

# LOGISTICS

## LEADERS 4

Case studies and insights from the best in the business

# THE NEW FRONTIER

Logistics enters the space age

## On Your Marks

Time to get ready for Apprenticeship Levy

## Get Set

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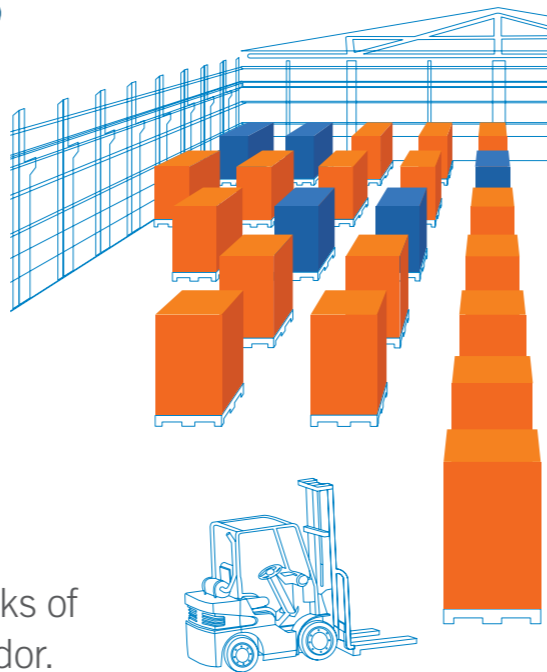
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**TOYOTA**

MATERIAL HANDLING

# Our time to shine

Peter Acton, Chairman of the Logistics Leaders Network, senses a positive change in status for the logistics sector



*“We need enough people with the right qualities who want to be in our industry and see it as a career of choice”*

**W**e have been trying for many years to attract the best young people into the logistics and supply chain profession. Those of us who are in it know that it provides a rewarding if sometimes challenging career path.

However, and despite the best efforts of the banking and financial services to destroy their image and appeal, supply chain still struggles to move up the career-prospect charts with degree students. To be brutally honest, we've just not been very good or successful at getting our message out there.

But perhaps things are about to change. The people who run the major supermarkets see logistics as a core competence in delivering on-shelf availability of over 95%, which is why they have taken their transport back in-house. In most other sectors outsourcing is growing, which could indicate a welcome shift in thinking and a recognition that excellence in logistics is critical to business success.

The Government has also come to the party, realising that transport and logistics will be one of the key drivers for change in what it is calling the 'Northern Powerhouse'. Money is being pumped into infrastructure developments that will help to reinvigorate and connect the cities of Liverpool, Manchester, Leeds, Bradford, Sheffield, Newcastle and Hull.

It was made clear at our supply chain workshop at Doncaster Airport, under the wing of the last flying V Bomber, that logistics professionals will play a massive part not only in the renaissance of the manufacturing industry in the North but also servicing its resurgent consumer market.

We need enough people with the right qualities who want to be in our industry and see it as a career of choice. We must address the driver shortage and provide skilled staff in warehousing and fitters in haulage company workshops.

The Apprenticeship Levy gives the industry, particularly larger companies, an opportunity to have a planned development of their workforce by using it pro-actively to attract good young people who, if trained, supported and developed, will be the backbone of our sector for the next 40 years. For once, we might actually be in control of our own destiny. It is also pleasing to see successful schemes attracting young people into the sector at different levels. HOYER is living proof of how the NOVUS Trust Scheme is working to everyone's advantage.

The Logistics Leaders Network is working with its academic partner, the University of Huddersfield, to create and launch in 2017 a Master's Degree in Logistics Leadership. It is being targeted at those young people who come into the sector at 16 with very few formal qualifications. They develop their careers but by the time they get to 30 they can hit a glass ceiling of promotion and career development prospects as the graduates catch them up in experience terms. It is a sad fact that in probably eight out of ten cases a graduate would get the nod over a non-graduate.

The new MSc, which is a blend of supply chain and MBA modules, will enable a person to be assessed as to where their work experience puts them in the academic framework. Initially, with top up modules to get them to full degree level if required. The MSc then becomes a one-year course delivered by distance learning or regular in-university attendance, using real work experiences as the case studies. While still being rigorously assessed, there will be no formal exams.

And for the people who work in the sector but have come from other disciplines, The Logistics Leaders Network has created a one-day workshop called Logistics for the Non-Logistician with its training partner, The Logistics Learning Alliance, which simplifies and de-mystifies the complexities of supply chain and logistics. It is being launched on 7 September at CEVA Logistics Centre of Logistics Excellence in Ashby-de-la-Zouch at the heart of the logistics 'golden triangle'.

So lots going on but it is the Apprenticeship Levy that is going to bring some consistency in finding and then training young people to fill the gaps we know exist, cut out the need for agency workers and take control and keep employers training for their futures and UK plc in or out of the EU. Hurrah to that!



# OUT OF THIS WORLD

Peter Acton learns how logistics plays a starring role in facilitating Mankind's exploration of the final frontier



Unwittingly - but happily - we have been creating a bit of a theme in our lead articles in Logistics Leaders publications:

In *LL2* we highlighted the logistics challenges of building the tallest building in Europe in a confined space; in the next issue, we highlighted the logistics challenges of keeping Cunard's flagship *Queen Mary 2*, the largest ocean liner ever built, and her two sisters in service round the clock, 365 days a year.

Now, In *Logistics Leaders 4*, we are looking at the challenges faced by logisticians when planning and delivering men and machines onto The International Space Station (ISS) orbiting just above the Earth's atmosphere.

The message that has come across loud and clear is this: logistics is key to the success of all three projects, maintaining their status as icons in their respective sectors.

The ISS is the second brightest light in the night sky after the Moon. Incredibly, it involves 100,000 people in space agencies and 500 contractor companies across 37 US states and 14 countries.

Few people in the UK are unaware that our very first home-grown astronaut, Tim Peake, has been on the ISS since November 2015 for a six-month stint. If you have been following him on Facebook you will have seen how everyday activities, like eating and washing, take on a completely new meaning. A few weeks ago, Tim ran his own version of the London Marathon on a treadmill on the ISS. I found myself asking, 'how did that get there?'

Anu Ojha, Director of the UK Space Academy, says logistics is absolutely fundamental to the success of all space projects, from the rockets and satellites, experimental payloads designed for use in space and the construction of the ISS itself.

Logistics and supply chain excellence appears to be required in two particular areas. One is the sub-contractors who are building the major sub-assemblies for use in the space programme, having to deliver them on time and on budget to very strict parameters laid down by the space authorities in the US, Russia and the EU.

Most people are under the impression, says Anu Ojha, that all rocketry systems and satellites are built by the space agencies. The truth is that while the agencies give the funding, most of the design and construction is achieved through contractors and sub-contractors, and it is often the case that competitor companies are building separate sub-systems for the same final launch vehicle or satellite.

"Component integration at the appropriate



stage is essential," says Anu Ojha, "and this is where logistics comes into its own. All the logistics processes have to be very rigid and detailed and adhered to strictly."

It goes without saying that any structural or component failure is unacceptable in the space programme. "The way to design-out any failures in the logistics process is to be rigorous and double- or triple-check absolutely everything," Anu Ojha adds.

As every logisticians knows, however thorough you think you have been, errors are still going to happen - even in the space programme. Anu Ojha will expand on this subject at the Logistics Leaders Network Lunch on May 25 at the National Space Centre in Leicester.

People of a certain age would have known where they were on July 21 1969 at just before 5am when Neil Armstrong, 240,000 miles from Earth, took his first tentative steps on to the Moon's surface.

Armstrong made a telling remark on his return to Earth that each contract to build the rockets, the spacecraft and the lunar module had been let to the lowest bidder.

Competitive tenders are still fundamental today in the space programme, which creates the bulk of the logistics challenges to be resolved on a 100% accuracy basis. It is, says >

*“Component integration at the appropriate stage is essential,” says Anu Ojha, “and this is where logistics comes into its own. All the logistics processes have to be very rigid and detailed and adhered to strictly”*



Anu Ojha, through the competitive tendering process which creates significant pressure to keep costs down, and this in turn creates the need for more efficient logistical processes.

This is a key factor, he says, when selecting industrial contract holders as to how exactly they will monitor, measure and manage effective logistical communication and processes with their sub-contractors.

The second area where logistics is pivotal is on the re-supply side of the ISS. It is, in effect, an orbiting laboratory with regular re-supply flights of cargo with consumables for the crew's survival, electronic updates and new experimental hardware.

The ISS has been manned continuously since October 2000. In that time, 222 people from 18 countries have visited. Crew members spend about 35 hours each week conducting research in many disciplines to advance scientific knowledge for the benefit of people back at home.

Every gram counts in space. There is no material handling equipment up there so loads have to be assembled on Earth with almost everything going into crew transfer bags (CTBs) of all sizes and logged into specific positions on the ISS. "Everything - absolutely everything - is logged," says Anu Ojha, "so it is impossible for anything to get lost."

The engineers have even created an ingenious waste management solution whereby most of the detritus is loaded into a cargo vehicle which is then separated from the ISS and sent off to burn up in the Earth's atmosphere. Materials that can be used again will generally return with a human crew or with an unmanned vehicle designed for recovery.

Everything that is recovered is logged with a Johnson Space Centre for US Cargo (JSC) tag and stored back at base for future use or analysis.

Logistical tracking - and even how the launch capsule should be packed with cargo for launch - is critical. "It is all about the dynamic loadings and the differential stresses induced by the positioning of the thrust axis in relation to the cargo," Anu Ojha explains.

We are now getting into deep science and my physics 'O' level is deserting me. So we won't go there. Finally, I just need to ask Anu if there have been any leading-edge logistics practices transferred to the space programme or vice versa. "One thing is very clear," he tells me, "barcodes were definitely NOT invented for the Space Programme!"



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# Convenience and choice

Argos reaps rewards of a visionary customer fulfilment strategy by working with LCP Consulting who supported the hub & spoke distribution model

In June 2015, investment bank Morgan Stanley upgraded its valuation of the Home Retail Group. It said Argos, the jewel in the group's crown, could become an 'Amazon with stores' on the back of fundamental changes to its logistics and supply chain management model.

This is welcome recognition of the hard work that has gone on behind the scenes and it only begins to describe the advantages the UK's leading general merchandise retailer has created.

Argos is not simply an innovative digital retailer with stores. The secret lies in what it is able to do with them. The supply chain management underlying its hub & spoke delivery model, together with stringent inventory controls, allows Argos to give customers same-day home delivery and click-and-collect for online orders, the only UK retailer able to make such an offer nationwide.

By offering these services from its stores, Argos' supply chain capabilities are unique in the market as it can restock store inventory at very short notice. For example, customers can place orders until 6pm on a Sunday and still get the product delivered that evening.

But the retailer has not always been at such an advantage. A familiar presence on the UK High Street since the 1970s, it began offering a 'check and reserve' online model in the early 2000s. However, by 2010 Argos needed to create higher levels of service and responsiveness to compete with leading online retailers including Amazon and eBay.

As such, fulfilment became the battleground on which the business could thrive or fail. Clearly, it would need to



stretch supply chain performance beyond its existing capabilities.

### More Choice Available Faster

The journey began in 2013 when CEO John Walden embarked on a transformation programme designed to make Argos the UK's leading digital retailer. Internally, the business built the transition around an initiative called More Choice Available Faster, based on the rising more personalised customer experience created by new online, mobile and social retail experiences and the disruptive business models of new market entrants in these areas.

Argos decided to build a radically new customer offer to put it at a clear advantage in the race for consumers' attention. This

meant looking beyond the retail sector for the expertise it needed to underpin the new model, which would support a network of 840 stores.

Argos engaged end-to-end supply-chain specialists LCP Consulting to join its core development team, drawing on its wide cross-industry experience to help them define, design and implement the new supply chain capability that would underpin More Choice Available Faster.

Early research demonstrated what connected consumers are now demanding from retailers in store and online: They want a choice of fulfilment to home or point of collection, they expect fast and convenient home delivery and they want local convenience when collecting orders.

*“The research found that customers want a seamless experience between e-commerce, m-commerce and physical stores, consistent delivery of fulfilment promises”*

The research found that customers want a seamless experience between e-commerce, m-commerce and physical stores, consistent delivery of fulfilment promises. They also want a wide range of products on an expedited lead time as well as simple and convenient ways to return products.

### The Hub & Spoke Model

The LCP team worked with Argos to build the hub & spoke model, in which Argos' larger stores would act as fulfilment hubs for smaller ones. The implementation required a three-year transformation programme to define supply chain strategy, build the new operating model, test the concept and roll out the new system nationwide.

“LCP's support over the past few years in the development of our supply chain approach, from design through to implementation, played a key role in the success of this project,” said Graham Barnes, Argos supply chain director.

### From Pilot to Compelling Customer Offer

In December 2012, Argos began a pilot of the hub & spoke design to prove its practical capability and value to the business. LCP worked alongside the Argos

to help define the desired processes, build the business case and create the project structure. Based in the north east of England, the pilot created an appetite for change in the business and revealed the scale of the transformation necessary to meet Argos' goals.

By June 2013, the team was learning lessons from the pilot to inform the practical plan to implement the hub & spoke system nationwide. In September the following year, the team built a modelling and reporting capability, an innovative software system based on data which had not been exploited in Argos before.

Between January and September 2015, the team ironed out glitches and put in place a management reporting system to monitor change and ensure continuous improvement. To this day, feedback from this system helps the team identify opportunities to become more efficient and better serve customers.

With hub & spoke in place, Argos is now able to offer customers 20,000 products for same day delivery or collection. Four convenient delivery slots and three 'in-day' cut-offs are available for same-day delivery, seven days a week. These options are already reaching 95 percent of consumers.

Argos now extends its reach to in-

store concessions. Due to this improved performance, Argos has been able to measure an increase in delivery satisfaction and demonstrate demand for home deliveries is rising.

Business performance improvements include greater productivity and greater stock efficiency.



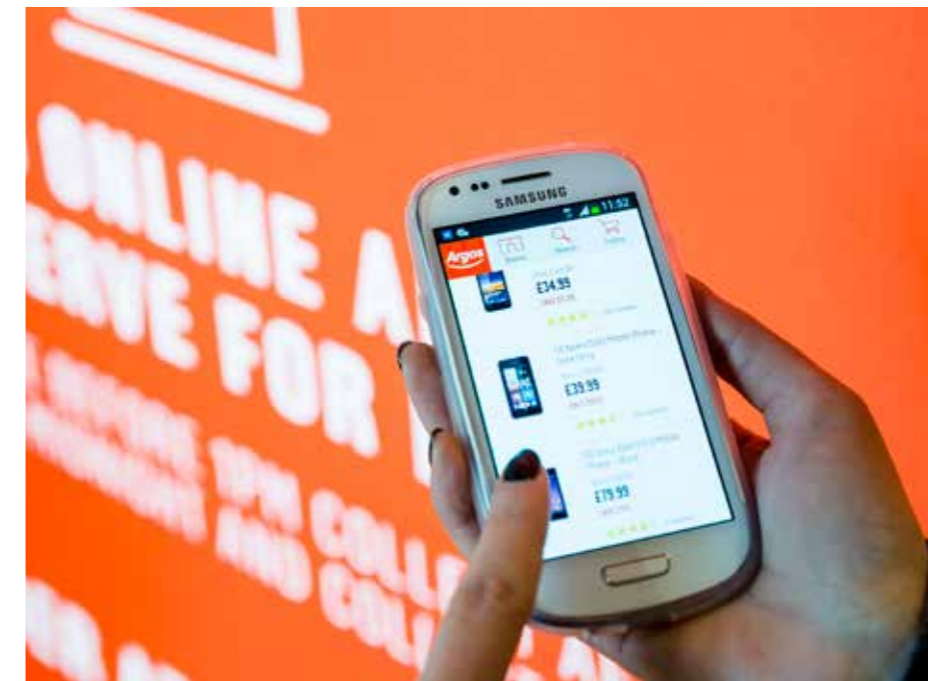
### A BEACON OF INNOVATION IN THE SUPPLY CHAIN

At the 2015 Retail Week Supply Chain Awards, Argos was named winners of both The Hermes Supply Chain Transformation Award and the overall Hermes Grand Prix Award for excellence for the hub & spoke system LCP helped design and implement.

“Argos had undergone a massive infrastructure change project that had been instrumental in giving this brand a distinct competitive advantage in the sector,” the judges said.

“This is a beacon in the retail supply chain industry. A transformational project has meant an entire step change in this retailer's proposition, and what that is about is true long-term value creation. It speaks volumes about the creativity, innovative thinking, and talent of retail supply chain teams.”

In the 21st Century retail environment, companies must compete for sales and customer loyalty online, in-store and via mobile devices. Ensuring home delivery and in-store click-and-collect can keep up is crucial to corporate success. As a result, excellence in supply chain management is central to the investment plans of retailers such as Argos.





# The Apprenticeship Levy

Sandra O'Toole of Bis Henderson answers some of the most common questions about the new apprenticeship funding legislation

**I**n April 2017 the way apprenticeships are funded will change. The changes will affect apprenticeship funding for all employers, and some will have to pay a new levy.

The apprenticeship levy will be applied to all employers with a payroll exceeding £3million a year. The funds raised can be spent by employers on developing and training apprentices.

**Will I have to pay the apprenticeship levy?**

If you are an employer If you are an employer whose pay bill is more than is more than £3m a year, then yes. The levy applies to all sectors (public, private and Not for Profit) and defines an employer as anyone who is liable to pay Class 1

secondary National Insurance Contributions for their employees.

**How will I pay?**

The levy will be paid to HMRC via the Pay as You Earn (PAYE) process.

**How much will I pay?**

The levy will be 0.5% of your annual pay bill. This total will be reduced by £15,000 a year as all companies have an allowance of that amount which is offset against the amount payable under the levy. The effect of this is that only employers with a payroll of more than £3m (0.5% x £3M = £15,000) will actually pay the levy.

**National Insurance was mentioned – does that mean the thresholds for NI apply to the levy calculation?**

No. Thresholds affect the amount of NI due to HMRC but the amount on which it is calculated is the total salary bill. Benefits in kind are not included in the total on which the levy is charged.

**When will I pay and what happens to the money raised?**

The levy will be charged monthly from April 2017. The administration of the levy is a devolved policy so its workings may be different in the different countries of the UK.

It needs to be calculated, reported and paid



“In England, employers will receive a credit to an online account within a few days of making their levy payment to HMRC. The credit will be for the sum paid under the levy, plus a top up of 10%. The top up will be applied monthly, so every £1 paid into the levy will generate you a credit of £1.10”

alongside PAYE in your normal monthly payment to HMRC.

In England, employers will receive a credit to an online account within a few days of making their levy payment to HMRC. The credit will be for the sum paid under the levy, plus a top up of 10%. The top up will be applied monthly, so every £1 paid into the levy will generate you a credit of £1.10. Once the credits are in the online account, they can be used to fund the training and assessment of apprentices.

**Are the funds in my account mine forever?**

No. Funds need to be spent within 18 months of being credited to your account, after which time they expire. Any funds approaching their expiry date will be clearly notified to you on your account, so you can arrange to make full use of them.

**Can I spend levy funds on existing apprenticeships?**

No. The levy funds can only be spent on apprenticeships which begin after April 2017.

**What can I spend my levy credits on?**

The funds in your digital account can only be spent on providing apprenticeship training and assessment. This needs to be:

- Spent with an approved training provider or assessment organisation
- Spent on developing someone in a real job
- Geared toward the achievement of an apprenticeship standard or apprenticeship framework

• A minimum duration of 12 months  
 Funds in your digital account cannot be spent on:

- I. The employment costs of an apprentice
- II. Training you provide yourself (unless your company is registered as a training provider)

**Summary**

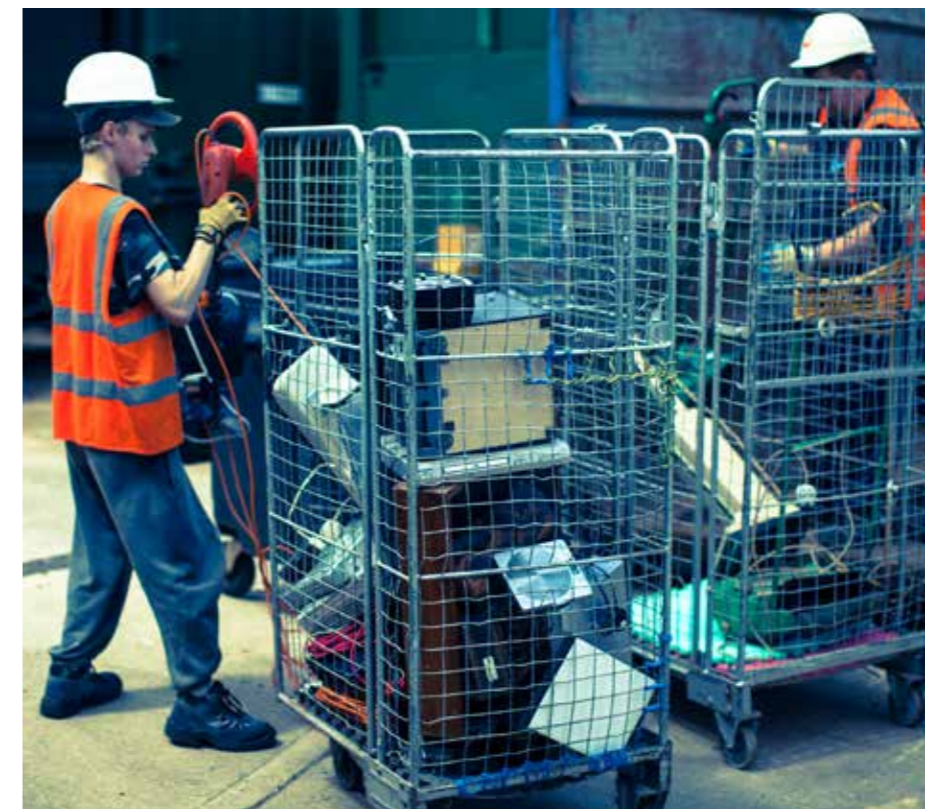
From April next year, any employer with an

annual payroll of more than £3m will see that cost increase by 0.5%.

The only way to gain any benefit to offset this increased cost is to spend the funds raised by the levy on new apprenticeships.

To be ready for April next year, employers need to plan their increased use of apprenticeships now.

The team at BiS Henderson Academy has many years expertise in the planning, development and delivery of apprenticeship programmes of all sizes. If you would like to know more about the levy, what it means for you, and how you can realise the most value from it, please contact us at: enquiries@bis-hendersonacademy.com







## RETAIL LOGISTICS

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DIDC1, DIRFT Railport Approach  
DIRFT South, Northampton NN6 7EL  
Tel: 01788 520104

# E for Excellence

John Boulter, Managing Director of DHL Supply Chain Retail, explains why a strong logistics strategy is critical to success in e-commerce

The e-commerce market is changing rapidly. In 2018 the estimated number of online shoppers will reach 1.6 billion, a 50% increase on 2013.

It's vital for success that retailers make a mark in the e-commerce market. From the moment a consumer places their order to the time it arrives on their doorstep, maintaining a high and consistent level of service is crucial.

Logistics providers support retailers throughout this process. Before an order is placed, supply chain partners such as DHL will work with retailers to develop a suitable warehouse concept for e-commerce operations and a solid strategy to ensure customer service remains high.



These short case stories below demonstrate some of our e-commerce customer journeys.

### The way to a happy e-shopper

The rising number of e-shoppers and increasing consumer expectations are driving changes in retail logistics. Inventory cycles are getting shorter; there is a higher demand for customisation and there is a greater willingness to buy from abroad.

In such complex supply chains, time and cost-to-market are key. Smart and fast delivery solutions maximise consumer satisfaction, helping to balance cost and convenience. As an increasing number of retailers take advantage of sourcing globally, a supply chain partner with a broad geographical network is also important.

E-commerce means consumers can enjoy an extensive range of products from across the world, but this places even greater importance on the delivery and returns options available. An online retailer's performance in this area will always play a critical role in its success.

### Bayern Munich wins in China

FC Bayern Munich is one of the world's most successful football clubs. To support the club's growing fan base in China, DHL developed a complete online store concept for them.

- Designing and building flagship store on Tmall global
- Full integration into an order management system
- High-end product description and translation
- Running and supplying the warehouse
- Customising products
- Customer service, in line with local needs
- The returns process, including refunds of customs duties
- Delivery – of course!

And when it came to enabling Chinese fans to customise their very own individual Bayern Munich shirt, DHL took care

of both the online tools and the physical production - a different kind of fulfilment altogether.

### The European spider in the web

For one of our customers, one of the world's largest online retailers, we connect dozens of warehouses all over Europe to facilitate seamless cross-border shopping via online stores in various countries.

Consumers receive their international purchases as easily and quickly as domestic shipments - consolidated as a single unit. All threads come together in our Belgian cross-dock centre, like a spider in the web.

- Unloading, sorting by destination, reloading, transportation to final consolidation, delivery
- Connecting 30 warehouses across Europe
- Ensuring all units of an order are delivered together - on time
- Reliable logistics processes for maximum consumer convenience

### A complete multi-channel end-to-end concept for the Indian market

Not many companies achieve €11 billion revenue in their first four years. Even fewer become No. 1 in the biggest and fastest-growing market for smartphones worldwide. One of our clients did just that and is planning to keep up this pace for further international expansion. This is how DHL helped:

- Close co-operation with our client to set up an integrated E-2-E solution
- Single point of contact for our partner
- Airfreight forwarding and customs solutions at all borders through DHL to source e-fulfilment hub in India
- Know-how and experience with

“To support FC Bayern Munich's growing fan base in China, DHL developed a complete online store concept for them”



- government regulations and compliance
- Multichannel sales strategy (online and offline) and flash sales
- Cash on delivery - a necessity in the Indian e-commerce market

### Conquering peaks in the UK

British retailer Debenhams has developed a national network that has successfully integrated e-commerce alongside its more traditional retail operations.

Working with DHL, Debenhams developed a new e-commerce distribution centre that has enabled rapid volume uplift and the ability to give breadth to the product portfolio through a wider product offering to the consumer.

DHL built and implemented the new

operation within six months inclusivity to including a new IT system to drive visibility across the network. Using DHL's in-house project management system, a migration and integration solution was developed utilizing DHL's wider capabilities in customer delivery, distribution network management and precise operating procedures.

Starting with zero stock levels, within 18 months the e-commerce solution became part of a network capable of managing 400% uplifts in peak periods, with a product range of over 150,000 lines to meet consumer demand. DHL also runs click-and-collect deliveries on core fleet and has recently introduced auto bagging as an innovative and automated service that packs items more efficiently.

## FACT FILE

- DHL Operates more than 100 Retail Logistics sites
- Stores 6.5 million hanging garments and 45 million items of clothing
- Provides logistics to 80% of the retailers on Oxford Street
- Fulfils more than 100 million e-commerce orders for retailers each year



# Attack of the clones

Mona Schroedel, an expert in commercial disputes at Freeths, answers our questions on escrow fraud, a new and growing threat to the logistics sector

**Logistics Leaders Magazine:** What is escrow and how does escrow fraud work?

**Monica Schroedel:** Escrow services are useful when it comes to 'blind' online sales, where a buyer and seller may not know each other but a reputable party can be a trusted go-between. For example, a buyer purchases an item via an online auction site and money is sent to the escrow service, which then delivers it to the buyer. If the item is as expected, the buyer will confirm this to the escrow service and the money will be released to the seller.

This is an area that is susceptible to e-risk, whereby a fake website is cloned from the website of a reputable service provider and then used to convince the victim to part with cash/goods. The fraud is

usually only discovered when the victim contacts the legitimate service provider to query the whereabouts of the money/goods not received.

**LLM:** How does the logistics sector get caught up in it?

**MS:** Logistic companies are regularly used as the basis for fake escrow service websites because they are a natural middleman for internet transactions. There are websites dedicated to listing fraudulent websites cloned from reputable logistic companies.

The fraud does not require the perpetrators to hack into company computers. Instead, they use freely available information to create a site to ensnare unsuspecting victims. This means there are no preventative measures logistic companies can take to protect themselves. Instead, they must rely on spotting and acting fast when they become aware of a cloned website.

**LLM:** Can you give us any examples of escrow fraud?

**MS:** Certainly. A client was faced with disgruntled French customers who had used their escrow services. Our client did not provide any escrow services and quickly traced the problem to a cloned website using the company logo, trademarks and information. It looked convincing but was limited in its functionality. To safeguard our client's reputation and goodwill we needed to act urgently.

**LLM:** What were the issues involved?

**MS:** In the first instance, maintaining our client's reputation was paramount

to ensure goodwill was not further damaged. We advised on suitable text to be prominently displayed on the bona fide website to warn customers to be vigilant and to only use that website and making it clear they did not provide escrow services.

Then we carried out urgent investigations to find out who was behind the fraud and obtained details of the perpetrator's name, e-mail address, London residential address and telephone details. The website host and provider were based in North America.

We then did a number of things in parallel: We reported the matter to the police, providing contact details obtained. This gave us a crime reference number to quote in further correspondence with third parties; we called and e-mailed the contact details for the individual who had registered the cloned site (unsurprisingly, the details proved to be false); and we contacted the internet service provider and host, requesting that it be taken down.

Very shortly we received confirmation that the cloned website had been taken down which eliminated the immediate threat to our client's reputation.

**LLM:** Was it difficult to pursue the perpetrators?

**MS:** When it became apparent that the details for the person behind the cloned website were as fake as the website itself, we investigated further to identify the true perpetrators but the trail ended in South America. The police kept the details on file but their resources to pursue this matter were limited.

**LLM:** Can you take legal action?

**MS:** If it is not possible to have a cloned website taken down through the channels

*“The police may be able to pursue perpetrators but, with limited resources available, it is unlikely they will actively do so unless part of a wider fraud”*



cloned site. The court can then order that party to take action.

**Option 4** is criminal sanctions. The police may be able to pursue perpetrators but, with limited resources available, it is unlikely they will actively do so unless part of a wider fraud.

**LLM:** Can you prevent or limit the damage?

**MS:** Because cloned websites use freely available information it is impossible to prevent them, but there are steps to limit damage. In particular, it will help if IP rights are properly registered so they can be enforced. You should also consider buying up similar sounding domain names to limit the risk of them being used to set up cloned websites. Insurance for e-risks may cover escrow fraud. You should discuss any concerns with your insurers.

It makes sense to carry out regular searches to ensure no cloned websites are targeting your customers and to take immediate steps to have them taken down as soon as they are identified.

I've set out (perhaps someone is trying to argue that the site is legitimate) then, yes, legal action must be seriously considered. It can be costly but it will be vital if the fraud continues.

**LLM:** What are the legal options?

**MS:** You have four main legal options:

**Option 1** is a claim for passing off. This is an ancient and well established law of more than 150 years. As a claimant, you must show you have goodwill in relation to goods / services; there has been a misrepresentation to the public; and damage to goodwill/reputation has been suffered as a result of the passing off. All elements are usually present in escrow fraud via a cloned website. If successful, the court is likely to order the defendant to cease the passing off (ie take down the site) and to pay damages to the claimant.

**Option 2** is a claim for trademark infringement. Whether there is a valid

claim under the Trademark Act 1994 depends on whether a trademark has been registered (if not, consider doing so) and whether a breach has occurred. This relates to where the public is confused by identical or similar trademarks being used in relation to similar goods and services. There are potential defences to a trademark infringement action but is highly unlikely they will apply in an escrow fraud type situation. If the claim is successful, relief will include damages, an injunction and potentially accounts for profits made (though where the profit is derived through fraud this is unlikely).

**Option 3** is to obtain an injunction. This is usually not a first step as they are costly. However, where it is impossible to have the cloned website taken down and damage to reputation continues, it may be necessary. An injunction can be taken out even if the identity of the person behind the fraud is unknown, as long as it is possible to identify a party with the power to take down the

## FACT FILE

A top 100 national law firm, Freeths acts for a number of key players in the logistics sector, meaning their experts understand the specific challenges faced by businesses operating in this environment.

- Escrow fraud is now most commonly committed online
- There were 2.5 million cyber crimes in 2015 (interim results from the Crime Survey of England and Wales). Seventy per cent of fraud is cyber-enabled (according to Action Fraud)
- Incidents of fraud or cyber crime can be reported to Action Fraud, the UK's national reporting centre





## SPECIALIST LOGISTICS

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# The world in its hands

Two case studies highlight how Spatial Global plays a key role in developing lasting customer relationships for its UK and international clients

As a mixed worldwide delivery business, Spatial Global has many facets – freight forwarding, mail management, e-commerce, fulfilment, courier, warehousing, logistics and added-value services.

Here, we feature two classic examples of where Spatial helps make a difference in the high-intensity, high-integrity worlds of ship repair and commodity delivery.

### CAST STUDY 1: Drydocks World Dubai

Spatial Global has been an integral supply partner of Drydocks World for more than 20 years. A Dubai World company, the business is the largest shipyard in the Middle East, employing 10,000 people. It is the flagship facility within DP World at Jebel Ali port in Dubai.

Drydocks' core business has been ship repair and maintenance since its creation in 1974, and it currently has capacity for up to 60 vessels. With so many ships in dry dock at any one time, replacements for damaged or

obsolete parts need to be available precisely when they are needed. Delays can be extremely costly.

The engineering teams at Jebel Ali place orders daily on their procurement colleagues. The procurement team, in turn, sources these from a global directory of manufacturers.

The UK excels at producing components – large and small – that meet exacting standards of performance and compliance. Spatial receives all these UK-sourced orders and assembles a twice-weekly consolidated airfreight consignment, comprising the products of various suppliers, destined for Drydocks World 4,500 miles away.

Accurate notification of goods received and shipped is crucial for the maintenance and repair teams in Dubai. Spatial co-ordinates and prepares all necessary documentation for:

- Receiving goods into its UK warehouse
- Checking goods receipts and commercial invoices for each shipment
- Undertaking a visual check on the external

quality/packaging integrity of goods for export

- Assessing goods received for items that could result in delays (such as dangerous goods) and segregating these for separate handling
- Building the airline assembly and freight manifest
- Presenting the shipment to the airline for the necessary security screening procedures
- Presenting the customs declarations to the UK CHIEF system, for pre-export acceptance
- Preparing the pre-alert documentation for the consignee
- Presenting original documents to the airline for customs clearance procedures on arrival
- Providing evidence of export to the individual suppliers for their own internal audit purposes.

The strength of Spatial Global's relationship and its understanding of its customer's exacting requirements have helped to create an enduring partnership. The service



is constantly developing in line with industry changes, technological advances and evolving international trade regulations.

### Case Study 2: Far Corner Inc.

In August 2015, Far Corner Inc. of the US asked Spatial Global to look at providing fulfilment and worldwide mailing support services for UK-sourced commodities sold directly to customers. This would prove to be the first step in what has become a rapidly evolving partnership.

The data suggested more than one million UK-sourced units a year were being delivered to more than 50 countries. Order management would be handled via the customer's own system – Orders Now.

Spatial immediately identified some streamlining opportunities – adding pre-printed postal authority indicia, introducing weighing earlier in the fulfilment process, and a range of operator-friendly features at the workstations (such as creating audible alerts for different types of orders). Meanwhile, Far Corner Technology (FCT) programmed the agreed improvements.

Following a trial in December 2015 with one of the UK-based suppliers, full volume from all UK suppliers was turned on in early March 2016. The keys to the trans-Atlantic collaboration are:

- Business leaders with a vision for their operations, and recognition of each other's strengths
- Rapid progress from early steps to a place of mutual trust and partnership
- Spatial demonstrating its 'easier to do business with' culture
- Spatial's ability to take on the accurate, routine processing of tens of thousands items every day
- FCT providing an effective product sourcing and order management software solution

- Transparency of volumes and costs – with a focus on mutual benefits
- Enabling specialist teams to work directly together
- Excellent communications.

The benefits of Spatial's service include:

- Purchase orders and order data now available in FCT's Orders Now system 24-48 hours in advance of receipt/despatch
  - Multiple suppliers delivering product in bulk to Spatial Global's centrally located UK distribution hub from purchase orders submitted
  - Using the Orders Now system, Spatial scans and packs individual orders – singles and multiples. Typically the company receives orders by midday and completes them by 4pm the same day, ready for loading on to outbound vehicles in the evening
  - Orders Now is linked to Spatial's F2D mail system, which determines optimal routing for each order and the postal authority that will deliver it. The approach allows the appropriate PPI (printed postage impression) to be printed on the barcoded label – improving efficiency.
  - Having weighed the units, the completed packet or parcel then flows through Spatial's international mail despatch system without the need for any further administration.
- US-based orders are being routed via air freight on Far Corner Logistics' services to New York, Chicago and San Francisco for onward delivery. Spatial delivers these to the freight agent at London Heathrow Airport as part of its own daily service. Orders for the rest of the world are routed via, and despatched to, the numerous service providers that Spatial Global partners with for international mail.
- Scott Melville, COO of Far Corner

“The data suggested more than one million UK-sourced units a year were being delivered to more than 50 countries”

Logistics, said: “Since we began partnering with Spatial Global we have increased our business with them substantially, and they have handled every request and volume increase. The team members at Spatial are an exceptional group to work with. We value their entrepreneurial spirit and out-of-the-box approach required for our business.”

## FACT FILE

Spatial Global is:

- A leading independent UK-based international freight forwarder formed in 1980 at East Midlands Airport, Castle Donington, UK
- A one-stop-shop for handling exports, imports and cross trades to or from anywhere in the world...
- ... plus UK & international mail and courier
- ... plus e-commerce and fulfilment
- ... plus warehousing and logistics
- ... plus pick & pack and other added-value services
- ISO quality-certification across all services
- IATA and FIATA accredited
- A member of UKWA, BIFA & RHA and a DfT Regulated Agent
- The winner of two BIFA Freight Services Awards
- A member of The Keswick Enterprises Group





# Taxing time for logistics

HMRC is trying to simplify employment taxes. But the experts at BDO advise logistics sector leaders to be on their guard



**T**he start of the 2016 tax year marked the arrival of several significant changes in the world of employment taxes.

The changes to PAYE and NIC resulted from HMRC's aim to simplify the tax code. However, employers may find this is not necessarily the case, with responsibility for compliance being pushed further toward them and away from HMRC.

Changes from the start of the 2016/17 tax year which will impact the logistics sector include the following:

- Salary exchange for Travel & Subsistence (T&S) is no longer permitted
- P11D Dispensations are abolished
- The removal of the £8,500 threshold for P11Ds
- Payrolling of benefits

#### The end of salary exchange for T&S schemes

The logistics sector has many employers with a mobile workforce. Where an employee is not attending their permanent workplace, planning was available to

restructure how T&S expenses were paid. Generally, this would have been completed using a salary exchange (Salary Sacrifice) arrangement.

However, HMRC legislated that T&S arrangements could continue only until 6 April 2016. Since then, there has been no tax and NIC relief on T&S expenses where a salary exchange arrangement was in operation.

Employees who used to benefit from a T&S scheme have therefore seen a reduction in their net pay from April and

*“ We are also seeing employees explore the option of making parts of their workforce self-employed. Where applicable, this could help alleviate some of the burden of dealing with employees and the impending changes ”*

employers will also no longer make an NIC saving, thus increasing their costs.

There is increasing pressure within the logistics sector to attract and retain employees, and employers should consider how this change has impacted their workforce.

#### Abolition of P11D Dispensations

From 6 April 2016, HMRC introduced an Expense Exemption to replace all current P11D Dispensations.

Up until 5th April 2016 employers could apply to HMRC for a P11D dispensation to remove the obligation to report certain genuine business expenses on a form P11D. Now - without the P11D Dispensation - these expenses and benefits have to be reported on forms P11D.

The new Expense Exemption for tax and NIC will be for qualifying expense payments that are either reimbursed or paid to employees. The new exemption will not apply when the underlying expenses and benefits are provided in conjunction with salary exchange arrangements.

On the face of it, this change appears to be a positive move by HMRC toward simplification. However, the onus will be placed firmly with the employer to decide what should and should not be reported on

Forms P11D.

The removal of the £8,500 threshold for completing P11Ds will also mean that employers will need to reconsider for whom they prepare P11Ds.

#### Payrolling benefits in kind

Employers will be able to apply to voluntarily include the cost of benefits in their payroll for tax purposes. The following benefits must continue to be reported via a P11D:

- Living accommodation
- Low or interest-free loans
- Vouchers or credit card expenses

There is no change to the reporting and collection of Class 1A NIC, which should still be completed via the P11D(b) return.

The end of certain salary exchange arrangements is likely to have a significant financial impact on many employers.

Employers must also consider if their existing expense policies and checking systems are sufficiently robust to satisfy the requirements of the Expenses Exemption. Guidance will be published by HMRC but the examples might not be applicable to all scenarios.

Although the payrolling of benefits is a significant step by HMRC to reduce employers' reporting obligations, employers

must be sure the transition is managed correctly.

Are these changes really simplification or just more added burdens for employers?

#### Solutions? Or greater problems?

The loss of tax relief on T&S arrangements may have significant financial implications for employers. We are seeing employers consider other salary exchange arrangements such as pensions, cars, work-related training, uniforms and in-house benefits.

We are also seeing employers explore the option of making parts of their workforce self-employed. Where applicable this could help alleviate some of the burden of dealing with employees and the impending changes.

Employers should tread carefully as this area can be subjective and brings its own issues. Making a section of employees self-employed may solve a number of problems but employers should be careful not to create different problems.

With all of the recent changes in the PAYE/NIC arena, it is key for employers to keep abreast of the changes and consider how they impact their business.

Details on future changes can be found at <http://www.bdo.co.uk/services/tax/human-capital/employer-essentials>







# Reflected glory

Howard Tenens and solar panel giant Lightsource bathe in the warm glow of a logistics partnership that has delivered mutual success

Howard Tenens is one of the largest privately-owned logistics companies in the UK, supporting major businesses like Costa Coffee and Honda and developing a recent specialism in the booming market for renewable energy products.

Over the years, Howard Tenens – a firm whose roots stretch back to 1953 – has built on its once-core market of automotive to forge partnerships in the food and drink and retail sectors.

Now Howard Tenens has developed an integrated logistics function and support strategy for 'solar' customers, becoming the go-to logistics provider for container collection, customs clearance, warehousing and transport for solar panels and farm building equipment across the UK.

One customer that has been with Howard Tenens since the start of this new service has been Lightsource Renewable Energy. Formed in 2010, Lightsource has seen phenomenal growth and now employs more than 350 experts across five UK locations. As Europe's leading solar energy company, it has secured an unrivalled reputation for the design, installation and management of solar PV projects.

Originally, Lightsource had looked to multiple suppliers to fulfil its warehousing requirements. But as the business grew, so did the need for an integrated logistics function and support strategy.

"In the beginning, our operations were handled differently," said managing director Kareen Boutonnat. "It's fair to say that logistics wasn't a core focus and we didn't feel we needed a logistics partner. We called upon different warehousing providers depending on the locations we needed at the time."

Having supported Lightsource with multiple short-term warehousing requirements in 2013,



Howard Tenens became increasingly involved in its operations and in 2015 was awarded the warehousing operations contract.

"We found in the past that many suppliers simply couldn't work at the pace we needed," said Kareen. "As our rate of growth and the size of our business began to increase, we



Lightsource boss Kareen Boutonnat admits logistics was not a core focus at the outset

realised we needed to formalise the logistics and operations function.

"As well as meeting all of our tender criteria, Howard Tenens was able to demonstrate a clear commitment and ability to work alongside us and cope with our very individual demands."

Kareen said what impressed her most about Howard Tenens was the way the company was prepared to adapt its processes to meet Lightsource's needs. "The team are always prepared to go above and beyond to find the best solution for us rather than a standard fix," she said. "Because of the industry we are in, a lot of things happen that are out of our control – so finding the right partner to work with us was key."

Kareen praised Howard Tenens' partnership approach, referring to a situation recently when Lightsource needed some advice on a shipment it was handling and where there was no obvious immediate commercial gain. "They helped without question, providing us with

*“ Lightsource is committed to the environment and works closely with wildlife organisations, trusts and conservation interest groups to enhance local biodiversity and create safe habitats for its schemes ”*

contacts and options – this is the real measure of an expert partner, and it builds trust and transparency."

Howard Tenens' Logistics Director Jamie Hartles said: "We work with Lightsource on a project-by-project basis and cater for its needs as and when they occur while trying to proactively suggest enhancements to service and deliver cost efficiencies.

"Our large warehouse footprint and the fact that we freehold-own the majority of our warehousing allows us to provide the flexibility Lightsource requires from a service provider."

Matt Davis, General Manager at Howard Tenens in Swindon, said: "We recognise there are certain nuances associated with solar farm deliveries, whether that be access difficulties, rapid turnarounds or re-work requirements, so we have worked hard with both our transport and warehouse management teams to offer Lightsource a service where the team working on it really do care about the end result and delivering the projects on time and to a high service level."

Lightsource is committed to the environment and works closely with wildlife organisations, trusts and conservation interest groups to enhance local biodiversity and create safe habitats for its schemes.

Kareen Boutonnat said there was a synergy between Lightsource and Tenens, helped by the latter's commitment to sustainability. She said she was impressed to learn about Tenens' photovoltaic installations across its warehouse network along with its investment in dual fuel technologies.

"Howard Tenens' shared commitment to sustainability reinforces our brand position as it enables us to weave our values all the way back through the supply chain," said Kareen.

"As our market grows so too will the expectations we have from our supply chain.

Most important, we will need everyone to be able to flex and meet all changes head on. Howard Tenens understand this and already we are preparing for a shift in the type of consignments that need to be handled for large scale to smaller scale with more contingency stores."

#### SOCIAL LINKS

Facebook: <https://www.facebook.com/howardtenens/>

Twitter: <https://twitter.com/howardtenens>

LinkedIn: <https://www.linkedin.com/company/howard-tenens>

YouTube: <https://www.youtube.com/channel/UC446M1LazpAswHs4jwpbkJA>

#### FACT FILE

- Warehouse footprint in excess of 3.5million sq ft
- Distribution fleet of 160 vehicles
- Since 2013 Howard Tenens has worked on 175 projects, completed 4,000 vehicle movements and delivered 60,000 pallets and 1.5 million panels
- Currently powering almost 318,000 UK households and responsible for a carbon dioxide saving equivalent to taking 107,000 cars off the road

#### Howard's way to success

In 1953 Edward Morris sold his packing and timber case manufacturing business Create More Work (CMW) to Howard Tenens, a shipbrokers in London.

Edward was given a shareholding in the new business – Howard Tenens Services Ltd – and over the next 30 years built the company into a formidable force, largely on the back of work for the British motor industry.

Edward's son Peter joined the company in 1963 – three years before it became a PLC – and he was appointed managing director in 1979 on Edward's retirement. Peter led a management buyout in 1983, since which time the company has expanded greatly and acquired many additional sites across the UK.







# Finding your perfect fit

Simon Brookfield, Managing Partner of search and recruitment specialists Forbes, offers some valuable pointers to help you land the right logistics job

So, now it's time to change jobs. Better get the old CV out, dust it down and see what's out there. This is a perfectly normal reaction but you are about to enter a minefield of speculative applications, registering with the agencies, going for the wrong jobs and justifying time off to attend interviews. Oh, joy...

"In short, you will be kissing a lot of frogs before you find the right role. It's not always the most pleasant of tasks and can undermine your confidence in where you really want to go," says Simon Brookfield, who has 30 years' experience of being a HR director and running a specialist independent search and recruitment consultancy in the logistics sector.

Before embarking on this search, it should be a time to reflect and ask yourself, "Why am I leaving my current role?"

- Is it lack of prospects?
- Lack of job challenge?
- An unwanted re-organisation?
- Redundancy?

The first stage of the job search is not the CV. Consider what you want in the new role, the prospects, the variety, the challenges? Is it a generalist role, or do I want to specialise? Is it 3PL or in-house? Is it transport, logistics or supply chain? What sort of boss do I want and what about location? Predictably, the biggest range of jobs are in the 'golden triangle' of the south Midlands and the northern Home Counties.

True, there are hot-spots in other locations, but as an industry we tend to congregate nearest to motorways and big city conurbations, so wanting to remain in south Devon or Tyne Tees lessens the available opportunities. So why not commute in the week and stay in a flat or B&B. Not always an



Simon Brookfield of Forbes HR Ltd

ideal solution and one which affects home life quite dramatically.

Now that you are clearer on your thoughts, it's time to look at the CV. Is it an effective picture of achievements and talents or is it full of indeterminate vague facts and waffle? Contrary to popular belief, the CV does not have to be restricted to two pages as this will miss out vital information - like your achievements.

Four pages are acceptable, with perhaps a précis of your earlier career. The most common mistake is mixing job duties with achievements. This makes it harder for the reader (or the computer) to work out the details.

Ensure you briefly specify your job duties and your employer, particularly if it is not a known name. List this information and then separately the achievements. Give facts, not vague descriptions. I cite, by example: "I run a 500K<sup>2</sup> composite, with 1.5 million weekly throughput with 4000 SKUs, 1200 staff on a 24/7 basis, with 20% agency. The WMS is Red Prairie and is based on a VNA configuration." In this way, the reader gets an immediate sense of the size and scope of the role.

Add information on mobility, salary, notice, restrictive covenant...and don't forget your

name and contact details. Always avoid quoting your work's email address. It sounds obvious but it is amazing how many people do this.

Avoid unnecessary information. "A colleague of mine on the automotive side recently received a CV from someone who had gone through a very messy divorce and taken three pages to tell us this! Keep to the facts and keep to your principles," adds Simon.

And finally, the physical job search. The first port of call is the plethora of job boards and, if not too sensitive, the CV should be uploaded there. Inevitably, you will need to register with the agencies, but manage them - remember, they are working for you!

Make sure your CV does not go out without your prior knowledge and consent. It is an offence under the Data Protection Act for 'blind' submission of CVs. Concentrate on the more specialist consultancies who have the time and patience to help and, if appropriate, offer career advice. Decide also on the level of engagement with these consultancies. If you are an FLM, then applying to the head-hunters in London will be a waste of time and energy.

Specify what you want from the consultancy/agency and, where possible, meet them. Suited and booted is the dress-code as the interviewer will have to take a judgment on your appearance, manner, motivation and confidence, so that he/she can comment objectively to his client.

Always make time to attend interviews by using some of your holidays - it will be a good investment. Communicate openly with the agencies but don't let them sell you a job - it's your career and you must manage it in this way. If you do, you have a strong chance of finding the right job and be well on the way to becoming a new generation Logistics Leader.

*“Is your CV an effective picture of achievements and talents or is it full of indeterminate vague facts and waffle?”*





# Engaging with industry

The TALoS group is The University of Huddersfield Business School's response to the challenge of bringing academic research to life for supply chain and logistics professionals

A couple of years ago, a keynote speaker at The Logistics Research Network Conference made the point that academics were not renowned for working with industry to produce research of any deep significance 'in the real world'.

The theme of the conference was 'Enterprise in Logistics Research: Matching the Needs of Industry with Academia'. It was held at the University of Huddersfield's Business School.

The ultimate goal for an academic is to have their work published in a specialist journal which will focus on a theoretical underpinning, the process of conducting the research and the contribution that the

research provides to the academic field.

One of the criticisms from industry is that the academic papers are written in a way that is inaccessible to industry representatives. One of the biggest challenges in research is to make sure that engagement with industry can create mutual benefits to three stakeholders in the relationship: industry, students and academics.

So the question is this: how can industry and academia within the logistics and supply chain sector come together to support each other and in turn find solutions to current challenges and find and nurture talent?

Engagement is important and there are a

number of ways in which this can happen. From an academic perspective, teaching and research are two areas in which a clear impact can be made that will create value.

One of the biggest challenges facing the logistics sector is the dearth of talent at all levels of employment. The Department of Logistics Operations and Hospitality Management at the University of Huddersfield Business School has been at the forefront of training undergraduates for careers within the logistics and supply chain industry for more than 20 years.

There are a number of initiatives that are run with collaborating companies to prepare students for an industrial career and build a bridge between academia and

*“The graduate receives valuable industrial experience and the business receives a valuable resource”*

industry. These are highlighted in the blue box over the page.

However, it is in the area of research that The University of Huddersfield Business School has initiated a new view, based on the question posed at the 2014 LRN Conference of how to make academic research relevant to supply chain and logistics problems being faced on a daily basis.

To help achieve this goal it has created the TALoS research group which brings together experienced researchers who work actively within the areas of Transport, Logistics and Supply Chain Management. The group has a multi-sector focus. The group utilises systems thinking with an inter-disciplinary perspective to solve real world challenges.

The TALoS group generates income through research grants and enterprise activities. The group also works with both public sector and private sector organisations to conduct funded research, Knowledge Transfer Partnerships and consultancy activities.

Knowledge Transfer Partnerships (KTPs) is a government-backed UK-wide programme that enables all types of organisations to access knowledge,

technology or skills from the UK's knowledge base, which includes universities, further education colleges and research and technology organisations. KTPs enable businesses to access recent graduates to work on new projects that will help businesses to grow.

KTPs are a tri-party relationship between industry, academia and the graduate. If the growth-enabling project as identified by the business is deemed worthy of funding, the KTP scheme provides funds to the university to recruit a recent graduate and second the person to the business for the duration of the project.

The expertise is provided by academia as one of the stakeholders in the project. The graduate receives valuable industrial experience and the business receives a valuable resource.

The University of Huddersfield Business School can also tap into various sources of research funding to conduct both value-adding present day research as well as blue skies future thinking and research in collaboration with industry partners.

Some of these sources are: Research Councils of the UK, EU funding - Horizon 2020 and Innovate UK. It is important that academics can work with

industry to understand their challenges and also map out research domains which will be important over the next 10 to 30 years. Industry interaction in these initiatives is extremely important and can take various forms:

- Collaborative partner in the funding bid
- In-kind support for the project
- Match funding towards the project
- Lead the funding bid and project.

The logistics and supply chain sector has a track record of funding short-term projects or consultancy assignments that provide

continued on page 28

## FACT FILE

• Students come from all over the world to study transport, logistics and supply chain management at the University of Huddersfield.

• The University pioneered the teaching of undergraduate transport and logistics courses in the UK and has more than 25 years experience teaching in the subject area. The department is comprised of the largest specialist team of teaching staff dedicated to undergraduate teaching transport and logistics in the UK.

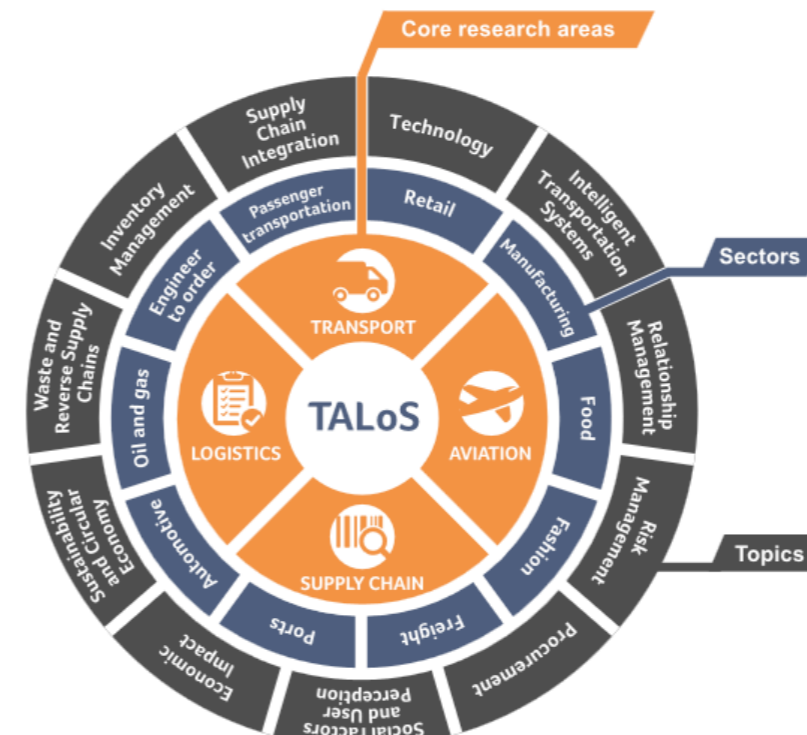
• Most come to the University with industrial experience. The prestigious Chartered Institute of Logistics and Transport (CILT) award for the best undergraduate student dissertation has been awarded to a student from the University 15 times over the past 17 years.

• The department boasts an alumni of more than 1,000 graduates, many now holding senior positions in industry. The majority of our students opt to take an optional placement year.

• Over the years we have established strong links with industry and are able to offer our industrial partners and students a great level of support in matching the right student to the right placement.



Benita Mironova receives her Yusen Logistics Award for the best second year results on the Transport & Logistics Management BSc (Hons) Degree course. With her are Suzanne Mercer, HR Director of Yusen Logistics UK and Dr Nick Hubbard, Subject Leader - Logistics and Transport





## Talent Development Initiatives

### NOVUS

The NOVUS trust is a 'not for profit' organisation, a partnership of a number of companies (currently 28). The trust recognises the need for talent within the logistics and supply chain sector now and in the future. The trust has developed an undergraduate degree to develop the appropriate skills and leadership potential. This four-year Logistics and Supply Chain degree course is based at the University of Huddersfield Business School. The students on this course receive not only the best learning and teaching within the subject areas but also interaction with industry (with the sponsoring companies) in the form of guest lectures, site visits, summer internships and a paid one-year placement in industry. NOVUS Trust works under the umbrella of the Chartered Institute of Logistics and Transport.

### Guest lectures and site visits

Lectures by industry representatives provide a valuable learning experience for students in all years of their degree course. The lectures provide an experiential account of 'what' happens within supply chains and operations and 'how' these are managed. The lectures provide students an interaction with industry personnel. Site visits, although not always a possibility at every company, do provide an excellent view of the operations to the students.

### Industry projects

The students studying the logistics and supply chain degree courses work on a major project in the final year of the course. Industry can both give and gain by providing live projects for students to work on. Students get an opportunity to work on an industry challenge and thus interact with their industry mentors. Industry also can avail itself of a valuable resource to work on these challenges. Projects can also be provided for postgraduate degree students.

### Placement opportunities

In today's highly competitive job market, undergraduate degree students have to come up with a plethora of achievements to get the coveted interview. Experience of working in an industrial setting is one such activity that provides an advantage to students and companies alike. A one-year industrial placement provides an undergraduate student with the necessary experience to ground their learning and provides industry with a resource to mentor for future graduate jobs. Within the cohort of students in our logistics and supply chain courses there are many instances of placement students being offered job opportunities by companies after their one-year placement.

### Executive development

Academia can also provide a learning environment for industry personnel who would like to attain further qualifications or training in new skills or management tools. The university can also provide bespoke executive development courses to cater to the requirements of a certain industry sector or courses that provide a flexible qualification route for attaining a certificate to a postgraduate degree.

### Doctoral research

Doctoral projects can contribute toward academic knowledge as well as find solutions to industry challenges. Doctoral projects are long term projects that take a minimum of three years for completion. Industry can provide both topics and funds for research. Close interaction between the researcher and industry personnel can ensure that the appropriate value and impact from the project is attained.



Prof Samir Dani's latest book looks at the process of getting food from the farm to the plate

from page 27

key deliverables within a stipulated time. This is valuable for industry when they are short of resources and require a short piece of research or analysis done. Since the funds are provided by the company, the intellectual property rights can be retained by the company through an agreement.

Conducting research is very important for both industry and academia. It is critical, therefore, at the outset to have a clear definition of objectives and outcomes from the research that will ensure a successful return on time and money. If not discussed up front, it will be difficult to match expectations of the parties involved in the research project.

Where academics will want to focus on getting their work published, industry will tend to focus on solutions and intellectual property. If these expectations and outcomes are identified at the conception and contracting stage, the project can be monitored effectively and will create the necessary impact.

To support collaboration with the logistics and supply chain profession, The TALoS group also offers a number of programmes and short courses, open to the public and customised, tailored to specific company needs in logistics, supply chain management and transportation.

The TALoS group aims to extend its current research interests and to explore opportunities to further the logistics, supply chain and transportation research activities through collaboration with industry and other research institutions worldwide.



We have over 30 years of delivering professional logistics courses at Huddersfield. Our innovative partnership with the NOVUS Trust – linking the University with over 30 major companies – is helping develop the next generation of supply chain talent for the industry.

# INSPIRING TOMORROW'S SUPPLY CHAIN PROFESSIONALS

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BSc(Hons) Logistics and Supply Chain Management (NOVUS) – UCAS code N9H7  
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BSc(Hons) Air Transport and Logistics Management – UCAS code NN89  
BSc(Hons) Supply Chain Management – UCAS code J960

### Postgraduate courses

MSc Logistics and Supply Chain Management  
MSc Operations and Supply Chain Management

### Find out more

Contact Dr Nick Hubbard at:  
Email: n.j.hubbard@hud.ac.uk  
Tel: 01484 472293  
Web: www.hud.ac.uk/uhs/novus



# HOYER proud to nurture logistics industry talent

Huddersfield University student Dino Soeyano is thriving on his placement with the bulk distribution specialists – all thanks to the NOVUS scheme

**H**OYER UK is one of 26 companies participating in the NOVUS scheme founded by a team of senior industry professionals in conjunction with Huddersfield University.

The scheme has seen the establishment of a 'sponsored' degree programme which offers mentors, paid industrial placements and a guaranteed job for all logistics students who obtain a 2:1.

HOYER is looking to recruit new entrants to the logistics industry for 2017 for its UK operations. The Hamburg-headquartered company believes NOVUS is providing a solution to the sector's growing skills gap by helping to inspire and recruit tomorrow's supply chain

professionals as they build their careers.

Tania Cressey, Head of Human Resources for HOYER in the UK and Ireland, said: "HOYER is pleased to be part of the NOVUS scheme as it seeks to address the demographic imbalance within the logistics industry and build the recognition to attract, develop and retain the right numbers and quality of talented managers."

There are currently 48 students enrolled on the course at Huddersfield University, and as a testimony to the value placed on the scheme by the industry, NOVUS received a Chartered Institute of Logistics and Transport (CILT) Annual Award in October 2014, receiving an accolade for Excellence and being recognised for the

quality and aim of the programme with an award for 'Development of People'.

Currently in his final year at Huddersfield University, Dino Soeyono, 30, was a successful applicant for the NOVUS course in Air Transport and Logistics Management and says that over the past three years his interest has grown in the logistics management part of his studies.

Dino currently works as an assistant planner in HOYER's Huddersfield Control Centre (HCC). He had worked in a similar role in a part time capacity with HOYER prior to the launch of the NOVUS scheme, and when he was accepted on the scheme and found out HOYER was a sponsor he knew this was where he wanted to work.

The roles Dino has undertaken during



## 'NO TWO DAYS ARE EVER THE SAME'

Before joining HOYER Dino Soeyano (that's him pictured below), worked in the hospitality industry as a manager with the restaurant chain Yo! Sushi. He said he was attracted to the sector by the pace and opportunities for development.

"I wanted to be in an industry that is growing and where I would be able to transfer the skills gained in my previous employment which would enable me to develop and be successful in the logistics industry," said Dino.

"Working at HOYER has introduced me to a fast-paced industry where I have been able to learn new skills and expand my knowledge of the sector. Above all, it has taught me that it is possible to deliver the highest possible quality of service while ensuring the highest level of safety. The company also has the ability to make you feel part of a family, and I have felt that through working at HOYER as part of the NOVUS Scheme.

"The appeal of working in logistics is that no two days are ever the same. There are so many challenges in logistics, and I really enjoy the sense of achievement from resolving these issues.

"A career in the sector was not something I had considered before as logistics has not been a well-publicised industry for undergraduates but the NOVUS Scheme is changing all that and once I learned more about it, I knew this is where I wanted to build my career.

"My hope is that once I graduate, I will be able to develop my career within HOYER. I want to be in a position where I am able to progress and to contribute to the growth of the business in the future."



his time with the scheme are diverse, ranging from planning and dispatching on HOYER's Puma Bitumen distribution contract, assisting on the admin and resource team across different contracts, as well as completing projects such as the alignment of the systems HCC uses. One of the highlights though has been working in the field alongside the Location Transport Manager at the Purfleet Oil Terminal in east London.

Dino explained: "I want to see more of the company and learn more about the industry through my placement. I also want to use this opportunity to improve my management and communication skills.

"This has also given me a chance to get a full understanding of how a terminal operates; to understand the intricacies of

managing a fleet of drivers to gain the optimum results. I'm looking forward to working with the contract managers and seeing the theory work in practice!"

By supporting students through a mentor, as well as a guaranteed work placement within one of the sponsoring companies, NOVUS Scheme students can develop their skills within the working environment to complement their university development.

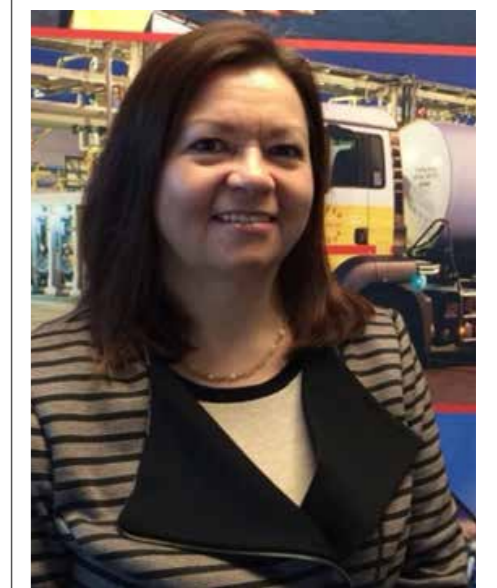
A key feature of the scheme for students is the opportunity to develop working relationships with people within the industry and prove themselves in the working environment. One of the most beneficial aspects of the NOVUS Scheme is the promise of a guaranteed graduate position as long as the student graduated with a 2:1.

## FACT FILE

- Hoyer is the global market leader in specialised bulk transport and logistics solutions
- Independent, family-owned international group operating across more than 80 countries worldwide
- Recognised as being leaders in safety performance, quality and professional training
- Worldwide turnover of more than €1 billion, employing 5,500 people

*"We want to address the imbalance in the industry and build the recognition to attract, develop and retrain the right numbers and quality of talented managers"*

Tania Cressey







## LOGISTICS EXCELLENCE

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# Bringing logistics to life

CEVA's centres of excellence shine a light on the world of logistics and the supply chain, inspiring a new generation of professionals



CEVA has created a series of centres of excellence which bring logistics to life not only for potential customers but for people who think of logistics and supply chain as complex, full of jargon and not something they would want to choose as a career.

CEVA intends to use these centres to educate and inspire the next generation of logisticians from across Europe by using them to introduce the scale and breadth of the logistics spectrum as well as promoting its range of apprenticeships, internships

and graduate management programmes.

Central to CEVA's philosophy is delivering effective and robust chains across a variety of sectors where it can apply its operational excellence, expertise and experience to provide best-in-class services using its global integrated network.

CEVA has opened its third logistics centre of excellence, based at its UK headquarters in Ashby-de-la-Zouch in the East Midlands. The other two are in Jacksonville, Florida, covering the Americas, and in Singapore (Asia Pacific Region). The centres demonstrate real

world logistics innovation through supply chain optimisation and enhanced visibility, integrated services and technology solutions to power supply chain efficiency.

The European Centre of Logistics Excellence provides a unique insight into the real world of logistics at CEVA. You can see its people in action and learn how it can help customers turn their supply chains into a competitive advantage. It is purpose-built and designed to take visitors on the journey of a product/ component through CEVA's end-to-end service offering including:



- Inbound logistics – combining flexibility with production line efficiency
- Warehousing and distribution – designing, developing and implementing effective value solutions
- Manufacturing support – enabling companies to concentrate on their core activities
- Outbound logistics – providing global leadership in outbound logistics
- Final Mile solutions – delivering online orders on time
- Aftermarket solutions – controlling mission critical spare parts, returns and reverse logistics solutions
- Exhibition and Events Logistics – delivering solutions where on time means on time and damage is not acceptable.

Within the centre, CEVA has constructed a mock warehouse area to demonstrate the latest warehouse management technology and the company's systems capabilities. In addition, the area showcases CEVA's expertise in warehouse design and features certain real life performance metrics against which CEVA sites operate.

At the end of the journey visitors to the European Centre of Excellence will have seen a number of case studies

across multiple industry sectors and how integrated supply chain management and operational excellence programmes are being implemented and providing competitive advantage.

With increasing globalisation, visitors will get a glimpse into how CEVA's global 'control towers' and its 'matrix technology' suite of software programmes can enable the effective co-ordination of modern day supply chains.

CEVA sees the European Centre of Excellence as a knowledge and innovation hub for supply chain excellence to support its customers' growth ambitions across Europe. It is designed to demonstrate clearly CEVA's commitment to excellence and where this is manifested across the supply chain.

CEVA believes it has a unique ability to design solutions that respond to differing supply chain challenges in different sectors and different geographies.

Visitors to the European Centre of Excellence will experience first-hand how a partnership approach to business can enhance the control and visibility of supply chains, leading to increased supply chain performance, lower costs and increased supply chain efficiency.

*“With increasing globalisation, visitors will get a glimpse into how CEVA's global 'control towers' and its 'matrix technology' suite of software programmes can enable the effective co-ordination of modern day supply chains”*

## FACT FILE

- CEVA is one of the world's leading non-asset based supply chain management companies
- It designs and implements leading solutions for large and medium-sized national and multi-national companies
- 41,000-strong workforce
- Operating in 160 countries
- 2015 revenue of \$7 billion
- Ashby de la Zouch centre hosted Logistics Leaders Network's Logistics Consultants Forum



# Secrets of the final mile

Tim Johnson of warehouse developer Chancerygate reflects on the challenges facing delivery hub operators and the commercial property sector

The property investor's frustration was understandable. He wanted to invest in a parcel handling warehouse development but was having trouble hitting the moving target of requirements in the sector.

"I don't know whether to buy T-shaped, E-shaped or I-shaped!" he finally exclaimed with exasperation.

As a developer of warehouses, we can sympathise but the simple truth is that there is no one-type-fits-all in today's market.

Online retailing has brought with it a revolution in the way in which purchases travel the 'last mile' to their recipients. Customers expect ever-shortening delivery times while there is also a 'backwash' of returned items caused by the intentional over-ordering which enables the customer to try on different sizes.

All of this is bringing a new focus on the 'last mile' between retailer and customer - but it does not mean there is consensus on how that challenge is best met.

The emergence of this new specialised sector is challenging the 'norm'. Each user has their own specific needs.

So how can the property development sector move fast enough to meet the urgent demand for facilities while also getting the configuration right? And how can operators best configure a property to improve their business?

Any convergence of thinking on configuration is not going to happen overnight. In the meantime, speculative



Sites close to large population centres are in big demand thanks to the trend toward same-day and next-day delivery



When it comes to warehouse development, there is no one-size-fits-all solution in today's market, says Chancerygate



development will continue to provide traditional standard space but the design of these new 'last mile' warehouses will have to become more bespoke.

The other challenges in this pivotal sector are location and competition.

At present, the final part of the delivery journey (or the first part in the return process) relies on the road network, so sites in prime fringe locations are now a necessity.

Sites close to large population centres to facilitate this home delivery for next day/same day delivery are now in demand in addition to the larger strategic sites at key transport hubs on motorways to cater for the national and regional distribution centres.

Given the urban or semi-urban nature of these sites, they are also a target for housebuilders. Needless to say, the end values of a residential project can still blow warehouse plans out of the water if there is no planning constraint.

This may sound like a rather bleak outlook for logistics operators looking for 'last mile' hubs but the solution is to plan ahead as far as possible and join forces with a specialist provider.

Chancerygate has increased the range of its development activities into the expanding urban logistics market and the promotion of larger scale national strategic schemes. This

is an extension to its smaller and mid-sized industrial schemes. As such, it blends the company's predominantly urban/edge of town experience and ability to source sites with a team that knows how to deliver what the end-user needs.

Since the start of the economic recovery, Chancerygate has acquired more than 65 acres of sites for 1.5m sq ft of projects, and it is now building 2m sq ft for delivery in the next 18 months.

Chancerygate's specialism has always been working with occupiers - a lot of our product has been built for the owner-occupier market - and that has provided great insights into what it means to really understand end-users.

Given the market factors outlined above, we expect occupier demand for UK prime locations will remain strong, particularly in the second half of the year after the EU referendum.

The need to get ahead of the game is also illustrated by increasing building costs. Positive contractor relationships are now key in the procurement process. Many contractors have full order books and, as an occupier, you do not want your facility being built by a 'last resort' contractor.

Chancerygate has a longstanding team of consultants and contractors, and together we

can provide the expertise required to unlock landholdings and to build high quality bespoke, sustainable facilities to suit precise needs.

## FACT FILE

- Chancerygate was named Industrial Developer of the Year at the 2015 Industrial Agents Society Awards
- The company has developed more than 7 million sq ft of space
- Since the start of the economic recovery it has acquired more than 65 acres of developable land to accommodate in excess of 1.5m sq ft
- In 2015, Chancerygate acquired nine sites totalling 33 acres for 670,000 sq ft
- Over 1.7m sq ft in pipeline for next 12-18 months
- Chancerygate covers the whole of the UK from London, Midlands and North West offices.





## INTERNATIONAL LOGISTICS

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# The right impression

A bespoke approach to customer service helps Delamode cut a dash in the high quality fashion sector. Peter Acton reports

**D**elamode, an international provider of end-to-end supply chain solutions, is expanding into new sectors. It has developed a high quality fashion distribution and ecommerce model that it is now applying to High Street retailers and fashion-start-ups in the UK and the growing international B2C market.

At the heart of this agile logistics provider philosophy is a commitment to service and the ability to deliver an integrated range of logistics services in a highly demanding and competitive marketplace.

Delamode constantly strives to tailor its

services to fit the needs of the customer, with every customer having a dedicated person responsible for looking over their operations. This is particularly important in the fashion, e-commerce and the B2C marketplaces.

Delamode has created individual customer account teams with the goal of providing pro-active relevant information to the client that keeps them informed of every movement of their goods through the global supply chain. This approach gives the customer confidence that if things do go wrong - and occasionally they do - Delamode can put it right quickly and efficiently.

Delamode's development of an effective quality fashion logistics operations model was recognised by its triumph in the BIFA specialist services award in 2012. The model has focused on:

- Implementation of bespoke IT systems
- Re-training of staff and evaluation of skill sets to ensure people fitted particular roles while having an understanding of the fashion and lifestyle industry
- Strict control of sub-contractors adhering to set key performance indicators (KPIs)
- Dedicated fashion warehouse and added value facilities
- Reactive and reliable distribution



solutions backed up by dedicated account management.

Delamode works with its fashion customers to a structured plan of weekly KPIs, quarterly reviews, meeting standard targets for on-time collection and deliveries, proof of deliveries, automated self-billing and picking accuracy, all of which reduces labour costs and removes administration errors. "All non-conformance enquires from customers are resolved within 24 hours," adds Mark Wright, Operations Director.

As an asset-light business, Delamode has a team of transport partners in the UK and is the UK partner for the Faxion European Distribution network across Europe. "We manage our suppliers very carefully to make sure they comply in insurance terms, in operational excellence and can match into our IT systems to give a completely seamless and visible service to our customers," said Mark Wright.

Following the success of its fashion logistics model, Delamode uses its logistics facilities in Essex to provide a total turnkey

service for high brand value customers, boutique retailers as well as the high volume High Street retailers for both boxed and hanging garments. Its location is ideal, being close to the South-East ports and consumer market with a cross dock facility as well as dedicated and multi-user storage on the same site. WMS and RF scanning technology provides full process and inventory control and added value services such as quality checks, returns logistics and re-labelling, giving the customer complete control of its stock.

Delamode's distribution model has been developed and based on a pallet/parcel hub and spoke-type operation. The system allows Delamode to distribute garments stored high on distribution vehicles with other clean and compatible lifestyle products loaded beneath. This results in time and cost efficiencies and, coupled with strategically located depots, enables a service that meets the exact requirements of the customers.

An open-book KPI process monitors and measures the daily performance of each

Delamode transport partner. Through this close control of the whole supply chain Delamode achieves consistently high KPI success rates of delivering products within pre-agreed delivery times to High Street outlets in the UK and the Republic of Ireland.

Following the success of this service model, it is now being replicated in other niche markets. With eastern European consumer online spending on the rise and with many UK e-tailers offering expensive or no delivery cost options to eastern Europe, Delamode has entered the B2C market with a dedicated international delivery service called EshopWedrop.

The service model is quite straightforward: providing eastern European customers with the delivery address of Delamode's delivery hubs in Germany, Poland, Italy and the UK. Simultaneously, the consumer will notify Eshopwedrop via a new web portal to expect the order using a simple booking system. The items are then consolidated and delivered on Delamode's international vehicles used to

Continued over page





“By investing in our people and understanding our clients’ challenges we develop fulfilment solutions that offer service excellence in every stage of the fulfilment process, including quality checks, picking speed and accuracy, dispatch management and a seamless returns management processes”

Continued over page

service its weekly B2B groupage services.

Additionally, consumers in eastern European countries will have the option to have their goods delivered to their home or a terminal for collection. “This service model will soon be rolled out for goods purchased from eastern Europe e-tailers throughout Europe,” said Mark Wraight.

“The changing and growing nature of online retail is also giving Delamode opportunities in the burgeoning B2B and B2C ecommerce markets,” said Steve Pyne, General Manager of Delamode’s warehousing and logistics operations in the UK.

Delamode has created dedicated mezzanine fulfilment areas in its Essex facility, which is able to handle fully optimised pick-and-pack operations and the returns management for clients that require a smart and customer-focused fulfilment solution.

“By investing in our people and understanding our clients’ challenges we develop fulfilment solutions that offer service excellence in every stage of the fulfilment process, including quality checks, picking speed and accuracy, dispatch management and a seamless returns management processes,” added Steve Pyne.

Delamode’s goal is simple: to create a uniform brand experience for its clients’ customers, make ordering processes as efficient and easy as possible, foster customer loyalty and maximise sales potentials. This flexible approach means Delamode is

### TEAMWORK REAPS REWARDS

As a service business the Delamode Group has not been able to achieve growth to a €69m (2015) turnover international business without engaging with its workforce.

Stephen Blyth, Delamode Group Chairman, puts the success down to three things: the skills and knowledge of the Delamode team combined with the flexibility in the delivery of the tailored solutions. “We have a very low churn of staff,” said Stephen. “It is instinctive for our people to know - not chase - the market. Training is on a day-to-day basis.

“We try to focus on the details, not allowing things to escalate, which in turn reduces problems. We treat every one of our customers the same way we would like to be treated. Inside every mistake there is a lesson waiting to get out.”

The lesson for Delamode is that if you have your people backing the plan, delivery of it will be perfect.

successful in supporting customers of all sizes with their innovative business strategies and growth objectives. Fulfilment solutions are tailored to meet the exact requirements of its clients, thereby enabling Delamode to deliver superior levels of customer service in increasingly competitive markets.

For one leading home furnishing e-tailer

Delamode has implemented a bespoke stationery printing solution. This allows for documents to be batch-produced dynamically, in-line with the pick-and-pack operation, scanned and sent out with the product presented exactly to the exact specification, which is accompanied with the customer web orders. “Every document is personalised to the end-customer and in a language of their choice,” said Steve Pyne.

Delamode’s expertise in smart e-commerce processes and IT systems, combined with its deep market understanding and committed people, makes the business capable of delivering customer loyalty and enhanced satisfaction.

“We offer clients a unique service guarantee that all customer orders are delivered to the customer in correct and pristine condition,” said Steve Pyne. “On the rare occasion that a defective product is received by a customer, we promise to refund the cost value of the product, including the incurred shipping costs.”

### Delamode’s one stop shop e-fulfilment solutions include:

- Fully optimised fulfilment layouts
- Complete range of pick-and-pack services
- 100% quality checks on intake of products
- High quality product presentation
- Returns management
- Late cut-off times to sorting hubs
- Dedicated account management
- Bespoke KPI reporting
- System Integration

### FACT FILE

- More than 400 employees throughout the group
- Established for more than 25 years
- 10 dedicated European country offices
- €69 million turnover 2015 (Delamode Group)
- More than 12,000 customers



# Do more... next peak season



## Do more...

- Increase picking efficiency
- Improve Goods In throughput
- Raise agency staff productivity
- Ensure deadlines are met
- Boost customer satisfaction

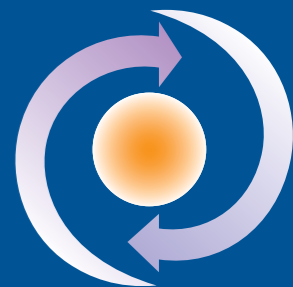
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# LOGISTICS FUTURES 2016



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### DAY 1 - Monday 11 October

Conference 2-5pm  
Pre-dinner drinks 6.45pm  
Networking Dinner 8.00pm

### DAY 2 - Tuesday 12 October

Speed Networking 9.30-3.00pm  
25 minute session for supply chain directors with 20 key suppliers



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or visit [www.logistics-leaders.co.uk](http://www.logistics-leaders.co.uk)



# Passport to profit

Jeremy Barden of Foxton Wren wonders why more companies are not maximizing their potential by outsourcing to the experts

Outsourcing, an everyday feature of the 21st Century supply chain landscape, was first recognised as a business strategy in 1989. Why then, nearly 30 years later, do the majority of outsourcing relationships fail to add substantial value to the customers' or the suppliers' businesses?

Why is it so hard for clients to extract the full potential from their outsourcing arrangements and maximise the value of their businesses?

What is outsourcing? Simply, it can be defined as the strategic use of outside resources to perform activities traditionally handled by internal staff and resources. It usually involves substantial transformation of the business activities and the transfer of staff from the customer to the supplier.

"Definitions are typically pretty dry, and this one is no exception, but the key words here are strategic and transformation," says Jeremy Barden, Managing Director of

Foxton Wren.

In the early days, cost or headcount reduction were the most common reasons to outsource. In today's world, the value drivers are often more strategic, enabling the in-house organization to focus on its own core competencies and find new ways of innovating the business or services they offer.

**Customers** seek value from outsourcing through:

- Control of costs
- Improved focus
- Gaining access to specific specialist capabilities
- Freeing-up internal resources
- Strengthening weak internal functions
- Additional resources or share risks with a partner company.

**Suppliers**, on the other hand, seek value through:

- Additional profit
- Brand growth
- Improved utilization

- Efficiency
- Innovation
- Customer diversification.

### What do they need to succeed?

"To succeed, an outsourcing arrangement needs to add value to both the customers' and suppliers' businesses at an acceptable risk throughout the life of the agreement," said Jeremy Barden. "This sounds simple enough.

"Statistics are hard to come by but we believe that only the minority of arrangements deliver their full value while the majority deliver partial value or fail completely.

"You will have experienced or heard of arrangements where the customer bemoans that the supplier cannot deliver the quality on time, costs are higher than expected or that the arrangement is preventing the customer launching new services. Conversely, suppliers often feel they are continually squeezed on price or their customers'

“Foxton Wren believes in collaborating with clients to make their business stronger and increase business value by improving profits and reducing risk”

expectations far exceed the contracted agreement.”

Even if the arrangement starts on the right foot, maximising value throughout its life is an ongoing challenge. Some suppliers even offer to change service delivery and reduce their costs by 7-10%, potentially offering customers large additional savings, yet the clients do not agree to the new model.

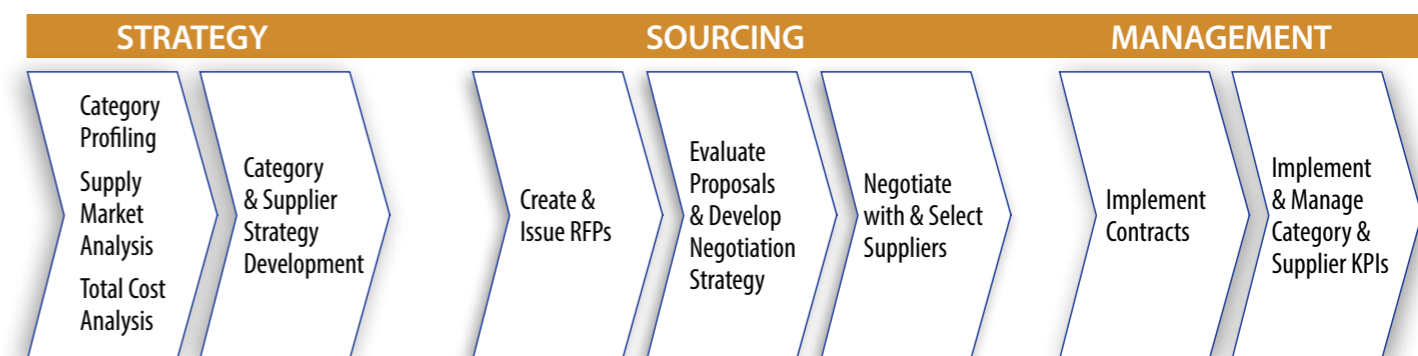
Why not? Why leave potential value on the table?

arrangements of all sizes and, done well, drives all the right customer and supplier behaviours,” said Jeremy Barden.

“From our experience, we know two things to be true: First, 80 per cent of all businesses are the same, another 10% is sector-specific and the last 10% is unique to the client's business. Second, the drivers of success (or failure) of outsourcing arrangements are the same, regardless of the industry or the value of the contract (and we have delivered outsourcing arrangements with deal values

implement a three-year, £50k pa, 3PL arrangement so it could focus on its core business of selling products. “We required two weeks (elapsed) to develop and agree the strategy and another four weeks to agree contracts,” said Jeremy Barden.

“Horses for courses, but two successful outsourcing arrangements of wildly varying size in two different sectors – success driven in each cases by a clear, detailed and broadly agreed strategy before formally engaging the market.”



There are a number of factors, not least the transactional style of relationships focused on unit cost but also a lack of an effective governance mechanism to promote innovation between the two parties as well as weak senior executive engagement to enable the supplier to get the message to their peer in the customer's organisation.

### Improving the chances of a successful arrangement – a new approach

In its simplest form, outsourcing arrangements have a three stage cycle: Strategy, Sourcing and Management and then back to the Strategy stage as the arrangement nears its end.

Foxton Wren believes in collaborating with clients to make their business stronger and increase business value by improving profits and reducing risk.

Foxton Wren's preferred model for managing outsourcing arrangements through its lifecycle is an adapted version of AT Kearney's Seven Step Strategic Sourcing Process (see graphic above). "It is conceptually simple, can be applied to

ranging from £50,000 to £500m).

"The game is won or lost in the Strategy stage. It forces the customer's management and outsourcing team to agree the objective, what is to be outsourced, why, how, to which potential suppliers, expected cost and by when before the customer formally engages the market through a tender process.

"No-one likes to use the word 'strategy' but in this case strategy is synonymous with due diligence, analysis, clarity of purpose, stakeholder support and planning. Not surprisingly, tendering and negotiating a deal is much simpler if you have a clear strategy that is supported by a broad base of stakeholders."

By way of example, Foxton Wren has managed the strategy and sourcing phases of a five-year, £500m outsourced services arrangement. It took six months to develop and agree the strategy and a further six months to tender and close a contract that transformed the service and delivered £70m savings.

At the other end of the scale, Foxton Wren has assisted a retail start-up to

### How does a business start to realise the potential benefits of outsourcing?

Foxton Wren offers a business risk health check service - a short, sharp, review of the whole business covering more than 20 different aspects within strategy and growth including profitability, compliance and risk. The health check provides clients with actionable and prioritised recommendations that deliver added value to their business.

Foxton Wren typically identifies benefits between four to 10 times the health check's cost but offers a money-back guarantee if it can't find benefits exceeding its costs. The business has created solutions across a range of sectors including supply chain, manufacturing, healthcare, retail and financial services. Inevitably, its clients are involved in outsourcing arrangements as customers, suppliers or often both.

A review of the key outsourced arrangements are part of the health check because Foxton Wren knows good outsource arrangements add value and is a passport to profit. Bad ones destroy value for both customers and suppliers – simple as that.







## AUTOMOTIVE LOGISTICS

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# Commercial breakthrough

Kwik Fit's Ian Kirkpatrick explains how the company is capitalising on the record number of vans on the UK's roads by winning more mechanical as well as fast-fit work

**K**wik Fit is increasing its penetration of the light van sector largely as a result of extending its reach into the vehicle servicing and MoT segment as well as building on its long-established reputation as a major provider of traditional fast-fit services.

There are a record number of commercial vehicles on the UK's roads, with business competition intensifying, so it is critical that fleet decision-makers are operating at the cutting-edge of industry and commerce and keeping van downtime to a minimum.

The number of licensed commercial vehicles on UK roads is at an all-time high of 3.6 million while the number of HGVs is at a seven-year high of 496,800.

It means vans and HGVs account for more than 11% of all UK licenced vehicles - and that figure is likely to rise with registrations of commercial vehicles also

running at record levels

A steep curve in growth since 2012 has seen the commercial vehicle market overtake pre-recession levels with a total of 423,894 vehicles registered in 2015, according to Society of Motor Manufacturers and Traders.

Growth was fuelled by the van sector, where demand, buoyed by the ongoing online shopping boom and attractive finance deals, hit record levels - up 15.6% year-on-year to 371,830 registrations. Truck registrations were up 25.5% to 52,064 units.

Commercial vehicle demand is recognised as a key barometer of UK economic confidence and in the first quarter of 2016 the boom has continued with van registrations up a further 1.2% year-on-year fuelled by a 10.4% rise in heavier vehicles.

Meanwhile, the importance of commercial vehicle fleets undertaking

regular maintenance is underlined by figures from the Driver and Vehicle Standards Agency (DVSA).

Data from the DVSA for 2014/15 revealed that 49% of Class 7 vans (3-3.5 tonnes gross vehicle weight) had a first-time MoT failure rate. Although the DVSA was unable to separate cars and vans up to three tonnes (Class 3 and Class 4 vehicles) in its statistics, it is possible that light commercial vehicle failure rate in that sector could be similar.

The major reasons for large vans failing the MoT were: lighting and signalling (30% of tests), brakes (20.9%), suspension (15.7%) and driver's view of the road (10.1%). Figures were broadly unchanged in recent years.

Furthermore, DVSA vehicle enforcement mechanical checks at the roadside and at operators' premises in 2014/15 on light goods vehicles revealed a 62.8% prohibition rate with poor tyre condition the major defect identified.

Kwik Fit, the UK's largest automotive repair company, boosted its service to light commercial vehicle fleets, small business, sole traders and the retail market four years ago.

Fleet director Peter Lambert said: "Since then demand for Kwik Fit's light commercial vehicle tyre fitting proposition and expanded range of mechanical services has increased significantly, particularly as the number of vans on the UK's roads continues to rise rapidly."

The catalyst for much of the light commercial vehicle growth has been the opening of Kwik Fit Plus centres, located chiefly in the south east of England, where one team of fully trained staff delivers traditional 'fast-fit' solutions and a second

*“The catalyst for much of the light commercial vehicle growth has been the opening of Kwik Fit Plus centres”*



team delivers mechanical services.

The original network of 20 Kwik Fit Plus centres has been extended to more than 40 nationwide with further openings planned. That's because Kwik Fit parent company Itochu Corporation recognises that more fleets and small businesses are using the centres for light commercial vehicle service, maintenance and repair jobs notably to keep vehicle downtime to a minimum by taking advantage of outlets' seven-day-a-week opening as well as price competitiveness.

Mr Lambert said: "The increasing volume of mechanical work being undertaken at Kwik Fit is from both leasing companies and outright purchase fleets. Fleet manager and driver confidence in Kwik Fit's ability to undertake mechanical work on vehicles in addition to traditional fast-fit work continues to grow rapidly and we expect that trend to continue."

Each Kwik Fit Plus centre employs one team of fully trained staff delivering traditional 'fast-fit' and a second team delivering mechanical services.

The mechanical services team is led by a supervisor and also includes a centre-based Master Technician trained to the highest level recognised by the Automotive Technician Accreditation and specialising in the most complex electrical and mechanical repair work on vans and company cars.

Further enhancing Kwik Fit's offering to the commercial vehicle sector is this year's doubling of the fleet warranty on friction brake parts in what is believed to be an industry-leading move that will deliver further operating cost savings to corporates.

The decision to double the fleet warranty to what is thought to be an 'industry best' of 24 months/24,000 miles from 12

months/12,000 miles across brake pads, discs, drums and shoes is reflective of both the quality of the parts used by Kwik Fit and the training and workmanship of its expert technicians.

Last year Kwik Fit saw a 35% year-on-year increase in fleet demand for safety-related brake inspections and the replacement of brake pads and discs and that followed a 24% rise in 2014.

The move to a best-in-sector warranty is expected to trigger a further rise in fleet demand for brake-related maintenance as well as the comprehensive range of other mechanical work, including all-makes and models servicing and MoTs.

Mr Lambert said: "The warranty increase on friction brake parts is also a reflection of goodwill from Kwik Fit to our fleet customers in trusting us with undertaking

vehicle work.

"As a result of the improved warranty we would expect the volume of brake-related work undertaken in Kwik Fit centres to continue to increase in 2016."

Furthermore, demand across the fleet sector for mechanical work being undertaken at Kwik Fit centres is being driven by a range of other factors, but notably the company's price competitiveness, further improvements in customer service levels being reported as monitored by fleet customers and an extended opening hours policy when compared with traditional service outlets.

**Ian Kirkpatrick is Group HR, Estates and Facilities Director of Itochu European Tyre Enterprise Group. [www.Kwik-Fit.com](http://www.Kwik-Fit.com). Ian is on LinkedIn.**

### KWIK FIT'S COMPREHENSIVE LCV OFFER

Kwik Fit's investment to cater for the requirements of light commercial vehicle operators means it provides a comprehensive one-stop range of services to the sector that includes:

- Availability in centres of a wide range of premium-, mid- and budget-priced light commercial vehicle tyres
- Specialist light commercial vehicle equipment in its more than 600 UK centres - the largest network of any fast-fit provider
- The ability of the vast majority of the centre network to accommodate light commercial vehicles, including the growing number of hi-roof, long wheel base models as well as car derived vehicles, while making details of those centres and their specific facilities available to customers
- Capability at many centres to undertake MoTs on Class 7 vans - those over 3000 kg up to and including 3500 kg DGW (design gross weight) - as well as MoTs on Class 4 vehicles, which includes LCVs up to 3000 kg DGW.
- Centres 'tooled up' with a range of equipment including, five-tonne axle stands, wheel clocks, extensions bars and tyre cages to undertake work on the largest vans
- Additional light commercial vehicle training for staff
- Furthermore, tyre repair and replacement is available to light commercial vehicle operators via Kwik Fit's fleet of more than 200 mobile units.





# Berries from heaven

Fruit grower Snells maximises the efficiency of its new cold store thanks to innovative mobile pallet solution from SSI Schaefer

**A**J & CI Snell is one of the UK's leading fresh and frozen fruit businesses. Established in 1989, the Snell organisation at Harewood End, near Hereford produces 1,300 tonnes of strawberries, raspberries, blackberries and blueberries each year and a further 700 tonnes of blackcurrants for juice processing.

The company has constructed a new cold store fully equipped with a mobile pallet racking system supplied and installed by SSI Schaefer.

Cold stores can be extremely costly to operate but there are ways to boost efficiency and reduce costs from the outset. Better facility design and more specifically, better storage technology can result in considerably lower energy bills as a result of maintaining low temperatures – by chilling less 'fresh air' and preventing external warm air from entering the system.

A typical cold store utilises selective pallet racking technology with aisles widths of up to four metres. With any

freezer warehouse storage system having aisles for lift-trucks to manoeuvre in, it becomes quickly evident that a significant proportion of what is being frozen is simply air. A mobile racking system provides an effective means of dense storage and can be used to negate this waste of energy used in the freezing process.

The system uses conventional selective pallet racks mounted on carriages and moving on running rails and guide rails embedded directly into concrete floor. By



*“Doubling the amount of pallet positions can reduce the total cost per pallet position by as much as 40% in new construction projects, and can reduce utility bills by as much as 50%”*



moving rows of racking using a remote control, aisles can be created anywhere in the system to allow access for fork lift trucks.

Since energy expenses in a freezer warehouse are second only to labour costs, it makes sense to double the amount of pallet locations inside the building or reduce the initial building size.

Doubling the amount of pallet positions can reduce the total cost per pallet position by as much as 40% in new construction projects, and can reduce utility bills by as much as 50%.

High-density mobile racking results in a much smaller building footprint by up to 45%. A significant reduction in energy loss and, therefore, utility bills also ensues, due to the correspondingly smaller roof structure reducing air escape. The other cost savings of a smaller, more efficient Mobile Racking warehouse include a 35% lower overall investment in construction costs and a reduction of up to 49% in utility costs.

Recognising the advantages of this storage Snell's constructed a new cold store fully equipped with a mobile pallet racking system supplied and installed by SSI Schaefer.

The company operates a state-of-the-art 2,000-tonne capacity packhouse and, along with the new pallet freezer store offers blast freezing facilities and puree production as well as contract storage and packing for local growers.

SSI Schaefer was actively involved in sizing and designing the new cold store – from the inside out. The mobile pallet racking system holds up to 900 standard ('Chep') pallets enabling Snell to maximise their storage capacity for frozen fruit while at the same time minimising the refrigeration overhead.

AJ and CI Snell's core business is the supply of fresh fruit to supermarkets but the extensive cold store enables the business to build stock for supply outside of the traditional growing season.

Snell's customer base includes a number of well-known high street names such as M&S, Sainsbury's and Tesco and, being the largest organic blackcurrant grower in the UK, the company also supplies produce to food processing operations including Yeo Valley and SmithKline Beecham.

Co-owner of the business Anthony Snell said: "After considering a number of alternatives, we chose a mobile racking system because it provided us with the space efficiency required to minimise our freezer running costs. The installation was effected very smoothly and the system is problem-free and easy to operate."

"Our confidence in the high quality of the SSI Schaefer equipment further justifies the long term investment. The building provides us with enough capacity to offer the benefits of cold storage to other organisations in the area who may be looking for a facility to store frozen produce."



## FACT FILE

- SSI Schaefer is the world's largest and the UK's leading storage and materials handling solutions provider
- The company was established in 1937 and is still a privately owned family business. It has a presence in more than 50 countries and employs more than 9,000 people worldwide
- SSI Schaefer's UK base is in Andover, Hampshire with a sales, projects, IT and customer support office near Towcester in the Midlands
- The organisation provides shelving, racking, containers, automated picking systems and warehouse IT. It is the only company to supply a customer self-installing Pick-By-Light system and has developed a robot unit picking system with a capacity of more than 2,000 picks per hour
- Whether in industry, trade, commerce or public organisations, SSI Schaefer's products are in use across all market sectors and support a wide variety of businesses efficiently and effectively
- The company works hand in hand with its customers to develop, design and implement the most innovative yet cost effective solution for each distribution centre project
- The support and maintenance division provides a basic help desk service to a full 24/7 resident maintenance facility.



# Light fantastic

Pallite boss Patrick Mulhall sings the praises of his new paper pallet that offers so many advantages to the distribution sector

The pallet is the unsung hero of the supply chain. Wood, metal and plastic ones have been used for many years to support goods being carried safely in transit to their final destination.

Now there is a new kid on the block; a paper pallet that can support more than one tonne spread evenly across the surface area.

Far from being bits of string, paper and glue, like an infant school project, the innovative Pallite paper pallet and in-transit box is a major logistics and engineering advance. It is ideal for supply chains where weight, environmental issues, cleanliness and damage in transit are key issues.

Although it replicates the function

of a wooden pallet, it is not chunks of softwood nailed together. For a similar cost to manufacture, the Pallite pallet uses honeycomb technology, similar to that used in the aerospace manufacturing industry, 19 different types of paper currently in common use in the carton and packaging industry and four different types of PVA adhesives used in the food and pharma sectors.

This all comes together on a single production line to create the strongest and most stable pallet available in a wide variety of configurations.

"There are no nails, screws, splinters or dead or alive insects in Pallite pallets," says Patrick Mulhall, MD of the Alternative Pallet Company. "The trees the card is pulped from

are specially grown for paper-making and the pallet is fully recyclable. Bringing this technology together into a single production process has created a robust and ultra-light alternative to the heavy, cumbersome wooden pallet."

The heavy deck UK standard pallet has gone through rigorous independent testing at the SCA laboratories and stringent transit and vibration testing at PIRA to meet ASTM d469-09 standard.

"Following the successful development of a pallet, we have used the same honeycomb technology to create an in-transit lightweight tote box which acts as an exo-skeleton for goods in transit which are lightweight, easy to store and re-usable," added Patrick Mulhall.



“Each key structural element of the Pallite has been developed over the past five years to create an innovative lightweight pallet”

## FACT FILE

Pallite pallets:

- Deliver major savings on airfreight and fuel costs
- Reduce the risk of injury through ease of handling the 6.5kg pallet
- Can carry over a tonne load with a stacking strength of 7 tonnes
- 100% Recyclable after use, providing a source of income from recyclers
- Remove issues of nails, splinters, infestation and harmful chemicals needed in the food, pharma sectors and other clean and contamination free supply chains
- Reduce import and export compliance costs by being exempt from ISPM15
- Work well in automated situations with their ability to be used on existing pallet conveyors
- Lower the carbon levels in specific supply chains which contribute to commercial and CSR savings.



### PLANES, PORRIDGE AND PILLS: THERE'S NO GOING BACK

With any technological advance or innovation, the proof of the pudding is in the eating. In the two years since its official launch not a single Pallite customer has gone back to wood. Three examples show how Pallite is meeting the need of customers in completely different operational settings:



#### Airfreight

Customers in this sector, where wooden pallets and corrugated cardboard have been the packaging of choice, are charged by weight. One Pallite customer has reduced the weight of each of its pallets by 17.5kgs, so moving 500 pallets per month has saved them £1.50p per kilo, with pallet manufacturing cost like-for-like. The boxes for this client have been made to specific dimensions so they do not waste any space in the igloo. The integrity of the strong exo-skeleton and light weight has reduced each box by 20kgs, with damages also reduced by 90%.



#### Food

Porridge oats are carried in one tonne IBC bags and using traditional wooden pallets are susceptible to snicking and tearing of the bag, leading to loss of load volume, contamination and ultimately rejection of the whole bag by the customer's customer. Using a specially created double-deck pallet has removed all of that risk, enabling it to spread the difficult load type that acts like a liquid in transit and securing the load. Zero food contamination has been experienced in two years use.



#### Pharmaceutical

The client wanted to take wood out of its supply chain to prevent contamination and disruption to its manufacturing production plant. Pallite has been providing them with a lightweight pallet solution which is hygienic and works well in a 'clean environment' for distribution of the finished product around the world. Its ease of disposal has also been a plus in the manufacturing environment. No need for stacks of wooden pallets any more.

"Our objective is simple," said Patrick Mulhall, "we want companies to think of the best solution and don't take the lazy logistician's approach by not looking beyond the obvious."

Each key structural element of the Pallite has been developed over the past five years to create an innovative lightweight pallet.

**Deck:** Honeycomb fibre cells are covered with wet strength kraft papers for maximum moisture resistance to provide a flat slat-free surface across the whole pallet, preventing product falling through or getting snagged. The edges of the deck can also be strengthened even further with edge supports.

**Pall run bearers:** These can be manufactured (120mmx 90mm) to suit all standard pallet sizes and requirements. Tubes are spaced evenly every 100mm to provide maximum load capacity and strength. Flat 100mm wide laminated fibreboards can be added to the base of the pall run bearers to ensure that they can be used on any automated conveyor or palletiser.

**Tubes:** These are made from specially spirally wound cardboard with the tubes found inside the pall, which give the pall bearers supports impressive vertical strength at low weights.



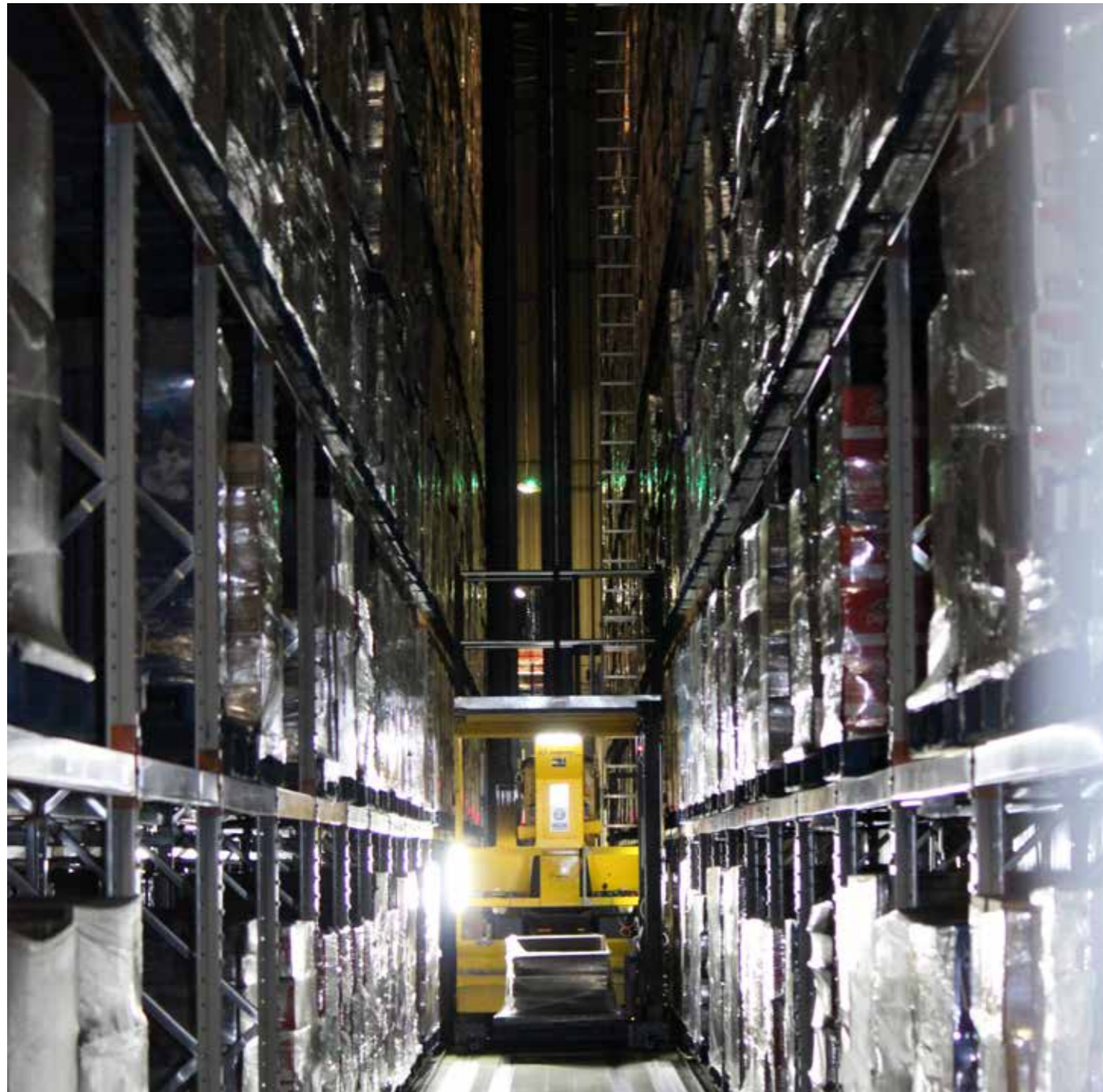


## LOGISTICS INNOVATOR

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# UB's Ghost holds no fear

Looking to automate its massive Midlands logistics hub without the loss of storage capability during the work, the biscuit maker turned to Logistex



### GHOST OF A CHANCE

The main objectives of Project Ghost were identified as being to:

- Replace the existing VNA machines that were at the end of their lease
- Increase the throughput in this area of the site

- Reduce the cost per pallet moved
- Simplify operations by removing manual intervention as much as possible
- Join up system efficiencies from the existing automated area in to the new one
- De-skill the human involvement with the storage in this area

- Remove human errors and inefficient decision-making
- Remove the need for drivers so they could be re-deployed elsewhere

United Biscuits in partnership with Logistex is the proud winner of the 2015 CILT Annual Award for Excellence in Warehouse Operations for its Project Ghost.

UB is the leading manufacturer of market-leading brands of biscuits in the UK - famous names like Penguin and Jaffa Cakes - and now one of the leading manufacturers in Europe and worldwide thanks to its £2bn acquisition by Yildiz (Ulker Biscuits) of Turkey in late 2014.

United Biscuits Logistics operates a central distribution centre in the East Midlands for all sales, including a third party logistics service to Intersnacks and its brand KP.

The central hub of the logistics operations is a 320,000sq ft warehouse within 22 acres holding 68,000 pallet spaces and employing 320 full time equivalent staff and between 100-150 agency staff.

The Midlands Distribution Centre (MDC) has evolved as part of a high level road map to consolidate a distribution secondary network of 14 sites into one central hub. Since its conception in 1992 the site has been continually developed to increase the storage and the efficiency of the facility.

The MDC is extremely focused on 'lean' and its operations are closely measured. "We have a very strong culture of *kaizen* - continuous improvement - within UB with more than 400 ideas each year coming from all levels within the workforce," said Rob Wright, Distribution Director.

"These ideas have delivered £1m combined savings in the past three years, and the concept of the Ghost project was a product of this programme."

The project presented a significant challenge of converting a storage system for manually operated VNA machines into a fully automated system with no drivers.

Most important, this had to be achieved while retaining all the storage capacity. That entailed picking and depositing pallets on pallets in the racking which had never been achieved before - anywhere! The goal was a massive logistics cost saving to UB and it set a challenge to longstanding automation partner Logistex.

### FACT FILE

- Logistex was established in 1937 and has been an automated systems integrator since the 1980s
- An independently owned UK company
- In-house developed and supported sophisticated Warehouse Management System
- The largest UK Service Support team in the warehouse automation industry
- Identified in the 2016 London Stock Exchange '1000 Companies to Inspire Britain' report
- Winner of CILT Annual Awards for Excellence 2015

Logistex has been working with UB for 22 years, integrating complex automation and logistics projects, large and small, that have all improved overall efficiency at the MDC.

"We presented Logistex with the challenge of designing and installing an automated technology to be deployed in a racking system which had initially been designed for manual operation and at a height of 18.5m," said Rob Wright.

"All our projects have a common goal of 'ultimate automation', and for this reason Logistex chose the Condor Automated VNAs which are top tied and offer the stability needed."

These are driverless machines but which can be driven if required. They are also floor running which means they can pick from very near floor level, optimising the retention of storage capacity which would have been lost with other systems.

Pallets are double-stacked in storage but need to be de-stacked to despatch singles. All of this is carried out in the racking which saves time and is more efficient.

The system is flexible and offers the option of dispatching doubles as well as having

on-board cameras that linked into UB's sophisticated Supervisory Control and Data Acquisition, a real-time management of human interventions when an operator or engineer could be put at risk.

The biggest challenge faced by Logistex's technical team was the pallet stacking and de-stacking in the aisle. The problem was that the pallets were of variable height, presenting two significant challenges: how to find the aperture in the rack above an already placed pallet to deposit another one on top of it, and how to find the top pallet so as to lift it off the bottom pallet when it is time to despatch it.

Logistex used cutting edge laser technology combined with software coding to map and identify the height of pallets as well as the pallet apertures of the forks to be inserted into the pallets prior to lifting of the top pallet.

To ensure optimum efficiency, Logistex Warehouse Management System was programmed to make all the decisions about the pallets sorted and stacked. Products are now routed in the automation system to the high bays in accordance with the set criteria which are designed to deliver maximum efficiency.

The Ghost project is fully joined-up as part of the site's overall automation process which means pallets arrive without delay, improving responsiveness. The elimination of human intervention removes potential inefficiencies and human error.

The results from the Ghost project include an increase in throughput of 25% to 260,000 pallets per year at an 86% reduction in cost per pallet in that area by reducing the labour costs of moving the pallets.

It has also enabled a seamless introduction of software control across the site. Drivers no longer needed in the new automated area have been re-deployed, reducing the need for agency staff on the site as a whole.

The success of the project shows how modernising a system is a serious option for organisations rather than going for a new build option, as they are able to make significant cost savings as well as improving overall performance of the operation and effectiveness of the workforce.





## DISTRIBUTION INNOVATOR

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# The white decision

The Gas Superstore is selling and delivering a record number of white goods thanks to a new distribution facility in the East Midlands where Flexi articulated fork trucks are playing a starring role

The Gas Superstore was set up by Ray Fenn in the West End of Leicester in 1969. Ray's specialism was reconditioning cookers and ovens and he wanted to branch out into supplying kitchen appliances, fires, fireplaces and barbeques.

Today, the business is run by Ray's sons Paul and Mark (pictured) and the company has grown to reach annual sales in excess of £10 million. The Hinckley Road store continues to attract consumers from across the East Midlands but the real boom has come in the area of e-commerce. In fact, online sales now account for around 70% of all customer orders.

The Gas Superstore needed to upgrade its warehouse operation to ensure it was in a position to fulfil every next day delivery promise it made to its loyal internet shoppers.

A 65,000sq ft new build distribution centre facility was acquired in Coalville – 14 miles from its original retail store – allowing it to support a rapid click and collect service for the East Midlands.

To maximise the storage capacity and handling efficiency of the new site The Gas Superstore, with the help of Flexi Warehouse Systems, planned its new racking scheme around a very narrow aisle configuration (VNA) served by Flexi articulated fork trucks.

Storage racking needed to be 6.5m high to fully utilize the new building, with aisle widths set at 1.9m and end of aisle transfer width just 3m. The Flexi trucks can handle ISO and EURO appliances individually.

To increase throughput and reduce the average travel distance between picks, a 2.7m-wide central transfer aisle with bridge bay storage above was created.

Opting for this Flexi-based narrow aisle storage solution has enabled more than 3,000 pallet storage locations to be achieved within the new building's footprint as well as the other important work zones required: goods receiving, picking and packing, dispatch and administration offices.

The Flexi AC trucks in the operation are the latest generation high-throughput model. These units, with 220 degrees of articulation, precise independent power steering and unique 'True Radius' chassis design, allow pallets and appliances to be handled easily in the 1.9m aisles.

The Flexi trucks were supplied with optimal hydraulic white goods/ appliance clamps to eliminate the risk of damage to white goods and appliances during the handling process.

Uniquely, the Flexi, when fitted with the hydraulically operated clamps, can place appliances individually into specially adapted decked-out pallet racking locations, further improving safe storage capacity and reducing manual handling.

Thanks to their ability to operate inside the warehouse and outside in the yard, the Flexis are used by The Gas Superstore to unload incoming trailers and deliver stock to the storage cube.



When it comes to outgoing orders, the Flexis pick items from the racking and transfer them directly to The Gas Superstore's own fleet of delivery vans for shipment and installation into buyers' homes across the East Midlands and, increasingly, nationwide.

Paul Fenn said: "We decided the best way to maximize the capacity and efficiency of our new building was to go down the very narrow aisle (VNA) route. But we wanted the flexibility of handling pallets or individual appliances in a very narrow aisle that Flexi articulated trucks offer when compared to traditional trucks."

Flexi Narrow Aisle's marketing director John Maguire said: "After undertaking a detailed site survey and ensuring we fully understood The Gas Superstore's intralogistics requirements, we recommended a solution that allowed appliances to be stored and then picked for individual customers deliveries as well as handling pallets."

"Because all Flexi AC trucks are built with an independent power steering motor to eliminate kickback, which then allows the main hydraulic system to power all appliance handling attachment, we had no hesitation in recommending our machines for this application."

Paul Fenn added: "We considered other makes of articulated truck but were impressed by the way the Flexi team looked carefully at our requirements before designing a solution that ultimately has fulfilled all our needs and more. The engineering and build quality are excellent but it is the clear forward visibility and smooth steering system that has proven to be most important when handling our customers' fragile white goods with clamps."

*“Uniquely, the Flexi, when fitted with the hydraulically operated clamps, can place appliances individually into specially adapted decked-out pallet racking locations, further improving safe storage capacity and reducing manual handling”*







## TECHNOLOGY LEADER

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# Cloud control

Software as a Service (SaaS) is revolutionising the way the supply chain works, says CarrierNet, offering greater visibility and transparency

Outsourcing of logistics services began to develop on a large scale more than 30 years ago in the UK when major retailers and manufacturers wanted to concentrate their investment in their core businesses and leave what they saw as non-core activities to specialists.

They were able to identify economies of scale, wider scope of activities and leaving the 'tricky jobs' to people whose day job it was. The fundamental principle of outsourcing supply chain activities remains valid today and is still on an upward trend.

The communication revolution and online ordering of goods and servicing has led to

the widespread use of the internet, mobile technology, social media and cloud services across the globe.

In this environment, immediacy of response is now taken as a prerequisite for good business practice and this has led to a need for transparency of activities throughout the supply chain. The one constant in this revolution is that every order needs a physical delivery and transport costs remain a major headache for supply chain managers and directors.

During the past 20 years, the widespread use of transport management systems (TMS) has allowed shippers to provide visibility through their supply chains and improve customer services. Typically, they have developed as hosted solutions that enable companies to organise, plan and manage all their transport operations in one system.

These systems are then able to integrate with other company systems to ensure that full visibility is available in a single company environment, from collection of supplies and through to delivery of products.

However, this is not fit for purpose in the current market environment, where customers require a higher degree of visibility and control across their supply chains. Systems are required that can enable visibility of product from suppliers in the Far East through to delivery to final end user customers, so that service delivery promises can be confirmed to have been completed.

Outsourcing of computer services and systems has been resisted and in-house bespoke or enterprise level solutions have been chosen to provide a semblance of visibility across business activities.

Now it is quite possible to outsource TMS solutions via Software as a Service



The power of SaaS: Traditional visibility (top) versus required visibility



### Outsourcing your TMS has several clear advantages:

- High adoption: access is available via use of a web-browser on any device, anytime, anywhere
- Lower initial costs: no licence fees or IT Hardware and infrastructure required
- Painless upgrades: undertaken by the vendor and released to users once it has been confirmed to work
- Seamless integrations: providers have APIs to assist with the integration with existing ERP systems
- Scalability: there are no limits to the increasing size of deployment of any SaaS system
- Easy to test Proofs of Concept, because SaaS systems have best practice elements available to test.

### Utilising a SaaS approach providers can deliver systems that will allow customers to:

- View orders from any number of suppliers across the globe
- Coordinate transport via any number of different modes and regions
- Manage all transport providers to deliver best value solutions
- Catalyse collaboration between parties for the benefit of all parties
- Ensure that service delivery promises are fulfilled.

### The delivery of these solutions is very easy for customers, as the SaaS TMS provider will:

- Develop the platform from which the TMS can be provided and customers can access the service
- Manage any and all IT infrastructure, whether software or hardware so that the required service is delivered for all stakeholders involved in any operation
- Deliver an easy-to-use, scalable and fully functional TMS system.

(SaaS), delivered via a web browser and systems that reside on the 'Cloud'.

In a hosted environment the customer buys a solution and the effective operation of that solution is the responsibility of the customer. The customer is expected to have the hardware and software together with IT people who can maintain the IT infrastructure required.

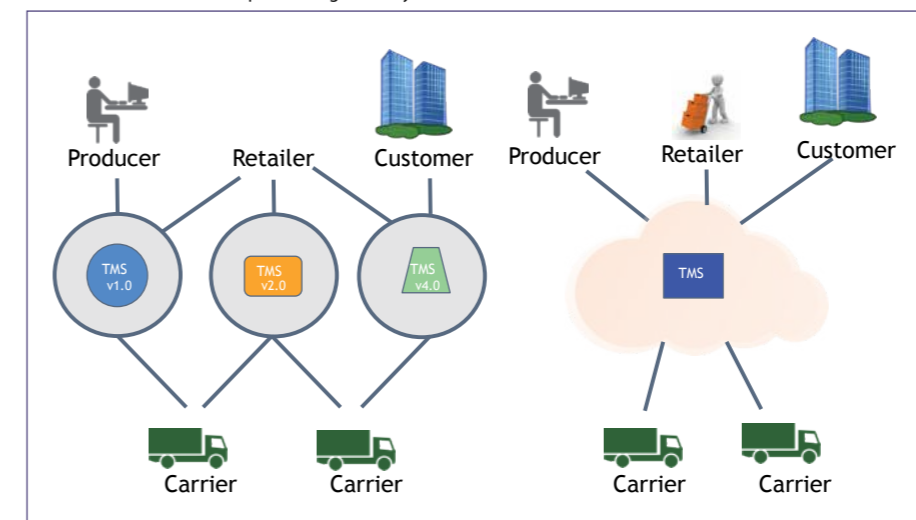
However, in a SaaS environment the customer is buying a service and the delivery of the service to agreed service level agreements is the responsibility of the

service provider.

"One of the greatest benefits of SaaS is that it minimises risks for customers," said Deltion Chief Executive Piyush Shah, who has pioneered SaaS solutions in the logistics sector over the past 20 years. "SaaS service also includes any and all integration, whether with internal or external systems and also providing effective access for all stakeholders via a web-based interface."

From a transport perspective, a TMS system can be the glue that joins together disparate supply chain systems in an

Traditional versus SaaS Transport Management System



organisation. With a SaaS TMS system it is much easier to achieve uniformity of activities across an organisation, and correct dashboard reporting will ensure complete visibility and transparency can occur throughout the supply chain.

Rather than a loss in functionality when implementing a SaaS system there are improvements in the way information is entered, collated and distributed to all those stakeholders who need it.

CarrierNet is Deltion's cloud computing solution for transport and logistics management, collaboration and visibility and supply chain event management.

The use of CarrierNet in a SaaS environment has meant customers have not spent any money on IT hardware support and have gained wider access scalability and flexibility to change operations. This approach provides the platform for third party organisations (e.g. suppliers and transport sub-contractors) to undertake fully all transport business in the CarrierNet environment, extending the visibility in the supply chain for everyone.

Piyush Shah says that while there have been rapid technical advances, most companies are still adopting traditional commercial buyer-seller relationships in the IT services arena. "The risk still resides totally with the buyer, i.e. 'caveat emptor'. We believe commercial relationships in today's customer-in-control environment should be more of a partnership approach."



Piyush Shah was at the forefront of the SaaS movement

### FACT FILE

- Deltion pioneered SaaS TMS solution in the UK
- £3m ongoing recurring revenue
- Strong development and support, with UK-based customer service team
- Award-winning solutions
- Blue chip customer base



# The route of progress

Wayne Savill of DPS looks back at how times have changed in the world of distribution and planning



Back in the late 1970s, as a traffic office and intake clerk there were three tools available for planning the 'Best Loads and Routes': a good knowledge of your inventory; a map on the Traffic Office wall; and experienced drivers who 'knew where they were going'.

A measure of your daily success was to have a clear marshalling area and all of the trucks and drivers out.

Almost 40 years later, and allowing for the ever increasing financial and customer service pressures, we still come across the same mindset which has distribution classified as 'a necessary evil' and planning 'a black art'.

To progress from a wholly paper-based planning environment to where we are now, we have to look back to its origins in the 1770s, when the US armed forces created what we now refer to as 'Logistics,' and then a 200-year leap forward to 'Computer Assisted Route Planning'.

At some point on the cusp on the 1980s 'business deployment' became 'networking' and 'dump terminals' became fashionable. Then we had the desktop computer and the 'green screen' portable PC followed by the first true laptops in the mid-1980s.

Then, in August 1991 the world wide web was unleashed and everything changed. Well, some things changed, because even now in 2016

the majority of providers of the 'optimisation systems' for Transport, Logistics & Distribution Planning are still focused on the on-premise PC licence model, even though more and more businesses are willing to look at or have moved to hosted, VPN and Cloud-based applications and are actively outsourcing the provision of BI and other core systems.

### New technology challenges

It was initially alleged that data security was a major issue, with the internet holding all sorts of danger. However, the decision-makers then went home, sat at their computers and started to shop and bank online.

So the security of our own personal information seemed be far less of a concern for them than the Generic Order Data that the delivery sector creates for optimisation systems to get purchases to the front door. Is this really mission-critical or just a cop-out that IT departments used to try to protect their empire?

Is there a cost in time, effort and money associated with this attitude? And have you considered there could be a better way?

DPS thinks so. We are the technology leaders in Online Optimisation, simplified IT delivered via the Cloud and accessed via a browser. With a Cloud solution, there are no local installations to manage reducing the costs of hardware and maintenance for all business types and sectors,

including large multi-user installations.

Continuing with the successes of the multiple award-winning logixcentral, DPS International rebranded in 2014 in order to simplify the range and make it easier to understand. DPS rebranded all LogiX Suite and logixcentral versions to RouteOptimiser, which encompassed the entire range of Cloud, integration engines, a web API, enterprise and on-premise systems.

RouteOptimiser has seen unprecedented growth, especially in recent times, helping companies save much needed resources, including fuel expense, and improve cash flow.

### 10 years in the Cloud

As the worldwide web entered its second decade in the early 2000s the opportunity for an 'Online Optimisation System/Service' was explored.

Initially aimed at the poorly supported SME market, it laid the foundations for the Cloud systems and services we see today.

As an online brother for the on-premise LogiX PC Suite, logixcentral.com was designed and delivered and in March 2006 logixcentral.com went live, hosted by an internationally accredited Microsoft Gold Partner.

Logixcentral, a new generation of routing and scheduling software, provided a web based service, based on leading edge route planning



Ah, those early computers...they look funny now but they were the genesis of the Cloud computing that is transforming the way we do business in the logistics sector today. However, the mindsets of many business managers are still stuck in the past

*“At some point on the cusp on the 1980s ‘business deployment’ became ‘networking’ and ‘dump terminals’ became fashionable. Then we had the desktop computer and the ‘green screen’ portable PC followed by the first true laptops in the mid-1980s.”*



and optimisation technology. It was delivered in a simple, cost effective and easy-to-use SaaS (Software as a Service) package and delivered on a contracted subscription model with low entry investment.

Leveraging the successes of the multiple award-winning logixcentral, DPS International rebranded in 2014 in order to simplify the range and make it easier to understand. DPS rebranded all LogiX Suite and logixcentral versions to RouteOptimiser, which encompasses Cloud, integration engines, a web API, Enterprise and On-Premise systems.

RouteOptimiser has seen unprecedented growth, especially in recent times, helping companies save much needed resources, including fuel expense, and improve cash flow.

### DPS WINNING FRIENDS AT THE SHARP END

DPS has won industry awards for innovation, capability and business excellence. Here's what a selection of its customers say:

"When looking for competitive advantage in the marketplace, systems solutions that are both innovative as well as flexible are always key to providing the necessary tools to set you apart. We looked at a number of offerings within the route planning and optimisation field and DPS stood out for flexibility, ease of use and commercial proposition."

#### Canute Business Systems

"We wanted a solution that would allow us to change the way we worked without a significant 'big bang' approach that is the undoing of many systems. Initially, our staff were sceptical that a piece of software would have significant change in their daily operation. When asked now on returning to the previous methods, the answer is an emphatic 'no!' Since we implemented the system we have seen a 9% improvement in distribution costs and an 18% improvement on timed deliveries and actually carry out more deliveries with a reduced fleet at both sites."

#### Bisley

"The implementation has enabled an increase in completed orders on a next-day basis of 24% and a per delivery fuel efficiency improvement of 20%."

#### EESL

"We have experienced positive results. Vehicle utilisation has improved by an estimated factor of 10-12%. And we have seen a similar improvement in on-time delivery."

#### Unitrans Freight and Logistics



# Analyse this! How we're Trans-forming logistics

Logistics Leaders Magazine talks to Martin Robinson of Transfaction and the TransLab Analyser

For a century the micrometer has been deployed on production lines to manage incremental changes that can make massive differences in manufacturing production costs.

Yet even after so many decades this same level of precision eludes supply planning, logistics, transport and, specifically, the delivery process.

The result is a higher level of mistakes and the requirement for costly supply chain correction processes.

In the past it has been argued that supply chains are too complex to run like production lines. Transfaction, an independent logistics consultancy, takes a different view, and managing director Martin Robinson is confident contract logistics is about to be transformed.

"Today, many operations planning and transport offices are flying by the seat of their pants," he said. "In the future, they can be run scientifically, with an attention to detail that will deliver the big picture and the insights they need to achieve control of the delivery outcomes."

Research conducted for Transfaction by Bradford University in 2012 confirmed that a double-digit reduction in delivery costs was possible with new, more dynamic forms of contracting.

Around the same time, Martin Robinson and his team were running trials of a proprietary statistical evaluation technique. This has evolved into the TransLab Analyser which collects data from planning and tracking systems to provide reports, which are refreshed and uploaded to registered users' client areas.

Logistics and transport sellers and buyers



Martin Robinson says TransLab Analyser is the future for dynamic time control reporting

use the reports in their business, share them with their internal stakeholders, run their contractual evaluation process with them, or publish them for PR benefit.

"The TransLab Analyser is the future for dynamic logistics time control reporting," says Martin Robinson, who highlights three distinct areas within supply chain management where the benefits can be seen.

### Benefit 1: Control replaces intuition

Currently, planners respond to uncertainty by inserting redundancy in schedules. This gives them confidence that for most of the time, hopefully, what is planned gets to be executed. Trouble is, the cost of these buffers become absorbed, with little or no benefit to performance. Such unreliability can be identified and planned out, and with recent case studies showing the hidden

opportunity to be 5-7% of total delivery cost, this is not something to be ignored in a low margin sector.

### Benefit 2: Discovery is multi-dimensional

Often, a single product is served via multiple channels and differentiated service offers are supplied via shared warehouses and fleets. It's not unusual for a product to be supplied via multiple echelons of trading partners, contractors, routes and drops. Now, Transfaction's toolkit will unlock the mysteries of the 'big-data' to see what is actually happening - for example, where are the conflicts, what is prioritised - and then establish new delivery outcomes.

### Benefit 3: Risk is dynamically assessed

In the business of planning and operations a watching brief on costs, service and risks is often overlooked and the original intention of the contract can be forgotten. Using advanced modelling helps provide sufficient history so the process becomes predictive, helping companies deploy early avoidance strategies and maintain a consistent flightpath.

Martin Robinson said the first priority for the Transfaction team was to make using TransLab Analyser as simple as possible to understand and then implement. "So the starting point is with data contained in csv files and the process of preparing the data is managed for the client," he said.

"Second, it is possible to make its adoption universal by providing a 'freemium model' whereby the client uses their client area in the Analyser to receive first-line-free reports of their base performance."

Embedded within the processes for bringing the TransLab Analyser on line with a client is the Lean Six Sigma philosophy of DMAIC which gives the whole process the highest quality outcome within a structured and easily understandable framework where each element has a gatekeeper before moving on to the next stage. This prevents costly errors later in the cycle.

The first step in the DMAIC journey is

'Define'. This is run at an individual depot / facility level and informs the prospective client as to where the opportunities lie. Subsequently, the 'Measure' phase populates the analyser models.

This is a pre-subscription phase and informs the client in detail about the network. The final three phases - 'Analyse', 'Improve', 'Control' - are available under subscription. Any tailoring to fit the client's

business is undertaken, as well as training for the trainer.

"We see the TransLab Analyser as the dynamo and our clients as the solution developers," said Martin Robinson.

"There remains plenty of opportunity to make a step-change in delivery performance. Science borrowed from other disciplines will assist the industry in bringing about this transformation."

## Inside the TransLab Analyser

REPORT	USE-CASE	AVAILABILITY	PRICING MODEL
<b>Routes to Market Report</b> (Single depot / facility performance assessment)	The TransLab Analyser user is new or deliberating when to invest. An Assess Report helps them to see the value.	Now	Free
<b>Risk and Resilience Report</b> (Seller (bid risk) assessment)	A seller / buyer of logistics and transport wants to evaluate the prior performance / risk of a partner with whom they are considering to contract.	Now	Fee-based
<b>Market Opportunity Report</b> (Carrier assessment)	The logistics seller or buyer wants to evaluate the service received from incumbent providers and want to model the cost/service impact of new options.	Now	Fee-based
<b>Dynamic time control Report</b>	The seller / buyer of logistics and transport uses time control to report on depot / facility performances.	Now	On subscription
<b>Trusted Partner Report</b> (Reliability Assessment)	A standardised extract is issued from the TransLab Assess report. by the logistics / transport seller	In planning	On subscription
<b>Complexity Report</b> (Portfolio assessment)	The logistics & transport buyer and possibly their trading partners want to evaluate how effectively their portfolio of products/ services is working for them. The assessment can include an impact analysis on their factories / depots.	When demanded	Fee-based
<b>Routes to Market Report (RTM)</b>	The seller / buyer of logistics and transport wants to compare different configurations to access their market	When demanded	Fee-based
<b>Risk &amp; Resilience Report</b> (Capacity Assessment)	The seller / buyer wants to evaluate the reliability / resilience of the network under differing levels of loading	When demanded	Fee-based
<b>Dynamic RTM control</b> Routes to market)	The seller / buyer of logistics and transport uses inbuilt Models to choose the best-fit allocations (depots / fleets)	When demanded	On subscription
<b>Dynamic Contract Control</b> (the 4PL model)	The seller / buyer of logistics and transport uses the time control reports to run their integrated delivery operation.	When demanded	On subscription
<b>Dynamic SIO&amp;P Control</b> (Sales, inventory, operations, and planning control.)	The seller / buyer of logistics and transport uses time control to integrate the flow of products and services through the supplier, depot, carrier, client network.	When demanded	On subscription
<b>Dynamic Network Control</b> (Partner collaboration)	The seller / buyer of logistics and transport uses time control to report on partner operational compliance.	When demanded	On subscription





## TECHNOLOGY LEADER

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London EC2A 4NE Tel: +44 (0)7441 908494  
E-mail: bogdan.carmaciub@b-novo.com

# No humans required

The self-driving truck is a foretaste of 'Industry 4.0', according to software specialists B-NOVO Technologies

Steam power drove the Industrial Revolution. A century or so later, along came Edison and electricity to unleash mass production and the consumer society.

What we might think of as the Third Industrial Revolution is now sweeping in on the back of the digitization of manufacturing – think of 3D printing as a vivid example.

Ladies and gentlemen, we won't have to wait a further hundred years for the next revolution, because 'Industry 4.0' – the wholesale automation and transformation of the production process – is looming large on the horizon.

The main principle of Industry 4.0

is to create smart grids: systems that encompass all automated production tools, interconnect them and in doing so control the production process. The goal is to create autonomous factories that make things without human intervention.

Experts reckon it will take another 20 years or so for smart grids to dominate production processes globally. Over the next 10 years, more complex and efficient digital tools will start to take over the production process.

It is entirely possible that the lightning speed of technological advancement will usher in Industry 4.0 faster than anyone is predicting, so business leaders should be mindful of the risk of being left behind

their competitors.

The main goal of digitization is increased efficiency and speed of production process. Studies show that the most competent manufacturers will still make between 500 and 1,000 errors per million tasks given. The most developed robotic production tools make only 11.5 mistakes per million tasks.

Inevitably, the changes in the production sector will find their way into the logistics sector, as they are interconnected. Timely, efficient and defect-free delivery will be the cornerstone of the supply chain, as well as satisfying the market demand when produce leaves the factory floor.

Undoubtedly, the biggest innovation



“Over the next 10 years, more complex and efficient digital tools will start to take over the production process”

right now in the logistics sector is the self-driving truck.

Daimler has unveiled plans for its self-driving Mercedes Benz Future Truck 2025, and a road train of driverless vehicles has been trundling along the motorways of Europe this year as part of an EU programme to test the so-called 'platoon' approach. In the UK, the platoon will be using a stretch of the M6 in Cumbria.

The American Transportation Research Institute predicts unmanned truck convoys will enter the mainstream within the next five to 10 years. It claims they will reduce personnel and fuel costs and increase efficiency, as well as maintain road safety. There are also major environmental benefits.

For this form of delivery to function, logistics organizations will be forced to invest in fleet management software as well as scheduling, oversight and management tools to keep up with the production sector.

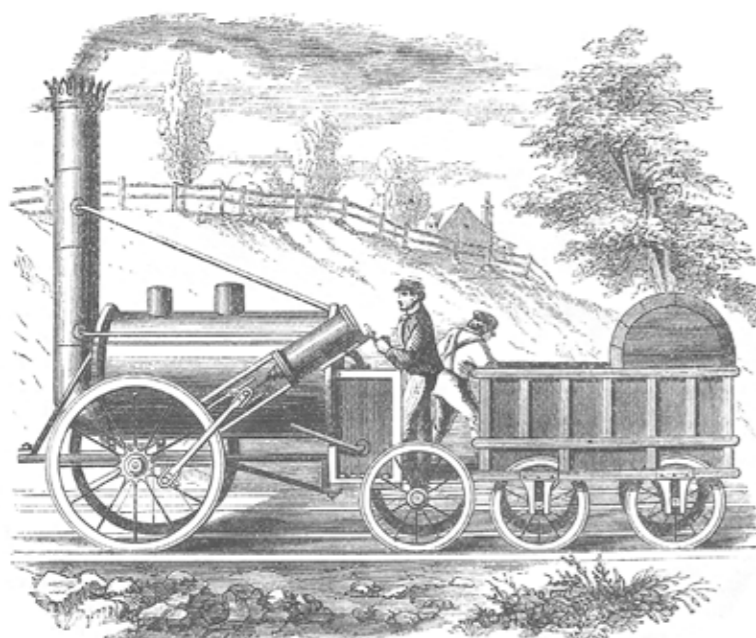
To take the first step toward meeting future Industry 4.0 standards, B-NOVO Technologies is offering an innovative software tool called Business Social for Logistics.

It is an online business management system for transport and freight forwarding companies. It helps with managing fleets, organizing business processes and monitoring employee workload. It can also track the efficiency of managers, order profitability and the state of the fleet.

### FACT FILE

- B-NOVO has more than 2,000 clients in the Baltic region
- 15 years of IT market experience
- 24/7 multi-lingual client call centre
- Winner of 'Strongest in Lithuania' 2015 award for business trustworthiness
- Awarded ISO 9001 standard for programming process

## TECHNOLOGY TIMELINE: FROM THE INDUSTRIAL REVOLUTION TO DRIVERLESS TRUCKS





# Game for a challenge

Why we're happy to get on board with *Business on the Move*



If *Monopoly* is the proving ground for budding property developers, and *Cluedo* the inspiration for a career as a detective, then stand by all you logisticians-in-the-making, we have something for you: *Business on the Move*.

The brainchild of two experienced business studies teachers, Andy Page and Pat Smedley, *Business on the Move* takes the inner workings of the global supply chain and turns them into accessible entertainment in the form of a board game.

"Pat and I developed the game to teach young people about the complexities of moving goods

from China to the UK by road, sea, rail and air as quickly as possible," said Andy.

"The game challenges players with difficult decisions similar to those they might face in the workplace. How do I meet delivery deadline? How can I improve the efficiency of my supply chain? How can I cut my carbon footprint? And most important of all - can I make a profit?"

*Business on the Move* also fulfils the ethos and vision of the Logistics Leaders Network in that it:

- Excites and inspires young people about logistics, supply chain and about business in general

- Raises the aspirations of our next generation, the future workforce and entrepreneurs of tomorrow

- Enhances employability skills and unlocks attitudes and skills that last a lifetime.

"Having watched the game being played, I was really impressed by the engagement, enthusiasm and sheer enjoyment people got out of the experience. I am delighted we have chosen *Business on the Move* as the Logistics Leaders Network Charity of the Year to help Pat and Andy achieve their goals of taking the game global," said Peter Acton, Chairman of the Logistics Leaders Network.

*"Following the success of the UK-centric game, Andy and Pat have been encouraged by the industry to think about how they broaden its appeal to a worldwide audience. They are currently beavering away adapting the game"*

Although targeted at the 9-19 age group, the education benefits and versatility of the game have already led to endorsements from more than 20 universities, including the Logistics Leaders Network education partner University of Huddersfield.

Corporate sponsors include CEVA Logistics, John Lewis and Marks & Spencer, all of whom have taken an active part in the development of the Logistics Leaders Network and have integrated *Business on the Move* into their own internal training programmes.

Following the success of the UK-centric game, Andy and Pat have been encouraged by the industry to think about how they broaden its appeal to a worldwide audience. They are currently beavering away adapting the game, its 50 support activities and specific additions that will make it truly international.

The new game will centre on international trade between countries from across the world. "Integrating key companies involved in the sector into the game will deliver both the realism that engages young people and the branding and product placement that appeals to large suppliers of services to end users of transport, logistics and supply chain services," said Pat Smedley.

Their vision is that by 2020 almost a quarter of a million young people will have played the global version of the game and gained a greater appreciation of the role logistics and supply chain play in their everyday lives.



## COME ON CORPORATES, LET'S GET MOVING!

The people behind *Business on the Move* want to talk to big companies with a global footprint about getting on board with the game.

"This is a fantastic opportunity," said Peter Acton, "and apart from the obvious branding and Corporate Social Responsibility benefits, there's the feelgood factor of engaging youngsters and stirring their career ambitions. So I am very happy to make an unapologetic plug to ask corporates to join the fun and and make a reality of the new Global edition."

So here's the pitch. Being involved in the game will:

- Incorporate the sponsor company's brand into the game played by potentially 250,000 people by 2020
- Enhance the company's reputation through a close relationship with the logistics and supply chain sector
- Deliver a unique way of meeting a company's CSR objectives
- Demonstrate a commitment and understanding of global and environmental issues
- Add a realistic and fun element to in-house training programmes
- Associate the sponsor with other like-minded global supply chain organisations
- Demonstrate a commitment to corporate and social responsibility by actively supporting a not-for-profit community interest company.

"We see this as a fantastic opportunity to support and promote the importance of the global supply chain to the future workforce," said Kathryn Wightman-Beaven, Director, Global Sustainability, DP World. "*Business on the Move* is a great way to excite and inspire young people about career opportunities in the logistics and supply chain sector, as well as business as a whole. We're delighted to be involved!"

Interested? Please contact Pat on +44 (0)7919 864069 or through [pat@businessonthemove.org](mailto:pat@businessonthemove.org)



How the *Business on the Move* game box might look - a double container, of course



# History in the making

Peter Acton reflects on a landmark year for the Logistics Leaders Network

The past 12 months have seen massive steps forward by the Logistics Leaders Network: We celebrated our fifth birthday in style at the Autumn Logistics Futures networking conference, dinner and exhibition; and during the course of the year we played host to our 2,500th logistician delegate.

The dinner doubled up as a celebration of John Harvey CBE's 80th birthday. As chairman of the editorial advisory board of Logistics Leaders, John has overseen its development into a high quality annual showcase of the best brands in logistics. The edition you have just read is the largest one so far, and I'm delighted to reveal we have several big brands lined up for *LL5* including Unipart Logistics, Stobart Group, Culina/ Great Bear Logistics, Proteus Group and Transport for London.

As is the custom, the lead article sets the theme for the Annual Logistics Leaders Lunch, and last May we took more than 80 logisticians on a road trip to Liverpool to join the one million people who lined the banks of the Mersey to see Cunard's 'three Queens' sail in the river together for the first time as part of Cunard's 175th Anniversary.

Bernard Molloy, Chairman of the Liverpool Superport LEP, spoke passionately about the plans to extend Liverpool as the UK's major west coast port, linking with the associated logistics developments along the Manchester Ship Canal.

Sermet Baykaner, the supply chain director of Carnival UK, explained some of the logistics challenges of serving 30,000 meals a day on the 11 ships in the Carnival UK fleet. He praised Cunard's logistics partner Meachers Global Logistics, which helps his team meet their deadlines when turning round a ship in Southampton in less than eight hours. Meachers is a member of the Logistics Leaders Network and also a founder member of the Freight Leaders Alliance we launched in 2015. It is a collaborative marketing group of up to 100 hauliers, freight forwarders and warehousing companies who will be a private group working together using ShipnTrak's new virtual hub.



We already have 18 companies signed up to the concept, which will help reduce empty running, improve vehicle utilisation, save fuel and improve operational efficiency. The initiative by the Logistics Leaders has been recognised by the Senior Traffic Commissioner Beverley Bell as another step forward in helping the road freight transport industry to be more professional.

We held the Logistics Consultants Forum in the Toyota Materials Handling training centre in Leicester. This was followed in February when Doncaster International Airport hosted the Supply Chain Strategy Group Workshop.

As I write, we are less than three weeks from our Annual Lunch which takes place at the National Space Museum in Leicester, proud home of the newly crowned Premiership Champions. If you have not yet booked and it's the right side of May 25th, get in touch – quickly!

**Peter Acton** Chairman Logistics Leaders Network



I should like to thank the editorial advisory board for their support again in helping to produce another excellent showcase of the best brands in logistics.

**CHAIRMAN**  
John Harvey CBE

**MEMBERS**  
Paul Brooks, International President CLT

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Richard Hunt CBE, Chairman London Ambulance Service

Michael Lainas, Chairman SG Bargh

Tony Mannix, Managing Director Clipper Logistics Group

Andy Kaye, CEO Bis Henderson

Mike Alibone, Business Development Manager SSI Schaefer.



Thank you to all contributors in *Logistics Leaders 4*. If you want to be included and/or nominate a new company to be included in *Logistics Leaders 5*, please email [admin@logistics-leaders.co.uk](mailto:admin@logistics-leaders.co.uk) stating the name of the company and how they make a difference to their customers.



## PROGRAMME FOR REMAINDER OF 2016

**7 July: SCALA ANNUAL LOGISTICS DEBATE**  
**Venue: Coombe Abbey Hotel, Binley, Warwickshire**  
**Topic: The Logistics Leaders Network is supporting this established annual networking event now in its 12th year, attracting more than 120 senior logisticians**



**7 September: NEW ONE-DAY WORKSHOP LOGISTICS FOR NON-LOGISTIANS**  
**Venue: Centre of Logistics Excellence, Ashby-de-la-Zouch**

**Presenters will use simple graphics and team tasks to de-mystify logistics and explain what it is in easy to understand terms. The workshop will be a jargon-free environment**



**10-11 October: LOGISTICS FUTURES**  
**Venue: St John's Hotel, Solihull**  
**Dinner plus networking conference and speed networking on Day Two**



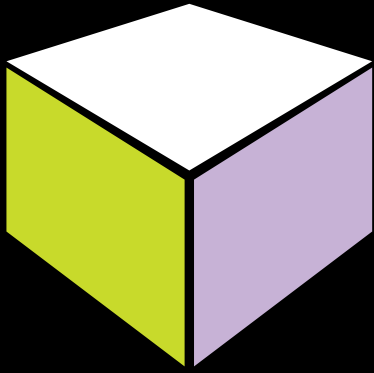
**9 November: PEOPLE STRATEGY GROUP AND TRANSPORT AND DISTRIBUTION GROUP**  
**Venue: Freeths, Milton Keynes**  
**Topic: Is your employment strategy fit for purpose in a fast changing sector?**



**23 November: 17th LOGISTICS CONSULTANTS FORUM**  
**Venue: To be confirmed**

**Reserve your places by email:**  
**[admin@logistics-leaders.co.uk](mailto:admin@logistics-leaders.co.uk)**  
**Tel: 01737 457002**  
**[www.logistics-leaders.co.uk](http://www.logistics-leaders.co.uk)**





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