Flexport's core business?

**SCHONEBERG:** We know how to ship into regions that are almost inaccessible. We know how to work in emergency situations. And so we have certain relationships that can also help, you know, other clients, if they want to respond to a disaster.

And another aspect that we haven't talked about yet is Flexport.org is also addressing the decarbonization of supply chains. So that's an element where we talk to our commercial clients about auto ship, carbon neutral, and also all the disaster shipments are also carbon neutral. So logistics actually plays an important role for solving social and environmental problems on many levels. And this is how we work with our commercial clients.

The benefit for us being part of Flexport is the access to one, the technology. So we use the exact same system, and also our nonprofit partners have access to the full Flexport platform. And of course, we have also expert access to the expertise of all Flexport employees, which is really helpful in this crisis.

**SAFIAN:** You mentioned that one of Flexport's products is carbon tracking for commercial shipments. So you're applying that same lens to the Flexport.org shipping.

**SCHONEBERG:** We do. And we even go one step further. All disaster relief shipments are carbon neutral, meaning Flexport is covering the costs, compensating for the emissions that are related to those shipments. We know that the emissions in the transportation sectors are rising, it's contributing to climate change, and a lot of people that already live in poverty are overly affected by climate change. And so we have to make sure that we address this problem. It's one of the reasons why we are sending planes to that region, it's kind of ironic, if we wouldn't take care of the emissions as well.

**SAFIAN:** What do you think people most misunderstand about the humanitarian aid business?

**SCHONEBERG:** Most people might not understand that sometimes you have to go slow to go fast. In our case, it means it doesn't matter if something is on a plane first, it matters what's arriving first. If it's just getting stuck in a warehouse, because there is no one to distribute it, you didn't really reach your goal. And so the upfront planning, making sure that the whole process is set up correctly is extremely important.

And my second point would probably be around how complex those responses are in general. So I really appreciate that everyone wants to help, but my big call to action would be to support existing organizations. If you are trying to set up a disaster relief operation for the first time in your life, it might just be hard for you to navigate the system, but you could still volunteer your time and resources to an existing organization and help them to get better. So there's so much need out there. So join us.

**SAFIAN:** If people want to support your efforts financially, do they go to gofundme? Do they go directly to Flexport.org?

**SCHONEBERG:** They can definitely visit [Flexport.org/donate](https://flexport.org/donate). So that's [Flexport.org/donate](https://flexport.org/donate). If someone is managing corporate donations or matching programs, they can also email [relief@flexport.com](mailto:relief@flexport.com). And then lastly, I totally understand that not everyone can contribute right now, or maybe they already supported other great organizations, but it would mean a whole lot to me if you can just spread the word about our work so that we can support our fantastic partners in the long run.

**SAFIAN:** Well, thank you so much for doing this Susie. I really appreciate it. I learned a lot.

**SCHONEBERG:** Thank you.