

# LOGISTICS LEADERS 2011

Your essential guide to the best brands in the business

GOING  
FOR  
GOLD

Logistics leads  
in Olympics  
delivery

Quality Brands  
Innovation  
Excellence

Plus! **WIN** a  
special prize in our  
exciting competition

# Delivering your future

Careers in logistics: discover how it drives your world on land, sea and air!

Need to find information about logistics careers all in one place? Delivering your future is a brand new website which puts information on occupations, qualifications and much more at your fingertips. Video case studies and company profiles bring the huge variety of opportunities in this dynamic, technology-driven industry to life.



## Who's it for?

Delivering your future has been created for school students aged 11 to 19. Fun and interactive features like a blog, rock band game and informative lifestyle features ensure that there's something for everyone – even if the world of work seems a long way off.

## What you get

Have a look at what this new careers information resource offers:

- Meet the companies – insight into the key players in logistics
- Just the job – a wide range of occupational information
- What's the story? – video clips and case studies of real employees
- Get the facts – industry information at a glance, for England, Wales, Scotland and Northern Ireland
- Learn to earn – all about qualifications and pathways into logistics
- Giving advice? – dedicated area for those providing career advice
- Newsletter – for students and those advising on careers
- Rock band game, blog and cool lifestyle features



## What is logistics?

Getting things from A to B – on time. Vital to keeping UK plc moving, logistics puts the food on the supermarket shelves and the latest gadgets in the shops. It sends parcels worldwide and helps people when they're moving house.

Planes, trains, trucks and ships – logistics uses every imaginable form of transport to move goods around the UK and the rest of the world. People are needed to plan routes, organise loads and sit behind the wheel of a truck or in the motorcycle saddle.

## A route to suit you

There is a huge variety of careers in logistics – jobs dealing with customers, jobs that are hands-on, jobs involving travel, behind-the-scenes jobs like finance and IT. Whether you want to work down the road, across the UK or around the world, there's something for everyone.

## Get your career moving

Wherever you want to go, logistics can take you there. Earn while you learn as an apprentice, get on the fast track after graduation – if you want a flexible career with good money and opportunities to progress, it's a great place to be.



## How do I find out more?

To discover the career options on offer in logistics, visit [www.deliveringyourfuture.co.uk](http://www.deliveringyourfuture.co.uk)



**Cover Illustration**  
John Moody

**Publisher**  
Peter Acton  
info@gyrosgroup.co.uk

**Chairman Editorial Advisory Board**  
John Harvey CBE

**Editorial Production**  
Anthony Cheverall

**Editorial Design**  
Rd2 Design Solutions

**Print Co-ordination**  
Print Management



The Logistics Leaders Network has been supported by over 1200 logistics and transport professionals since its launch in 2008 attending quarterly meetings of the People Strategy Group, Road Freight Leaders Forum, Supply Chain Strategy Group, the annual Warehousing Futures Conference and the Annual Lunch of the Logistics Leaders Network. Tel 01737 457002 or email info@gyrosgroup.co.uk to get involved. The Logistics Leaders Network is being developed by senior logiticians and their emerging leaders to provide a platform to attract the best talent into the supply chain profession.

Logistics Leaders is published annually to showcase the 'best brands' in logistics. It is an integral part of the Logistics Leaders Network activities.

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

# Contents

## 5 OUT OF THE SHADOWS

The launch of Logistics Leaders celebrates a Cinderella industry that keeps the wheels of British industry turning



## 6-7 GOOD AS GOLD

The incredible logistics effort ensuring London's Olympic dream stays firmly on track



## 8-9 RELEASING THE POTENTIAL

Creating a winning mentality is one of the four steps of professional development and a key factor on the pathway to leadership



## 10-11 ON THE WINGS OF SUCCESS

Where would Nando's be without fresh chicken? Discover how logistics plays a pivotal role in delivering the brand experience for consumers



## 12-60 MOVERS AND SHAKERS

Over land, over sea, by road, by rail, by air...Logistics Leaders highlights the leading names in a sector whose time has come



## 62 COMPETITION

Your free-to-enter chance to win an unforgettable experience





# LOGISTICS LEADERS NETWORK

Logistics Leaders Network makes a difference by providing emerging leaders with a number of events to develop their knowledge and understanding of supply chain management and its impact on businesses and other organisations.



People Strategy Group  
Highlights the latest people issues



Road Freight Leaders Forum  
Focusing on key issues that affect their business



Supply Chain Strategy Group  
A strategy think-tank for emerging leaders



Green Logistics Summit  
Examines the latest green supply chain thinking



Warehousing Futures  
The networking conference and exhibition



Logistics Consultants Forum  
A unique networking event for logistics consultants

Over 1,000 companies and individuals are already benefitting.

Join them! Contact: [support@gyrosgroup.co.uk](mailto:support@gyrosgroup.co.uk)

Or simply sign-up at: [www.logistics-leaders.co.uk](http://www.logistics-leaders.co.uk)

# Why Businesses really need Dynamic Logistics Leaders

I launched the Logistics Leaders Network in 2008 in response to major retailers, manufacturers, transport operators and trade bodies who wanted a platform to help encourage good young people to enter the profession and a place where emerging supply chain leaders could discuss strategic issues in a non-commercial environment.

Logistics Leaders 2011 showcases leading companies and operations where logistics really makes a difference to our everyday lives. Logistics is the silent engine that powers so many things that we take for granted, running smoothly and efficiently day and night.

In most graduate surveys, logistics comes bottom of the league for graduates choosing a career path, and the supply chain profession has failed to enthuse and inspire young people. Logistics and supply chain is so much more than trucks and sheds: it is a vibrant, complex support activity that makes sure leading brands are on supermarket shelves, fast food restaurants stay open and hospitals are supplied with life-saving drugs.

But do you really know what would be the impact on everyday life if 'big smelly trucks' stopped running at midnight tonight. Let me paint the picture for you...

## **Day One**

- **All movements of lorries over 3.5 tonnes cease at midnight**
- **Most mail services and parcels deliveries stop**
- **No newspapers**
- **Manufacturers operating on a just-in-time basis suspend operations**
- **No supplies of fresh produce in the grocery outlets.**

## **Day Two**

- **Short shelf life products including bread milk and eggs run out**
- **Milk has to be disposed of on farms**
- **More manufacturing closes down as inventory runs out**
- **Shortage of cash in ATMs and banks**
- **Construction work slows down and ceases on most building sites**
- **Operations in hospitals have to be rationed due to shortages of medical gases.**

## **Day Three**

- **Most petrol stations run out of fuel**
- **15% of car fleet is without fuel**
- **Fast-moving grocery items run out eg fizzy drinks, baked beans**
- **Fast food outlets close**
- **Busier pubs run out of beer**
- **Slaughter of poultry on farms**
- **Widespread lay offs in manufacturing sector.**

## **Day Four**

- **Manufacturing closes down**
- **Non electrical rail services suspended**
- **Serious cash shortage**
- **Bus companies withdraw off peak services**
- **Gas, water and utilities disrupted by lack of fuel and spare parts**
- **Ports stop offloading vessels and congestion builds up.**

## **Day Five**

- **Half the car fleet is without fuel**
- **80% of the workforce is laid off or unable to travel to work**
- **Stocks of grocery products exhausted**
- **95% of manufacturing shut down**
- **Severe disruption to the health service**
- **Non-food products in shops depleted**
- **Problems from accumulation of waste.**



**Peter Acton**  
Chairman Logistics Leaders Network

It is quite clear to see the country would grind to a halt very quickly without the expertise of the logistics and supply chain profession. To keep the wheels of UK plc turning requires the dedication, enthusiasm and skills of more than 2.3 million people to make it happen every minute of every hour of every day of the year.

I hope you will take time to look at some of the case studies in Logistics Leaders 2011 which demonstrate how important logistics is to every walk of life, from the humblest consumer to captains of industry. And alongside finance, merchandising, production and marketing it is a board level discipline companies cannot do without. Putting it simply, logistics delivers the mission of every business.

# Logistics leads in

The handover of the Velodrome, the first of the eight venues to be completed on time and on budget at the Olympic Park site near Stratford recently, demonstrates logistics leadership as one of the keys to its success.

The Olympic Park is the largest logistics operation in the UK for over 60 years. With 12,000 people working on a site that has 11.5 kms of fencing surrounding its 2.5 sq km and an average of two road freight deliveries per minute every day, effective and efficient logistics and operational management of the construction site is critical.

Thankfully, this challenge – and the biggest risk – was recognised by the Government immediately after winning the bid when it set the Olympic Delivery Authority the task ‘to facilitate the building and execution of the Games’. David Higgins, now CEO of Network Rail, was in overall charge. The ODA chose its delivery partners carefully, consisting of CH2M Hill, Laing O’Rourke and MACE. They all had experience of working on some of the largest construction projects in the UK and globally and had the right capabilities and resilience to see the project through to completion.

With less than 18 months to go to the London 2012 Opening Ceremony, the ‘logistics operation’ is achieving both its key objectives, under the watchful eye of Dave Peacop, Head of Logistics and Park Operations. Dave was one of the masterminds of the Terminal 5 project at Heathrow.

Driving round the London 2012 site, you cannot help but be impressed by the scale of the building work, the level of activity and the sheer control and supply chain management that is making it all happen like clockwork.

Key to the success of the logistics operations, says Dave, was the initial modelling of the local road and rail infrastructure and understanding its capabilities and ‘bottlenecks’. An example of this was that all the structural steelwork constructed off-site had to be designed and delivered in such a way as to be able get round the A12 junction on the north of the site.

This eye to detail in the initial planning stage and understanding the issues and the consequences of getting it wrong in terms of cost and time enabled Dave and his team to split logistics into four distinct areas: road, rail, waterways and people movement around the site. And to find effective and efficient solutions for each one.

- Peak movement of the 12,000 people round the site between 0500hrs–0900hrs and 1700hrs–1900hrs has to be managed around the needs of road freight access and the sensitivities to noise from the site by local residents. Moving people effortlessly around the site is achieved by a fleet of 27 bendi-buses on four routes which move the workers from over 210 sub-contractors who have to be security-checked at a central point every time they enter the site. Just over 7kms of footpaths have been constructed and ‘permanent black top’ operations produce temporary roads around the site as the construction phase has evolved.

- Road freight access to the site had to be restricted by congestion between 0700-0900hrs on the A12 and the need to screen the vehicles for security reasons before they enter the site. To smooth out the deliveries which happen every two minutes on site, two off-park ‘logistics centres’ were created, in Barking and on the M11 and run by logistics specialists DHL. A delivery management system was introduced that involved every vehicle being pre-booked for next day deliveries with initial vehicle screening taking place at the logistics centre. This ‘push logistics’ strategy helped reduce congestion at the site, manage changes and ‘non-conformances’ easily and cope with the daily peak delivery period between 0500hrs–1100hrs.



- A rail freight centre was created and run by EWS Railway at the south of the park. This managed the movements of eight trains a day delivering massive volumes of aggregates and other building materials to create the large volumes of concrete required. Large volumes of block and pre-cast concrete were brought in by rail. Rail freight also proved an effective way of taking large quantities of muck away from the site in the eight empty trains every day.

- Waste from the site is centrally controlled with 17 road sweepers permanently cleaning up the site. Other waste material from the site has been moved by barge along the River Lea, which runs through the park into the Thames.



# Olympics delivery

This logistics strategy has been found in practice to be flexible and robust enough to cope with all the phases of this massive project to date. To put this in a retail context, the logistics strategy is delivering near 100% on shelf availability at all times with minimum inventory levels held on site. Lean manufacturing techniques used for the construction of the eight venues, the Athletes' Village and the Westfield Shopping Complex has also meant most structural steelwork and pre-cast concrete structures have been built off-site and transported piece by piece.

The phasing has been fundamental to the success of the project. **Phase One**, which the Olympic Delivery Authority called 'demolish,

**Phase Two**, what the Olympic Delivery Authority is calling 'The Big Build', saw all the substructures and superstructure for all the venues, The Olympic Village and the Westfield Shopping Centre get underway. It is during this phase that the logistics strategy, the effectiveness of the 'consolidation centres' and the project management has been tested to the full and not found wanting, even though timing did not allow phase one to be completed before phase two started.

Landscaping the whole site, which involves planting 4,000 trees and thousands of plants currently being grown in Norfolk and awaiting movement to the site, started in 2009 and will be mostly finished this

summer 2011. Fitting out the shopping centre, Athletes' Village and eight venues and signage will be completed in **Phase Three**. The Westfield Shopping City is due to open this autumn and will have a new logistics challenge of deliveries to the 300 retailers in the centre while finishing work on the Olympic Park. A consolidation centre and vehicle movement plan specifically for the shopping centre is planned and will be linked to the completion of the Athletes Village.

Once this phase is completed, the site will be ready to handover to LOCOG, who will be responsible for the logistics of London 2012 itself. UPS, leading parcels carrier, has entered into a sponsorship arrangement to provide LOCOG with logistics support for all the athletes' equipment and stock for the fast food outlets during the games. LOCOG will also be responsible for the logistics of 'moving out' of the site after The Paralympic Games and handing back to the ODA to carry out the transformation into the legacy the nation – Queen Elizabeth Park.

This legacy could not have been delivered without excellent logistics leadership. Dave Peacop says: "We had a very good sponsor and excellent leadership from the Olympic Delivery Authority, which also demonstrated a passion for what we were doing on site. They delegated authority and responsibility

to the logisticians, project managers and contractors and trusted our judgement, knowledge and expertise."

"To us, logistics isn't a curtainsider delivering products to a warehouse. It is the efficient flow of materials and people around the Olympic Park site, minimising the interface with pre-fabricated construction material and people which has the added benefit of good health and safety policy. In construction, logistics is operations."

If we use the traditional definition of logistics leadership as having the right product in the right place at the right time, then London 2012 is the ultimate example of the importance of having logistics experts leading the way in all sectors. London 2012 clearly demonstrates that Logistics can deliver a company's 'mission'.



## COUNTDOWN TO 2012

### 2006-2008 'Demolish, Dig, Design'

*Preparation of the site for the main construction of the venue, the Olympic Village and the Stratford Shopping City and Stratford Station developments*

### 2008-2009 'The Big Build' – Foundations

*This stage focused on putting in place the foundations of the main venues in the Olympic Park*

### 2009-2010 'The Big Build' – Structures

*This stage focused on the building of the structures of the main venues and infrastructure in the Olympic Park*

### 2010 -2011 'The Big Build' – Completion

*The velodrome has already been handed over. All other venues are on target to be completed by July 2011, with all utilities operational, the Westfield Shopping Centre due to open in the Autumn and all work completed on Stratford Regional Station one year before London 2012*

### 2011-2012 Getting Ready for London 2012

*Complete the fitting out of the Olympic Village, all the venues, food outlets and merchandising points, signage, and landscaping*

dig and design', in logistics terms involved the closure of all roads on the site, the creation of a new road system and the demolition of over 100 buildings. Nearly 97% of the materials reclaimed from demolition has been re-used or recycled, adding to the logistics complexity. Over 8kms of waterway within the Olympic Park are also being restored, which require specialist treatment.

With over 75% of the site having some form of contamination from previous industrial use, a 'remediation centre' had to be created so that every tonne of soil removed could be treated. Electricity pylons have also been removed and 200kms of cabling in two 6km tunnels bring power and utilities to the venues and the Athletes' Village.

# Logistics leadership helps busi

Effective and inspired leadership is a fundamental requirement for dealing with the complexities and challenges that surround us in our personal and business lives. While leadership development is recognised at senior levels, the real opportunity is to start identifying and developing leaders much earlier. Increasingly organisations' performance is related to the abilities of key individuals. As organisations necessarily become leaner this is becoming more and more important as the spotlight is falling on fewer key executives. Leaders can be found throughout the organisation, in administrative, supervisory and many of the perceived 'lower levels', not just within the boardroom. Such performance potential should be harnessed at all levels to achieve the business objectives. Sadly, often it is not and an opportunity is missed or overlooked.

The performance of an individual, however, does not necessarily reflect their potential. Research has shown that an individual's performance as it relates to the workplace is only 40% of what they are capable of achieving. What is the evidence? Generally, people do other things, often more demanding, outside the workplace which reflects not only their wider interests but also much broader capabilities. And in times of crisis people will often perform much more strongly than day to day.

Surveys also reflect on individuals' own assessments, in which they feel that only 40% of what they can give is generally utilised. Consequently, this represents a considerable latent opportunity for individuals to have a more satisfying personal experience in their work life. As a result, their organisations should achieve a better performance as well. This may also improve retention of the best talent if the organisation targets and invests in accessing the 60% untapped and latent potential.

Personal, one-to-one executive mentoring and coaching is an effective way of supporting personal development and closing the gap between potential and performance. It is, therefore, an essential part of on-going personal development and in particular leadership development at all stages of an executive's career. A structure to underpin this is best illustrated by stepping into a more readily understood sphere – the world of top sportsmen and women. To reach the highest professional level of performance in this world there are four distinct steps of development along the way, each has its own specific and distinct objectives. These four steps apply equally to the executive's world.

In **Step 1 we learn to play** – in our business context we are learning basic skills about our role, the organisation and our market – we learn to become useful. In **Step 2 we learn how to compete**. Obvious in the sports context as just knowing how to play only produces limited results. In our work role this is all about how we use our knowledge and what further knowledge or information we require and where to get it. We need to understand our market and our competitors and how we might



develop strategies to improve our positioning. This is a more senior perspective and about what it takes to become not just useful as a resource but useful as an executive. The outcome of this stage is **Step 3, learning how to win**.

Winning is a major step forward. Sometimes there is an invisible barrier in our own personal performance between these two steps and this must be breached. Often the first win is followed by others but that first win appears to take something more than just excellent skills and a good spirit. Winning is about stepping up to a different level.

There is a need for greater self-awareness in order to recognise barriers and then remove them. So often the first win somehow breaks through and people become reliable and effective winners. In the business environment this can apply to delivering on projects, meeting tough sales targets or other personal objectives, resolving an underperforming contract or depot and managing the challenge of fundamental change which is at the heart of every



# Businesses achieve 'The Big Wins'!



businesses environment these days. If you are not managing change you are not managing!

A winning culture and style in which everyone plays their part creates the context and atmosphere in which individuals are likely to access more of their latent potential. Like top sports performers they are more aware (ie improved self-awareness) of the need to work at improvement, and our top sports people in every discipline recognise that this is most effective with skilled and experienced external support. In business surely we should do the same? While some organisations do, many do not. It is seen as a cost not as an investment.

But this level is not the end. Even for the best there is a stage beyond being a regular winner – **Step 4, the drive for continued improvement**. The sports world illustrates the point once again. There must be a drive for the best to keep getting better. Wimbledon tennis champion Rafael Nadal now has eight Grand Slam titles. He continues with coaches and support staff (in his

case) to work hard at continuous personal development. This is just as relevant in the business environment and is required to close the gap between performance and potential. As with our top sports performers it can be really hard work!

To be most effective these four steps of development require external support. Internal support has limitations, although it might be more relevant at lower levels. But consider this: Few top level sports people believe they can achieve professional success without assistance and external support. This provides them with help to hone their skills and all the other things we have discussed about the 4 Steps but it also provides them with a sounding board; an external reference point and a safe rehearsal and training environment where they can openly identify barriers and confess weaknesses. And then in a personally focussed, supportive and confidential environment work at improvement; while being monitored, checked and challenged (and inspired!) to get to the next level. To be at the top. And stay at the top.

All this is true in the business world. We have created a culture where people at all levels, but more particularly at senior levels, have to appear certain and confident the whole time. In reality, the pace of change and the complexity that has to be managed means we are dealing with uncertainties and a range of options and choices all the time.

A supportive external 'coach' creating the safe rehearsal environment can provide the opportunity for an executive to reach their best decision time and time again and thereby release some of the 60% latent performance potential. By focusing on review, rehearsal of options and facilitated consideration about the executive's judgement they often reach a better decision. While true of any executive role in an organisation it becomes essential the more senior the individual because of the impact on performance that such key individuals have on the organisation's performance.

So what is such one-to-one support in a business context? It is not consultancy, which might be characterised by bringing others in to **'tell me what to do'**. It starts with a mentoring style role which supports an individual on a more directive basis as the mentor will share their experience about a topic or issue. This might be characterised as **'tell me what you think'**.

Beyond this, business coaching is most effective on a non-directive basis where the individual reaches their own best decision. The coach effectively helps them decide what they should do. They make the running. They make the decision. This requires particular experience and skill on the part of the coach and establishing the right chemistry between the individual and the coach.

**Richard Hunt** CBE, Vice President CILT International,  
Former CEO Exel Logistics

# The Consumer Experience needs fresh

We all enjoy a meal out, and the casual dining and fast food experiences are a popular choice. These are the well-known and trendy high street and retail mall eateries that have wide appeal, and provide a clear offer with a good choice to the customer. With choice comes competition, which in turn drives keen prices to attract customers, and an ever present eye on unique selling points. It is so important to understand those differentiators that can influence customer choice in your favour in terms of cash outlay, risk and, of course, return on investment. Casual dining and fast food are sectors that have done very well throughout the recession, and the successful brands continue to thrive.

Make no mistake, this is big business. Across the main brands you can expect upwards of 200+ locations, with some chains reaching as many as 1000+. Despite these numbers you will find a standard format menu; a template of brand experience that ensures consistency whether it is in Aberdeen, Truro or Leicester Square; all of which has to be controlled centrally, otherwise the brand strength is diluted into local clusters. The depth of a brand experience relies heavily on consistency, and this is a critical basis for leverage and ultimately for growth, which results in value creation. All very well, but that's marketing – what's that got to do with logistics?

## **Marketing and logistics create consumer experience**

Interestingly, marketing and logistics are very closely engaged in any consumer experience. Marketing creates the brand template and logistics delivers the experience, day-in-day out. While the consumer may take the logistics for granted, it is this capability that enables the brand to deliver the 'consumer experience'. The recognition of what can be achieved in practice is a key consideration in the design of any business plan, and logistics is right up there with the strategic issues. Logistics operations have to provide inherent flexibility in order to accommodate peaks and troughs of demand, the vagaries of bad weather or even traffic that affects both customer demand and delivery schedules.

Let us take an example of that casual dining experience in a well-known chain of restaurants such as Nando's, which is a popular and growing brand that relies on fresh chicken dishes as its core offer. Chicken is probably the most sensitive of meats in terms of temperature tolerance, and wastage is costly. Strict rules have to apply to ensure that only fresh product is served at all times.

The restaurant locations have limited, and in some cases very limited storage space. Space is a premium asset just like any mainstream retail location, and in the case of a restaurant it is seating areas that are the main customer consideration; storage is seen as a necessary evil. Irrespective of how much storage space there may be, in a food service environment this can only accommodate frozen and ambient food in any quantity. The fresh food can be stored but it has very limited shelf life so even if space was not a constraint, you could never hold any more than a couple of days of stock, and in some cases a single day.



## **Fresh food can still be fast food**

With fresh chicken at the heart of Nando's core offer and by far the biggest volume line item, this puts huge pressure on the supply chain, which has to operate a strict daily cycle so that every location gets its order of fresh goods. Simply put, the menu does not work without fresh food deliveries. This is not something that a customer is either aware of, or can see, but it is certainly a service standard they expect. The key value of this particular offer is fresh food, whereas the competitor down the road may only provide a frozen offer. One day's slippage of delivery for critical lines such as chicken and customer sales would be directly hit. It can happen as quickly as that, and the bottom line is impacted immediately. You will see that the critical role of logistics is starting to become rather important.

To service this requirement an end-to-end supply chain needs to be planned

- The mix of suppliers who deliver into the central distribution centre or centres need to know volume requirements on a daily basis
- Their terms of supply are carefully negotiated to meet the needs of the overall service requirement
- The nationwide delivery service has to be planned on a daily basis in a way that accommodates volume fluctuation and the day-to-day changes a restaurant may require



# supply chain thinking to deliver value



obtaining accurate data from sales activity and an ability to model and manipulate the data so that it can be converted into an operations design. On the other hand the challenge is to perform the delivery operations daily, including weekends, and respond to the variability of customer demand. All of which requires suitably trained and skilled resources.

The key word is planning. To achieve successful integrated planning requires a good understanding of the requirements for the end-to-end supply chain: the various supplier capabilities; the distributor's operational capacity; and the way the restaurants work. Largely driven by the fast turnaround of fresh goods, this industry is driven by a rapid cycle of activity from procurement through to delivery and service to the consumer. Unlike garments or other consumer goods, fresh food has this rapid cycle that relies on a 'live' supply chain and on repeatability.

## **Role of logistician is a critical success factor**

The role of the logisticians behind these demanding requirements is hopefully now taking shape. It isn't just about a truck driver or a warehouse operator doing their bit; each of these roles represents a critical link in the chain of time dependency, but there is so much more going on, success relies on a chain of events in an active role that is alive and changing day-to-day. It is a truly complex task that sits behind the customer experience and the role changes just like customer demand. Within logistics management there are many specialities:

- Systems expertise
- People management
- Process design
- Technical operations design
- Application of these specialisms across further sectors.

The key attractiveness of logistics is that you can contribute with such a wide range of skills and you will learn as much as your desire permits. The only limit to that learning is you. Some choose depth in terms of technical excellence in a specific subject area, others choose breadth and perhaps general management. The options are all very rewarding and are there for the taking.

Logistics offers much in terms of opportunity, in terms of satisfaction and in terms of critical importance for the day-to-day experiences that we enjoy. Think about this when you next explore the products and services on offer in the High Street or the local retail park, or when you next tuck into that plate of fresh peri-peri chicken with all of the accompanying items that make up the dish.

Enjoy!

**Kevin Zwolinski**  
Managing Director  
Click-On Logistics

- The service requirement is standard across the nation, as is the price to the customer
- Local needs for restaurant deliveries have to absorb parking restrictions, multi-temperature deliveries and case volumes per delivery that are planned to enable the right mix of the temperature categories to optimise vehicle capacity
- Challenging delivery schedules because food establishments all need delivery windows that do not conflict with peak serving times
- A nationwide back-up service especially for critical items on those occasions where things have gone wrong – and let's face it, they do
- Flexibility in the network to accommodate busy weekends compared to weekdays and the more seasonal peaks of public holidays and major events – the forthcoming Olympics being a good example.

## **Integrated logistics makes this happen**

Let us take a breath and think for a moment just how this all happens.

We can perhaps appreciate the breadth and depth of the role of logistics in delivering the customer experience. On one hand the main challenge is to set up the correct infrastructure that can meet the day-to-day requirements in terms of technology applications, systems and operations capability. This relies on





Wincanton  
Methuen Park, Chippenham  
Wiltshire SN14 0WT

T 01249 710 000  
F 01249 710 001  
E enquiries@wincanton.co.uk  
www.wincanton.co.uk

*From the grunge and grime of Glastonbury festival to national flood disasters, Wincanton's Butch Arnold has been there, done it all and has the on-tour tee-shirt to prove it. His area of expertise? Water – millions of gallons of the stuff*

# Glastonbury brings a new

Butch Arnold knows a thing or two about Glastonbury festival. He's been there many times. But you won't find Butch or his team bouncing up and down in the mosh pit or turning cartwheels in the thrash-folk arena. As operations controller for Wincanton's Water Services division, it's the job of Butch and his team to make sure that festival-goers have all the water they need to keep them going – 4.5 million litres of the stuff. And not just any old water. It must be fresh and wholly fit for human consumption.

Why is Wincanton's contribution so important? Because, despite Glastonbury's pre-eminence as the world's largest greenfield music and performing arts festival, covering around 1,000 acres of Somerset countryside, the event takes place on a working farm, not a dedicated concert venue. Plumbing is scarce. No toilets, no drains, no sewage system, no sinks, no vending machines, not a drop to drink. Everything that's necessary to keep 200,000 revellers alive for a very long weekend must be brought in by road. Especially the water.

In a nightmare scenario, Glastonbury could conceivably run out of cider, but it would somehow keep going. Without the precious cargo supplied by Wincanton's team of tanker drivers, logistics experts and support staff, there would be no drinking water, no washing facilities, no catering services, no first aid facilities, no health and safety licence – and no festival.

Wincanton's work begins days before the first band strikes its first chord, setting up fast pumping equipment and other facilities in readiness for the first tanker shipment. In all, drivers will work 66 shifts. Water is stored on site in a variety of portable tanks and static road tankers. It's a round-the-clock operation Wincanton has made its own – every year for nearly three decades.

In the early 1980s, Glastonbury's organiser Michael Eavis set about expanding the festival to cater for the growing numbers of people eager to get muddy, consume dodgy burgers, sing, love each other, and not bother to wash for 96 hours. With ever-tightening health and safety regulations, Michael needed a super-reliable locally-based bulk water supplier capable of transporting huge volumes of safe drinking water to the festival. His people spoke to Wincanton's people, and a deal was struck.

Butch says: "At the time, Wincanton was expanding into new areas, such as large-scale retail distribution and refrigerated operations. We already had a fleet of tankers able to meet statutory hygiene standards for potable water; we also had spare capacity in our fleet at weekends; and we had the scale and logistics expertise to ensure a constant supply of safe drinking water – delivered as and when required. "What's more, we had a team of drivers who were up for the challenge of learning how to navigate 44-tonne tankers through the mud and sludge of festival sites and were equally prepared to



have a go at kipping in their cabs as the headline acts on the Pyramid Stage played into the night."

The ability to tailor services to meet its customers' needs remains a cornerstone of Wincanton's operation. Today, the company is a pan-European business mainly focused on warehousing, distribution and retail services. The Group has 28,000 employees in 16 countries and an annual turnover of £2.18 billion. Last year, Wincanton delivered 800,000 loads of groceries; recycled 500,000 fridges; moved more than 333,000 containers; made 2,300 barge trips along the Rhine and delivered 980 million bricks to building sites.

From a profitable sideline business in the 1980s, enabling it to run its tanker fleet more efficiently, Wincanton's water services operation has grown steadily since the days when Spandau Ballet topped the charts. The company now supplies water to summer festivals throughout the UK, including V-Festival, Big Chill, Leeds Festival, Notting Hill Carnival and the Great Dorset Steam Fair – which, with around 200,000 visitors, actually draws bigger crowds than Glastonbury.

As Wincanton's operation grew more sophisticated, so did the technology it uses. Innovations include inflatable 100,000 litre 'pillow tanks' – think bouncy castles packed with water – and wine-box inspired portable water tanks with reusable internal membranes, used for events such as the Notting Hill Carnival, which make it possible to install temporary large scale water containers in narrow city streets.

# meaning to liquid assets!



## ***Did you know...***

*13 billion British and Irish blackcurrants are harvested every year for GlaxoSmithKline to produce its classic Ribena drink – all delivered in first-class condition by Wincanton's bulk tanker fleet.*

The company also supplies management expertise to help customers develop efficient supply chains, and provides continuity planning for mains service disruptions. Which brings us to another pivotal area that Wincanton Water Services has expanded into – emergency supply.

Wincanton's size and expertise, coupled with a highly trained driver workforce and support teams, have made it the emergency supplier of choice for many UK water companies, with 24-7 contracts to supply water to areas in need during a crisis. Butch vividly recalls the catastrophic floods in Gloucester, in 2007, when Wincanton customers Severn Trent and Wessex Water called on the company to supply millions of gallons of water to the stricken county.

Butch says: "We re-routed vehicles and deployed extra resources, but the problem wasn't the floodwaters themselves, it was their consequence." On 22 July, floodwater overwhelmed Severn Trent's Mythe pumping plant, near Tewkesbury. With local reservoirs contaminated, the plant was forced to shut down – leaving 350,000 people without running water for 15 days.

During the crisis, Wincanton vehicles transported 30 million litres of water, each day carrying 48 loads containing 28,000 litres to family homes, businesses, hospitals and care homes. Water was also transported to alternative reservoirs to accommodate the demand. Wincanton's relief effort drew praise from Tony Wray, managing director of Severn Trent Water, who complimented the team for its "superb contribution during the biggest single incident that our industry has faced. Butch says: "It was absolutely vital to keep the supply of clean water coming. Delivery failure and contamination at any stage could have been catastrophic, but we knew we had the right systems, the right equipment and the right people to ensure 100 per cent safety. "In a funny way, despite the long hours, the physical discomfort, the mud, the cold and the constant rain, it brought us all closer together. Very much like Glastonbury, I suppose. Minus the singing and the cider."

"The supply chain forms a part of everybody's lives: bricks to construction sites; cash machines to retail banks; packaging cosmetics; fashion boots to the high street; recycling stereos; tyres across Europe; 30,000 people; 8,000 vehicles... **Wincanton – more than you think.**"

## ***Wincanton at a glance***

- *Wincanton is a pan-European UK-based supply chain and logistics specialist with a turnover of £2.18 billion, employing 28,000 people across 420 sites in 16 countries*
- *Wincanton's customer base reads like a Who's Who of corporate royalty – from BP to BMW, Marks & Spencer to GlaxoSmithKline, Asda to Argos*
- *The company has 2.8 million square metres of warehouse space and 8,000 vehicles, with a presence in all UK ports, Wincanton handles over 7,500 containers weekly*
- *The company's two WEEE plants recycle up to 175,000 tonnes of electronic and packaging waste a year*
- *Wincanton continues to expand into new fields, including defence logistics, construction and secure data storage*
- *In April 2009, Wincanton's chief executive, Graeme McFaull, signed up to the Skills Pledge – a voluntary, public commitment to support all staff to develop their basic skills, made in conjunction with the Learning and Skills Council.*

Rob Greenwood,  
Director - Chemical Division.  
Rob.Greenwood@hoyer-group.com

Hoyer UK Ltd  
517 Leeds Road  
Huddersfield HD2 1YJ

Tel: 01484 548221  
www.hoyer-group.com

*Hoyer makes a difference because...as bulk logistics experts we oil the wheels of everyday life for millions of people, delivering essential goods in all kinds of situations*

# Beating the cold to ke

Recent winters across Europe have been some of the coldest felt for decades. However, harsh winter conditions and sub-zero temperatures cannot be allowed to halt or slow down what is a ferociously fast business-led world.

How many times have you seen or experienced having to use a can of de-icer to clear a frozen-up car before being able to get on with your life and travel from 'A' to 'B'?

But in today's hi-tech, frantic world it is not just cars that need to be defrosted. That's why the Hoyer Group, a leading international bulk transportation and supply chain logistics company, has been entrusted with transporting specialist ice protection, anti-freeze and de-icing products to Europe's biggest and busiest airports – whatever the weather.

As soon as the temperatures and the snow starts to fall Hoyer's complex and sophisticated logistics solution roars into action, making sure Kilfrostop's market-leading aviation de-/anti-icing fluids are delivered to airports such as Heathrow, Amsterdam, Frankfurt, Milan, Prague and basically all other major airports around Europe within six hours.

To give a scale as to how big this operation is, at its height in the winter period Hoyer makes over 1,200 deliveries a month, with each tanker carrying 23,000 litres of one of four different grades of de-icer. Once a delivery has been made the de-icer can be stored or pumped out for instant use.

Hoyer uses a fleet of over 300 dedicated tankers for this one contract and in times of peak demand can call on extra vehicles from a fleet of more than 20,000 units deployed across the world.

Loads are dispatched at regular daily intervals from Kilfrostop's manufacturing plant near Newcastle in the north of England and are also taken from mobile stocks of the de-icer held at five strategic locations close to the action across Europe in one of the most intensive 24-hour, seven days-a-week operations of its kind.

All movements are managed from the Hoyer UK operations Control Centre in Huddersfield while international hubs in Rotterdam and Mannheim (near Frankfurt in Germany) support the operation on the continent.



"The buzz you get, when the pressure is on, from working for a company such as Hoyer where the execution of your job makes such a big difference to other huge businesses and therefore such a lot of people on a day-to-day basis is phenomenal," said contract manager Helen White. Helen, aged 30, has full operational and customer service responsibility for this critical and high profile contract where both drivers and other operational personnel abroad respond directly to her.

Without the de-icing chemical, airport runways and aircraft couldn't be defrosted safely enough for them to fly. The knock-on effect would result in thousands of holidaymakers and business executives becoming either stranded or unable to travel. Meanwhile,



# ep business flying high



Hoyer has a fantastic reputation within the bulk transportation and logistics sector and the Kilfrost contract is just one of dozens of multi-million pound transport partnerships with a whole host of global customers, including well-known brand names such as ESSO, Shell, BP, Tate & Lyle, BASF and Ineos.

What is perhaps more important is that each one of these companies relies massively on Hoyer to operate safely, reliably, flexibly, responsively and efficiently day-in-day out. That is what the Hoyer Group has built its 64-year reputation upon. And it is why it is recognised as Europe's bulk supply chain logistical company.

## ***Hoyer at a glance***

- *The leading European bulk transport and logistics solution provider with global coverage*
- *Independent, family-owned international group, represented in over 80 countries across the globe*
- *Worldwide turnover of € 1bn*
- *Employing some 5500 people*
- *20,000 tank fleet of over 120 different types*
- *Key markets are Chemicals, Foodstuffs, Petroleum and Airgas industries*
- *50%+ of products carried are hazardous and require specialist systems and handling*
- *Our customers are some of the best-known blue chip corporations in the world*
- *Hoyer has been at the forefront of its industry for more than 60 years*

urgent mail and the essential transportation of important primary and secondary materials abroad would grind to a halt.

To design, develop and operate a transport and logistics system which is both tailor-made and totally reliable requires a huge amount of meticulous planning, know-how and skill to manage and control the use of specialist dedicated transport equipment operated in an extensive strategic transport network.

So, ever fancied a career that is at the centre of how the rest of the world operates? Do you want a job that could take you around the world and in the process mould you into an experienced, hands-on management executive with a brain for business?



Dr Nick Hubbard, Head,  
Division of Transport & Logistics  
University of Huddersfield  
Queensgate,  
Huddersfield HD1 3DH

01484 473346  
logistics@hud.ac.uk  
www2.hud.ac.uk/sas/trans

*The University of Huddersfield makes a difference by equipping students with the knowledge and management skills that industry requires*

# Graduates place high va

Over 95% of the students choosing a course in logistics and transport at the University of Huddersfield elect to go on a placement year as part of the course. This gives the student an invaluable insight into how logistics works in practice. John-Paul Fidrmuc is an excellent example of how this approach has led him to develop a successful career in logistics operations.

John-Paul graduated in 2006. He was originally looking to join the RAF in Supply as an officer but was advised to obtain a degree first. He felt he clicked with the town and the university when he went on an open day, meeting the staff and people on the course. John-Paul knew it was the place he wanted to study, no doubt influenced by the interviews with University staff and the time spent on various open day tours.

He cites the benefits of the course as it being related to the 'real world' with both the subjects and topics covered coupled with the industry experience and knowledge shared by the tutors. John-Paul also found that Huddersfield as a town was very friendly, with a low cost of living and studying. Easy access to major cities such as Leeds, Manchester and Liverpool proved a bonus.

But it was the benefit of the placement which John-Paul believes was a huge advantage as it made him more prepared, knowledgeable, and employable once he graduated. This, he feels, is particularly important when graduate opportunities are relatively scarce. He was successful in his first year at Huddersfield in joining the Tradeteam Bursary Scheme and spent the third year at its site in Sheffield covering a wide variety of roles in the operation.

Since graduating John-Paul has been employed with his bursary/placement employer – Tradeteam DHL whose business is focused on drinks distribution for some of the UK's largest brewers, to their customers that include pubs, clubs, hotels, restaurants and wholesalers. His first role was as a stock control team leader based at Tradeteam's Knowsley site in Liverpool reporting directly to the regional stock manager. His role focused on managing the stock control team on a day-to-day basis along with all aspects of the depot's stock control as well as being involved in the implementation of a warehouse management system (WMS) and the significant changes to the operation that this involved.

Following the end of the WMS project, John-Paul re-located to Tradeteam's site in Hebburn, Tyne and Wear. Reporting directly to the site's general manager, his business improvement role was



based on developing management tools and processes to support the operation.

In May 2007 John-Paul moved to an operational management role within the transport operation. This involved running a retail fleet of 60 vehicles and managing drivers, drivers' mates, and an administration team who between them had to control all the operational issues involved in a busy retail transport operation. It was during this time that Tradeteam supported John-Paul in gaining his National Certificate of Professional Competence (CPC).



John-Paul Fidrmuc

# Value on 'real world' experience



## **University of Huddersfield at a glance**

- *The University of Huddersfield pioneered the teaching of undergraduate transport and logistics courses in the UK*
- *25 years experience of teaching in the subject area*
- *1000 graduates, many now holding senior positions in industry*
- *The biggest specialist team of teaching staff dedicated to teaching transport and logistics in the UK*
- *Since 1995, a student from the University of Huddersfield has won the prestigious Chartered Institute of Logistics and Transport (CILT) award for the best undergraduate student dissertation in the UK 12 out of 14 years*
- *In 2007 a student from Huddersfield also won the CILT best Masters Dissertation award. This was the first year that the course had been operated*
- *95% of Huddersfield's BSc students elect to take an optional placement year*
- *Students come from all over the world to participate in courses at Huddersfield.*

Having completed over a year in this role and following the success of the WMS implementation in Knowsley, John-Paul joined the implementation team as a depot 'super user' for the implementation at the Hebburn site. He was heavily involved in a major project which changed the way the operation was run at Hebburn. He found this a great experience and development opportunity for his career. After the successful implementation of the WMS at Hebburn John-Paul took up the role of operations first line manager and worked on a number of projects and improvement plans for the Hebburn operation. Due to the wide range of experience and knowledge John-Paul had built up in

under three years he was able to support all areas of the operation including warehousing, stock control and transport as the need arose.

In May 2009 John-Paul was promoted to Operations Shift Manager for the Hebburn operation. Now he is responsible for overseeing the operation as a whole, managing a team of first line managers, while also taking a strategic view of planning the operation for the future. In this new role John-Paul has been able to utilise several of the tools learnt while he was at Huddersfield putting 'theory' into 'real world' practice.





CEVA Logistics  
Global Head Office  
Siriusdorf 20/PO Box 483  
2132 WT Hoopddorp/2130 AL  
Hoofddorp  
The Netherlands

Tel: +31 (0) 23 568 3300  
E: sales@cevalogistics.com  
www.cevalogistics.com

*CEVA makes a difference because...its logistics solutions are based on an in-depth understanding of its customers' business, based on the expertise of the sectors in which it works*

# Smoothing out th

With the impact of the supply chain having a greater influence on business decisions, there are growing opportunities for roles within the industry that offer more than just operational experience. Across the CEVA business, strategists, account handlers, LEAN experts and supply chain designers are all a key part of helping our customer's business flow.

In the 1970s the automotive industry was unprofitable, industrial relations were poor, car quality was worse and Toyota sparked a quality revolution. In the 1980s, the retail industry was national, the customer proposition was narrow and limited and prices were relatively high until Asda gave us 'every day low prices'. In the 1990s the PC industry was fragmented with multiple players, offering high price products that were often out of date and had sales channels full of inventory then Dell reinvented the 'supply chain' creating a model where stock levels were minimal and suppliers only delivered goods as required for production. Today, the global logistics industry, in many cases, suffers from service inconsistency across operations and there is a massive opportunity to innovate and create a step change in the industry.

## Supply chain power

Today, the power of the supply chain is massive. Without you realising it, the supply chain touches every element of your life, every day of the week. We expect strawberries in November, designer clothing ready to wear straight off the catwalk, our choice of car model, colour and interior within days and the latest gadgets buzzing in our hands on the day of launch. In the past decade companies like CEVA have moved away from the national warehousing and distribution models of yesteryear to create global, integrated, end to end supply chains to match the needs of regional and global companies.

The change has occurred as many companies have moved their production away from their countries of sale to the cheaper production markets in Asia, Eastern Europe and South America. While the cost of products has reduced, transportation costs have increased accordingly with products being air or sea freighted from their countries of origin to the end user, taking longer to reach destinations and adding cost and complexity to the process.

Originally, as companies expanded their supply chains globally to meet market demand, the key emphasis was on speed and delivery, which has generally resulted in increasing costs and inventories. The recession, however, has seen volumes reduce and

### CEVA at a glance

- Employs over 46,000 people
- Operates 1200 facilities in over 170 countries
- Manages 12.8m sq.m of warehousing space
- Focuses on five key sectors: automotive, technology, retail and consumer, industrial and energy
- Developed three Global Knowledge Centres: Aerospace, Healthcare and Publishing.
- Focuses on delivering ongoing improvements via its operation excellence programme



a volatile trading environment has highlighted the integrity of the chain relies on an accurate assessment of risk and requiring flexibility to respond quickly to interruptions. In particular, cash-constrained businesses have turned to their supply chains to remove cost and to adjust inventories in accordance with a greatly reduced level of sales activity.

All of this gives a massive opportunity to the supply chain industry to really demonstrate how innovative and dynamic it can be to support global business and to provide a strong service culture for customers. After all, when travelling abroad you expect your mobile phone to work regardless of destination and that is how supply chains should

be – the same standards and operating models in all locations.

Over the past five years or so, progressive market leading companies, such as Wal-Mart, Dell, P&G, Apple and Nokia have benefited from viewing their supply chains as a strategic and competitive weapon (Services AMR Research, Top 25 Supply Chains). In a colder economic climate, a more intense focus on supply chain performance has given these companies the opportunity to effectively weather the storm by driving efficiencies and achieving cost improvements, providing flexibility that has enabled them to respond to increasing pressures on revenues and growth. Highlighting just how vital the supply chain is for today's modern business.

# e wrinkles!



In recent visits with a dozen multinational based businesses, ten of the 12 requested some form of supply chain assessment and re-engineering study from CEVA, looking at the way the company organizes its flows of materials, its physical locations and its inventory planning in order to reengineer an improved supply chain design. These initiatives indicate a desire to move beyond the short-term gains of chiseling a few fractions of a percentage point out of supply chain cost to making strategic changes along the whole supply chain involving a redesign of their distribution network or a more integrated approach to their information systems. This requires teams of people who not only understand the supply chain but also the needs of the customer's market.



CEVA splits its business into eight key areas: automotive, technology, retail and consumer, industrial, energy, healthcare, aerospace and publishing; Within each it has specialists who have often worked client side and who truly understand the specific challenges of customers. Together we can provide the best solutions.

## Fresh perspective

One example of a company seizing the moment is a beauty care firm that has taken this opportunity to integrate its supply chain following a series of acquisitions made in recent years. A network analysis by CEVA's Retail and Consumer team enabled the company to view its supply chain from a fresh perspective, allowing it to review the locations of its distribution centres and associated transportation patterns and plan how it can migrate to a more responsive, cost-effective structure.

When organizations are focused on growth and expansion, operations are often working close to capacity, so this type of supply chain assessment and re-engineering can be difficult to undertake. Present trading conditions have freed management time to address the problem and streamlining the operation. By using a company like CEVA, customers are able to create a one stop supply chain approach, with CEVA providing all the elements. We like to think that you don't buy your coffee from one shop, your milk and sugar from another and your morning muffin from another, you just go to Starbucks for the whole caboodle – and that is the service CEVA is offering the market.

**Did you know...**  
... the UK logistics sector currently employs approximately 2.3 million people, spanning more than 196,000 companies.



Keith Newton  
Customer Logistics Director, B&I  
keith.newton@cadbury.com

Natasha Holburn  
Customer Services Manager  
natasha.holburn@cadbury.com

*Cadbury makes a difference by placing its customers at its heart of its business and working collaboratively together to optimise joint supply chains*

# Chocolate giant's supply

Cadbury aims to put the Customer first and is passionate about service. This case study, written by Natasha Holburn demonstrates that and how logistics plays such a large part in its business success.

As part of the Cadbury Supply Chain Graduate Scheme, I have spent the past nine months working in the Customer Operations team. Gone are my preconceptions about sitting in front of a computer all day with a head-set on taking customer orders. This job is hard! But in a good way, I am challenged daily with all sorts of weird and wonderful chocolate and truck related issues. The ideal role to put into practice the knowledge I have built up from working elsewhere in the supply chain over the past two-and-a-half years. I've had the chance to use my experience as a shift manager to coach my team and my knowledge from supply planning to understand production issues when talking to a customer.

When working as the customer-facing part of supply chain, you often have to perform the delicate balancing act between satisfying the customer's needs and maximising efficiency, juggling your time between processing customer orders and maximising vehicle utilisation, weighing up the benefits of good service levels against their cost. Transport is expensive to run.

Those that believe 'customer logistics' is purely about putting dairy milk and crème eggs into trucks and moving them from a distribution centre in Staines to a shop in the Outer Hebrides are very misinformed. Particularly when customer-facing; many find the majority of time is spent working collaboratively with both the customer and other functions (production, marketing buying, HR) in Cadbury's to drive a change agenda that forms the foundations of excellent service levels. They also find that they play a pivotal role in delivering innovation and cost-saving initiatives which is important to the well being of the company as a whole.

One tool used at Cadbury to facilitate the customer operations team in this difficult juggling act is a 'joint supply plan'. It's a simple framework that, when used collaboratively with the customer, aims to deliver high service levels with the ultimate aim of using this as a platform to discuss the more strategic cost-saving and innovation initiatives.

Freshstores Ltd, the umbrella company of 'The Cadbury Shop', has recently benefited from using this tool. This customer, originally based on the 'factory outlet' concept has had in recent years a radical shift in strategic direction thrust upon it. This is



predominantly as a result of more robust Cadbury manufacturing processes driving waste reduction and an increased focus on lowering stock holding as part of working capital reduction. (Residual stock holding decreased almost tenfold in 2009 when compared to 2008).

This change in direction has impacted hugely on the way in which the account is managed. No longer does selling off stock with a short shelf life form the basis of discussion. Instead, the customer operations team has watched the customer transform from a quirky account used to sell through 'misshapes' into a showcase for the Cadbury brand in almost 20 outlets across the UK.

In any business, change provides an opportunity for improvement. In this case a review of current processes and ways of working. Through no fault of its own but as a result of the old business model, the Freshstores account had become a specialised and complex beast understood by few and requiring the resource of many. Order processing felt tired and cumbersome. Both the customer and Cadbury were frustrated. There was very little return in terms of service levels on time invested. Merely hitting above 90% service was painful and, quite frankly, this was not good enough for this Cadbury branded customer.

The 'joint supply plan' builds upon the principle that every customer having goods delivered into their distribution centres or stores require a minimum standard of 98.5% of their order to be delivered on time and in full. Until Cadbury is able to provide this basic need, it will never be able to work collaboratively with the customer to find more efficient ways of working in order to release value for both parties.



# chain really 'grows on you'

In the case of Freshstores, the 'joint supply plan' was used as a framework to delve into two themes; driving operational excellence and working better together. The first step to operational excellence was trying to understand why the old process struggled to deliver seamlessly good service levels. The root cause of the problem was the complexity of order capture, a process that had been allowed to evolve into something that ate up resource without delivering value. Often, the same processes were carried out twice and didn't use the Cadbury system to its full potential.

Stripping the process back to basics was the easy part. Convincing the customer that this change was the right decision and driving this agenda through both businesses proved trickier. This is where the 'working better together' part of the 'joint supply plan' enabled a platform for a more collaborative working environment to be created. Working together with the sales team within Cadbury, this created a picture of what life would look like with more efficient processes. The simplification process proved successful and within weeks service levels increased from around 90% to above 99.5% Cadbury had finally delivered the basics in terms of operational excellence.

All of a sudden, Freshstores was seeing the customer operations team as an avenue into the Cadbury Supply Chain. Discussions moved on from resolving issues and asking why orders had failed to talking about promotions and other cost-saving initiatives. The time saved on order capture also provided a basis for a more forward-thinking agenda and this in turn provided a powerful influencing tool when asking for decisions to be made. Both parties were finally working better together to deliver value.

The next steps in a 'joint supply plan' is to move from the foundation plan so 'delivering every day great execution', to the strategic plan. With regards to Freshstores, Cadbury is making progress on the foundation plan but is starting to discuss leading edge customer-focused agendas. Very recently, Cadbury even looked into delivering stock on cardboard pallets, an initiative that if proved robust will be the first time Cadbury has ever delivered a green agenda alongside this customer. The work carried out with Freshstores is a perfect example of how this delicate balancing act between customer service and maximising efficiency doesn't have to be complex and isn't about sitting in front of a computer all day. Often it can be about using the right tools to enable collaborative working between the right people at the right time in order to deliver great results.

Case Study by Natasha Holburn



Fairtrade cocoa supplies create challenges for customer logistics team

## **Cadbury at a glance**

- *If you placed each Cadbury Roses chocolate sold in a year end to end, the line would stretch round the British coastline over three times*
- *The largest chocolate bar in the world - a giant block nearly 9ft high, 4ft wide and weighing 1.1 tonnes - was made by Cadbury Dairy Milk in 1998*
- *The transport services team in Cadbury UK arrange about 65,000 movements each year*
- *Nationally, over the course of a year, Cadbury will deliver over 90 million outers of its products on 650,000 pallets to its customers*
- *One of the Cadbury distribution centres covers 312,000 sq ft. That's larger than the old Wembley Stadium*





Tony Mannix  
Clipper Logistics Group Ltd  
Gelderd Road  
Leeds  
West Yorkshire LS12 6LT

Tel 0113 2042050  
www.clippergroup.co.uk

*Clipper Logistics Group makes a difference by being a leading retail logistics specialist, utilising its agility matched by its ability ethos. Clipper delivers logistics solutions to businesses large and small across the UK and Europe*

# Tailor-made solutions help

Ask most people what they know about logistics, and more often than not the term 'trucks and sheds' springs to mind. In simple terms it's about transporting things from A to B. In one sense, it's true, getting things from one destination to another is still very much a core function of the logistics industry. However, like most industries, logistics has woken up to the realisation that in order to survive in today's ever-changing and competitive world, a business cannot stand still, or become recognised as a one-trick pony. It's about challenging perceptions, making strategic and informed choices to look beyond its core function and about venturing into new and innovative solutions that take logistics and supply chain management firmly out of the warehouse and onto the boardroom table. Quite simply, it's about evolution.

A great example of an industry that has been successful in the evolution process is retail. Internet sales are booming as techno-savvy consumers increasingly go on-line to purchase goods. As a result, more traditional 'bricks and mortar' retailers are waking up to the impact that the internet is having on business as a whole and following specialist e-retailers on to the internet.

Today, more than 75% of UK households have Internet access\*, compared to just 28% in 2005.\*\*

The frequency of information available online, combined with our increasingly fast-paced lifestyles, means that we crave convenience and expect access to services 24/7. Being able to communicate with people on the other side of the world at a mere click of a button has opened up a universe of opportunity and purchasing power.

These factors, combined with the ongoing concern for the environment, and the pressures faced by businesses to improve efficiencies/sustainability to minimise their carbon footprint, have added to issues affecting businesses within the UK.

Contract logistics is no exception, creating and delivering the right added value logistics solution, and building strategic partnerships is fundamental to business success.

As a contract logistics provider, Clipper understands that creating the right logistic solution for a business is essential. Taking time to understand how a customer's business works from the inside out and creating a bespoke logistics solution that's right for them is fundamental to the Clipper proposition. For example, the needs of a major retailer may be completely different to that of a smaller outlet or business start-up.

At Clipper, we believe investment, both in time and resource, to allow a full consultation process from the outset, to find the right solution for our customers is critical. We also conduct research on an annual basis with our employees, customers and peers within



the industry, and are in regular contact with the media to understand how our business is perceived and to identify key areas for development.

The thing that stands out the most when conducting our research, and is a common ground for all our customers, regardless of size, is just how crucial having the right logistic solution is to business performance. Delivering on time, every time, is essential.

As a leading retail logistics specialist, Clipper understands this better than most, and so making the connection between a late delivery and the detrimental effect this can have on a businesses reputation, key performance indicators and ultimately profit, is of vital importance.

It's all about protecting a company's assets, be that in the goods we are carrying or in the financial sense of the word. Having the right processes and procedures in place, and by becoming smarter and more agile, Clipper create logistics solutions that really deliver.

Clipper's business openly demonstrates its philosophy of 'logistics evolved'. Even as recently as 2006, online shopping was a relatively small part of Clipper's business. The traditional retail support contracts, warehousing goods, transporting them, pre-retail services and working with couriers to continue their journey, depending on the contract, was a large part of our

# customers evolve



## **Clipper at a glance**

- *The Clipper Logistics Group is a fast growing specialist retail and high value logistics operator*
- *28 distribution centres, circa 3.5m sq ft of warehousing space*
- *600 vehicles*
- *2500 people employed*
- *Clipper has the size and ability to tackle any project*
- *Independently owned company*
- *Expansion into Germany can now offer Clipper solutions throughout Europe*
- *Listed in the Sunday Times Top Track 250 of the fastest growing UK business*

offer. But today, Clipper has created a wide range of new service lines that have been developed in line with the changing dynamics of retail, dramatically transforming the business to stay ahead of changes.

An example is the long-term relationship that Clipper has with clothing brand New Look. Clipper now has responsibility for all New Look's mainland UK deliveries, and provides a dedicated transport solution for 580 stores from the north of Scotland to Penzance in the south west of England. The majority of New Look's deliveries currently take place throughout the night, and all are double-manned by Clipper's dedicated team of drivers.

As well as transport and state-of-the art warehousing, Clipper has helped New Look to realise additional improvements for customers, introducing a mini delivery operation purely for Gifts and Footwear during the peak Christmas season and collecting most of its hangers, cardboard and plastic on behalf of the retailer to be returned for recycling. This has not only resulted in a massive cost

saving, it has also greatly reduced New Look's carbon footprint.

In 2010, New Look needed external support with its store opening programme – so Clipper stepped in to un-box and hang all of the clothing ready to go to four new stores in just three weeks, processing more than 100,000 units at Clipper's Ollerton site. In addition to these services, Clipper also now provides transport for new store openings, e-commerce trunking and bulk deliveries to the printers.

In addition to New Look, Clipper works with many of the UK's high street retailers. A recent contract win for the Clipper business has been Bench Clothing. Clipper handles the warehousing, transport and e-fulfilment needs of this growing business – that's several more million garments of activity flowing through the Clipper business.



Clipper has provided the logistics operational backbone for Harvey Nichols since 2005. Clipper operates from a 100k sqft facility and, in addition to warehousing & transport, also now manages support for the customer care centre, operates the e-fulfilment solution (inclusive of a photographic studio) and has also taken over responsibility for all year round hampers – a growing relationship which demonstrates Clippers' mantra of 'agility matched by ability' in action.

Clipper provides e-fulfilment services for Asda (non food), George Clothing and Tesco, offering a 24/7 operation on behalf of two UK major multiples. Asda Directs first customer order was dispatched in September 2008. By 2010, over four million units had been dispatched, with a 400% year-on-year growth. Asda continues to extend the general merchandising range within the online services. Tesco's online clothing site was launched in October 2009 and Clipper handled a seamless launch from its new rail-connected DC in Selby, Yorkshire.

Clippers customers value the relationship because of their agility, and they trust Clipper because of its ability; big enough to cope with any request but without compromising on the small details that make all the difference.

Contract logistics will continue to evolve to meet changing consumer demands. The impact of new communication channels (e.g. shopping via social media sites) and the further growth that is forecast in online shopping, plus new operational ideas within the UK, such as port-centric logistics and the use of retail consolidation centres in busy shopping areas, will all be key to the successful development of the industry. What is certain is that the role of logistics within our daily lives will only become more important, and the future of the industry and its evolution presents an exciting challenge.





Cert Octavian Plc  
Cert Octavian House  
St. Martins Road  
Hoddesdon  
Hertfordshire EN11 0BT  
Telephone: 0845 230 1939  
Email: info@certoctavian.co.uk

*Cert Octavian makes a difference by understanding that premium relates to service, not to cost or to the value of the goods carried. It is delivered via lean processes, specialist expertise, best-in-class staff and most importantly, extraordinary care*

'Wine is bottled poetry'  
Robert Louis Stevenson

Wine is one of life's most celebrated pleasures. A source of great debate, a means to relax with friends, a stimulant to good conversation, a serious financial investment; wine is all of these things and more.

But fine wine to reach its full potential it requires highly specialised and tailored logistics.

When you're in the presence of a £40,000 bottle of wine, it is a memorable moment. Wine is as much of a masterpiece as a Van Gogh or a Monet. It is complex, enticing and challenging, a living, breathing product on a continuing journey to maturation and perfection. As a particular vintage is consumed its rarity increases and its price goes up.

Wines and drinks require meticulous storage, handling and transportation to maintain their qualities. They demand high levels of responsibility and attention to detail without which the integrity of the products will be fatally compromised.

Whatever the question is regarding each bottle's safe passage to the end user, Cert Octavian is very probably the answer. With over 220,000 different product lines no other logistics company in the UK caters for as wide a spectrum of drinks products.

Drinks are high value, every order needs to be secure, traceable and each delivery proven. The drinks logisticians at Cert Octavian face extremely varied daily challenges needing the ability to adapt to small and large volume requirements with the same dedication. Their competitive advantage is specialist expertise. They drive the bespoke services which have become exceptionally difficult for competitors to mirror or better.

*"We want the finest wines available to humanity, we want them here, and we want them now!"*

*Withnail and I (1987)*

It starts with a single, simple thought – what does each customer need and how can an efficient service be geared around a specific need; needs which are incredibly diverse. The underpinning ethos has to be care, extraordinary care allied to individual expertise. It relies on people with expert knowledge, with passion for the process and for the product. Cert Octavian live by two mantras – **"We couldn't care more"** and **"every customer highly satisfied through extraordinary care"**.

#### **Cert Octavian at a glance**

- £46 million turnover
- 490 UK staff
- 9 regional UK service centres
- 220,000 different product lines
- 30,000 different delivery points
- Fleet of 300 vehicles
- 2,500,000 square feet of storage space
- Over 250 trade customers
- 400,000 deliveries per year
- 20,000,000 promotional packs produced annually



The company invests heavily in the continual development of its staff. The company is accredited with the Investors in People Award nationwide and it has its own in-house Academy of Care which runs development programmes for staff at all levels. This ensures that the whole Cert Octavian team is fully prepared for every customer demand.

The mass market demands storage and distribution of pallets of wine for the supermarket shelves. By contrast small orders dominate the Hotel, Restaurant and Catering market (HORECA). Deliveries to Michelin-starred restaurants, the Ivy and Gordon Ramsey's restaurant in London for example being typical.

As individual bottle values increase, more specialist, bespoke handling and storage services on behalf of wine merchants and private collectors are part of the service.

This includes a 'white gloves' delivery service, tailored to private clients or even to the banqueting table of a royal household for a state dinner. They may even need to liaise with and transport to the world's finest auction houses, preparing and moving fine wine bottles in pristine condition to be the eagerly awaited lot of an auction anywhere in the world.



*"I'm totally confident it's the best place in the world to store wine. It's 100 ft underground, completely dark, has a constant temperature and has good, but not too much, humidity"*

Stephen Browett, Director, Farr Vintners

The hub of Cert Octavian's fine wine logistics service is Corsham Cellars, a unique, one million square feet cellar 100 feet underground accessible only via 157 steps. This vast storage space, encased in Bath stone is home to £1 billion of fine wine. Corsham Cellars is the renowned worldwide gold standard.



Wines stored at Corsham Cellars are top of the A-list. Here lie the celebrity vintages that have made wine history – Chateaux Lafite, Latour, Ducru-Beaucaillou, Margaux, Haut Brions, a near endless list of timeless classics, some remaining untouched for decades and all enjoying the optimum storage conditions for their needs.

This natural environment is under the auspices of Cellar Master Laurie Greer. Eminently affable yet laconic and with a hawk eye for detail, Laurie is intuitive in his world. A bottle moves at Corsham, Laurie knows. It reflects his passion for the work. Currently Laurie cherishes over 10 million bottles of wine, serving 160 trade and 1,800 private customers.

Fine wine is bought young and laid down for 10-30 years before it will even be considered for drinking. Wine of this calibre places a great responsibility on its handling. The perils of mis-handling are great. Wine is fragile – it likes the dark. Too much light, too much humidity, the wrong temperature, excessive vibration and within a very short time it is ruined. It lives and breathes and it needs to be nurtured carefully and with skill if it is to reach maturity. Wine is almost child-like. It is that precious and sensitive. A constant 13 degrees and 75% humidity – nowhere other than Corsham Cellars can replicate and regulate the accuracy with such unerring precision. This gives wines stored at Corsham the most sought after of pedigrees – storage provenance. This translates typically to a 15% premium at auction because of storage provenance. And it's guaranteed by Cert Octavian's Certificate of Pristine Storage which is a unique commitment to care underpinned by insurance of each bottle at its full replacement value.

Wine is held in Corsham Cellars for private customers from around the world who rely on Cert Octavian's established relationships with all of the leading auction houses in London, New York and Hong Kong. If wine is to be sold at auction a detailed check of the wines, recording any damage to labels, the condition of capsules and monitoring wine levels in the bottle will be recorded in order that lots can be accurately described. Digital photography of the bottles can also be provided. The bottle may never actually move out of its storage to ensure its pristine condition.

The future of drinks logistics will increasingly engage this international market. In doing so, it will call for the next generation of logisticians to possess a broader range of skills within their portfolio and bring alive the importance of effective logistics and supply chain management to both businesses and consumers.

*Office Depot makes a difference by identifying where we need to improve the performance of our staff, for their benefit and for ours, and then by taking steps to make that happen'*

# Delivering future poten

Skills for Logistics is the Government appointed sector skills council for logistics and supply chain management. Its role is to tackle the skills and productivity needs of employers in the sector and, in the course of so doing, promoting and explaining the exciting and rewarding opportunities in logistics and supply chain management available throughout industry to young people and to those considering a change of job.

The Skills for Logistics mission is to enable employers in the logistics sector to become increasingly efficient and profitable by developing the skills of all of those employed in the industry – a target which both benefits employers and, by enhancing their skills and capabilities, the people working for them. It does this by creating and promoting schemes and opportunities for education and training, qualifications, career paths, personal development, and much more. Its role is relevant throughout the whole working lifetime of employees ranging from schools education programmes through to senior management training. For details of the complete range of Skills for Logistics activities go to [www.skillsforlogistics.org](http://www.skillsforlogistics.org)

## Delivering your future

Students looking for comprehensive information regarding the industry and the job opportunities within it, should take a look at our new website [www.deliveringyourfuture.co.uk](http://www.deliveringyourfuture.co.uk). The site looks at the companies involved in logistics and the range of jobs available; gives case histories of real employees; describes qualifications and career paths; and gives relevant advice on the opportunities available throughout logistics. It has been specifically designed for all of those between 11 and 19 years old.

## Stairway Interactive

Developed from Skills for Logistics' Professional Development Stairway, Stairway Interactive is a sector specific business support tool that underpins professional development, providing the logistics industry with a career development and competency framework that enables employers and employees to plan and map career progression. It has a number of skills and human resource related functions and provides a foundation on which to base structured continuous professional development programmes.



Stairway Interactive provides comprehensive and accessible information on job descriptions, training needs analysis, staff appraisals, recruitment, succession planning and career mapping. Crucially, it enables both managers and employees to identify the steps required in order for individuals to make practical and logical career progress, recognising the training, qualifications and experience required to move from one job and level to another.

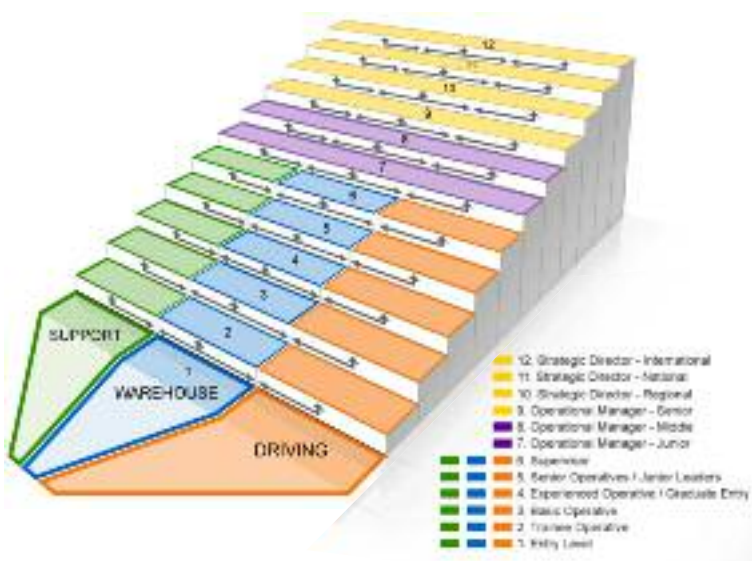
The system can be tailored to incorporate the specific needs of any organisation – it is not a one-size-fits-all but a framework that can be made bespoke to fit the needs of the individual business.

## Using Interactive Stairway – a case study

Office Depot, one of the UK's leading suppliers of office equipment, initially introduced Stairway Interactive to assess its drivers' abilities and to set a benchmark/standard for developing driver skills. The intention is then to roll it out across the business. The development team looked at how its existing driver role could be compared against national standards – the NOS. They also wanted to identify and quantify gaps in drivers' skills and amend their development strategies for dealing with them. It was piloted on 30 of the organisation's drivers. They discovered that, although still with room for improvement, the company was, in fact, doing better than expected as far as customer services



# Stairway Interactive at Office Depot



## Skills for Logistics at a glance

- Government appointed organisation to tackle skills and employment needs
- Train to gain – specialist advice for employers
- Delivering your future – specialist advice for students
- Reports and research – profile of the industry
- Funding – where to find it
- Apprenticeship schemes
- Careers information
- Qualifications and standards – SfL sets the bar
- Pay – industry guidelines
- Specialist sector support – retail, food, driving etc

were concerned. Stairway Interactive highlighted extra development and performance requirements and pinpointed appropriate skills development and training needs. It helped to manage existing training resources, enabling the company to manage both allocation of training budget and training time.

Stairway Interactive identifies immediate training needs resulting in swift and positive action. The scheme points a company or individual in the direction of the training that needs to be delivered and offers suggestions of where qualifications are appropriate such as the relevant National Vocational Qualifications (NVQs).

### Did you know?

*The freight logistics industry employs 2.3 million people in some 200,000 companies turning over £75 billion each year. Almost everything that you have, and almost everything that you use or consume every day, has almost certainly been inside the back of a lorry! None of us can live without the lorry.*

Office Depot plans to carry on using Stairway Interactive, initially looking to help develop its customer service approach, and eventually plans to roll it out the across the company.

Craig Picknell, Training Manager at Office Depot, said: "Stairway Interactive helped to stimulate discussion regarding training requirements and continual professional development. This leads on to the development of the appropriate training process for the organisation. It is also important in that we can compare our operation against industry standards to consistently provide a performance improvement tool which can only help our business."

In future Office Depot will encourage managers to identify staff training needs in a more proactive way and Stairway Interactive will help by providing a tool to prompt debate. The competency frameworks which the system describes provide managers with the knowledge of what a good driver should be. They show the knowledge and performance required to do the job effectively against national standards and remove the need for lengthy research.

Paul Spink  
Commercial Director  
Carlisle Airport Business Park  
Carlisle  
Cumbria CA6 4NW

Tel: 01228 574000  
admin@system-training.com

*System Training makes a difference by intelligently applying workforce training allowing logistics providers to reduce operational costs and improve profitability*

# People are the most

As one of the UK's foremost logistics training providers, Carlisle-based System Training has led the way in terms of raising the quality and standard of occupational learning in the industry over the past decade.

System Training offers a diverse range of transport and logistics industry training options – making it a true 'one stop shop'. Its portfolio of high quality courses has been carefully and systematically developed through collaboration with employers to meet the precise needs of the transport industry.

However, the company's innovative ideas and dynamic approach has seen it develop solutions for operators that provide a real and tangible benefit. By intelligently applying the training to daily operations, System Training has helped logistics providers save fuel, reduce accidents and increase profitability.

Courses are regularly scheduled at the company's training centres and can also be delivered on-site anywhere in the country. Highly experienced instructors and tutors holding appropriate qualifications are subject to regular audit to ensure continuous improvement and compliance and external quality control standards. Course materials are regularly updated to ensure consistency with current legislation.

## **System Training's Driver CPC Consortium**

In a bid to take its approach to another level, System Training launched a unique Driver CPC Consortium with the aim of improving training standards across the UK logistics industry. The initiative is targeted at helping with the implementation of the new Driver CPC legislation within logistics businesses.

Over 30 of the logistics sector's leading names have already signed up including Bibby Distribution, Tesco, MAN Trucks, CM Downton, TM Logistics and Yodel.

The consortium has been developed to facilitate cost-effective, seamless in-house delivery of the statutory periodic driver training that forms the basis of the Driver CPC for both LGV and PCV Drivers. An extensive range of training programmes and development solutions are available and are designed to improve business performance and profitability. Benefits include improved fuel efficiency, reduced number of accidents, lower maintenance costs and insurance premiums, as well as increased utilisation, improved staff morale and retention.

Members of the Consortium work with a highly experienced, dedicated team of training experts, who will assist in the development and implementation of an effective Driver CPC programme within their business. Membership is backed up by a full provision of 'Train the Trainer' support required for each company's own instructors.



Membership of the System Driver CPC Consortium provides organisations with the flexibility of accessing a wide variety of training materials without the administrative and financial burden of registering centres and courses with JAUPT.

The Consortium has been specially developed for medium and large-scale transport and logistics operations and major retail businesses operating their own transport fleets that have, or wish to develop, an in-house training capability. Typically, these businesses will employ in excess of 50 drivers.

## **Warehousing Training and Support**

The importance of high-quality training, particularly in the warehouse environment, has never been more apparent. With vast amounts of stock, complex checking systems, expensive vehicles and racking systems, along with a greater-than-ever emphasis on responsibility to client, warehousing operations have to ensure that they are operating to the highest possible standard.

Suitable training in areas such as IOSH working safely, manual handling, forklift truck training and refreshers, and three-day first aid courses can produce a number of benefits in the overall efficiency of a warehouse and help companies to stay competitive when drawing out of the recession.

Safety and accident rates can be lowered, motivation and staff morale improved and productivity increased due to faster and safer working practices. Proactive investment in such training inevitably leads to less time spent of fixing problems – and more time spent doing the job well.

## **Reaping The Rewards of Training Investment**

Despite a sharp rise in fuel prices over the past year the UK's

# important resource

largest home delivery service has saved millions of pounds filling up its fleet and in garage repairs by training its staff to drive more efficiently and safely.

Home Delivery Network, which has recently rebranded as Yodel, saved £2.2million in fuel and accident damage since introducing the training programme for its staff last year. Yodel delivers parcels of all shapes and sizes to every postcode in the country and employs 3500 drivers to make sure 300,000 items a day reach their destination. However, with fuel costs continuing to soar the company had to take action in order to maintain its ability to provide a cost-effective service.

In May 2009 it began a major programme led by System Training to improve the standard of its drivers' training by employing 'Safe and Efficient Driving Techniques' (SAFED) in an effort to reduce its fuel consumption and cut accident damage.

System Training up-skilled 13 current members of staff to become Driver Training Instructors (DTIs), who then went on to deliver the SAFED training techniques to the other drivers within the fleet.

With 10% of its drivers having undergone the SAFED course so far, Yodel has calculated that over 12 months it has saved £600,000 in fuel costs across all depots. Furthermore accidents involving its drivers have been reduced by 48% in the past year and the cost of damage due to accidents has decreased from £3.4m to £1.8m per year.

The impressive benefits resulting from the training has led Yodel to also put its company car drivers through the same advanced and fuel-efficient driving course – meaning that eventually everyone who drives under the company's insurance will have received some form of fuel-efficient training.

## **An Eye On The Future – The Logistics Apprenticeship**

Not content with pushing up standards in the industry now, System Training has also been determined to ensure the next generation of logistics industry workers is equipped to push the sector forward.

Many young people have now found employment in the logistics industry thanks to its radical new apprenticeship scheme. The programme, developed by System Training in conjunction with major employers, sees youngsters undertake a three-year apprenticeship that includes practical work experience in various aspects of the industry, as well as providing classroom-based learning that leads to nationally-recognised qualifications and an opportunity to move into full-time employment upon completion of the course.

What differentiates the model of the scheme is that System Training actually employs the apprentices from the beginning of the course.

This means they spend time initially gaining the skills they need in the workplace before going on placement – providing them with experience that allows them to make a genuine contribution when they go on placement.

For example, many gain their goods vehicle licence before being placed with a company so they can drive on the fleet straight away, unlike in the traditional manner where they would have had to learn along the way.

This method allows both the apprentices and the employers to start benefitting from the placement from the outset, speeding up the practical learning process and reducing the risk for employers. Another benefit of the scheme is that participants also receive a wage during their time on it to ensure they don't have to incur the level of debt that affects many students.

The apprenticeship is aimed at giving youngsters the opportunity to gain a firm grounding in one of the UK's biggest economic sectors, while raising the standard of talent available to firms seeking new employees.

## ***System Training at a glance***

- *System Training was formed in 1988 to deliver driver training and consultancy for business clients. It employs over 200 staff and delivers training nationally through its many sites across the UK*
- *Its unique apprenticeship model allows students to make a real difference, reducing risk for employers by completing training before undertaking placements*
- *System Training employs its apprentices to help secure jobs for young people. It delivers motor vehicle, accountancy and logistics apprenticeships.*
- *System Training works in partnership with Skills for Logistics, Department for Transport and Skills Funding Agency to ensure the current and future development of the logistics skills pool*
- *It has facilitated the formation of the Cumbria Logistics Employer Forum to ensure the growth of logistics and development of workforce in Cumbria.*



SHARED USER  
CHILLED & AMBIENT



Steve Winwood  
Commercial Director  
steve.winwood@  
culinalogistics.co.uk  
Tel: 01630 695000

Culina Logistics  
Shrewsbury Road  
Market Drayton  
Shropshire TF9 3SQ

*Culina Logistics makes a difference by being best placed to offer the food and drink sector highly sophisticated and innovative supply chain solutions that deliver maximum cost efficiencies and sustainable distribution*

# Keeping the supply

The food and drink sector is arguably the most challenging in terms of the demands that are placed on its supply chain. Short lead times, multi-temperature storage, constant replenishment of goods, high levels of traceability and accuracy status and the growing need for customised and shelf-ready products, all require significant logistics expertise and support systems. Moreover, the grocery sector itself is a highly competitive one and is continually striving to optimise cost efficiencies, with a particular focus on the supply chain.

Alongside these pressures there is the drive toward sustainable supply chains as manufacturers and retailers alike look to win market share through demonstrating green credentials to their customers.

## 'Measurably the best!'

Culina Logistics is the leading provider of shared-user, end-to-end supply chain services for ambient and chilled food and drink companies in the UK and Ireland.

With over 90 household name food and drink manufacturing customers, with requirements varying from 400 to 2.5 million cases per week, Culina is continually striving to stay ahead of its competitors to ensure it delivers a service which is measurably the



best. Through the ongoing development and implementation of innovative supply chain solutions, Culina looks at ways to meet existing and future challenges faced by manufacturers that help provide them with a significant competitive edge in their respective marketplaces. In doing so, Culina focuses on enhancing the financial and environmental performance of its customers' supply chains, while providing a first class service.



Culina's business model is designed to support this focus by providing a multi-temperature shared user network. This involves goods from a wide range of customers and markets being consolidated at one of its 10 strategically based distribution centres across the UK and Ireland, for onward delivery to retailers' national distribution centres, thereby maximising vehicle utilisation and reducing 'empty' miles.

In the past year, Culina has continued to invest in the development of added value, cost-efficient and sustainable supply chain solutions. It has entered into a joint venture with SHS Group to create Culina SHS Ireland, which now provides food, drink and grocery manufacturers in Britain with a seamless supply chain solution covering the whole of Ireland. For the first time the operation provides the sector with a cost-efficient supply chain infrastructure to fully exploit the potential in Ireland. In the same way, Culina SHS will also provide a highly efficient logistics operation in the other direction for goods leaving Ireland for the UK markets.

More recently, Culina has signed a joint venture with market-leading and specialist food contract packing company IPS. Culina IPS offers customers on-site contract packing services at Culina's 10 distribution centres, negating the need for goods to be transported to and from another packing location. This service also helps



*Culina's Chief Executive Thomas van Mourik says: "The recent economic conditions have been testing for all business sectors, and the food and drink sector is no exception. There is every indication that 2011 will continue to be challenging, which means that the logistics sector has to respond by continuously adding value to drive out costs from the supply chain and creating solutions which demonstrate a commitment to improving the environment."*

# chain in shape



customers meet the ever-increasing demand for product differentiation and awareness.

Culina IPS offers a range of packing solutions using the latest technology and processes, such as hermetically sealed bagging, flow-wrapping and cartoning, in addition to the more standard co-packing of sleeving, shrink-wrapping, labelling, metal detecting and re-casing.

Supply chain management has become more and more sophisticated over the past two decades, driven largely by leading edge technology. Despatching nine million cases a week across 10 distribution centres with average stock turnarounds of eight days for chilled products and 20 days for ambient, this is no mean feat and Culina has invested in a leading edge IT infrastructure to drive such a demanding operation. A bespoke warehouse management system that ensures automatic stock replenishment and complete visibility of order status throughout the entire supply chain is just one example of the highly sophisticated technology Culina can offer customers. These systems help optimise transport routes and maximum vehicle utilisation, providing customers with a highly efficient, sustainable and cost-effective supply chain solution.

## **Culina Logistics at a glance**

- Formed in 1994, Culina has 17 years food and drink logistics experience
- Forecast annual turnover for 2011 is c. £200 million
- 10 sites situated throughout the UK and Ireland (four chilled, four ambient, two combined)
- 2,300 people employed
- 9 million cases are dispatched per week on behalf of over 90 customers
- 10,000 pallets are delivered every day
- 5,000 Stock Keeping Units (SKU) are managed at 10 sites (four chilled, four ambient and two combined)
- 1,000 prime mover and trailer fleet
- Culina Logistics stores/transport more than 3.97 billion yogurts per year!





Superior Vehicle Tracking

Greenwich House  
223 North Street  
Leeds LS7 2AA  
Tel: 0113 251 1600  
Fax: 0113 251 1669  
email: info@ctrack.co.uk  
www.ctrack.co.uk

*Ctrack makes a difference by providing fleet operators with the tools needed to deal with every aspect of their mobile operations, providing a reduction in unnecessary overtime, cost-effective communications, improved security and increased customer satisfaction*

# Logistics can help

When it comes to keeping track of his vehicles, David Taylor, facilities manager for transport services at Leeds Teaching Hospitals NHS Trust, is one step ahead of the game thanks to telematics and vehicle management systems supplier Ctrack.

The vehicles transport blood samples and other critical material between GPs, hospitals and laboratories, often while patients are still on the operating table, as well as important records and documents.

In an unassuming building known as the old stable block, at the back of St James's Hospital – Jimmy's of television fame – David has complete control over the movement of a fleet of vehicles used for critical use.

The name of the building implies an outdated Victorian operation but nothing could be further from the truth. Watching David controlling his transport empire from an overhead screen in his hi-tech office you can see that he has his finger on the button; he knows where every vehicle is at any given time. And that's quite a task.

That means that efficiency is paramount, at a time when budgets everywhere are under strain. Managing a fleet of rapid-response vehicles and ensuring that everything happens at the right time and in the right place is an enormous task. David said: "We previously relied on a paper system but we were limited in what we could achieve".

"With the Ctrack system a small tracking device, utilising satellite technology, is fitted in every vehicle. We can then pinpoint where every one of our vehicles is at any time".

The flat screen in David's office shows a series of tiny icons representing the location of every vehicle as they move across Leeds. It's even possible to view the images from different angles, useful when they are parked or manoeuvring in complex sites. "We even know when the vehicle is idling, stopped or moving and we even know its speed at any given time".

"This means we can assess traffic delays and make sure our drivers keep to speed limits and, importantly, we know if a journey is taking too long. Each driver has a personal ID code so we know who is at the wheel, and it incorporates a panic alarm system. We looked at many options but the Ctrack system ticked

## **Ctrack at a glance**

- *Fleet Management solutions provider since 1996*
- *Ctrack has achieved savings of £200,000 per year using its own system*
- *Extensive in-house research and development*
- *Comprehensive, fully supported and documented open API*
- *Improves your fleet efficiency and delivers real ROI*
- *Plans the most efficient routes and reduces fuel consumption*
- *Identifies poor driving styles to reduce vehicle wear and tear*
- *Meet your Duty of Care obligations with minimum resource and maximum visibility*
- *Secure server hosting ensures data protection and allows remote software upgrades*



all the boxes. We didn't want just Satnav; we wanted a complete management system." Thanks to this careful monitoring, which has had a favourable reception from the union membership who recognised the personal safety benefits, the number of vehicles has been reduced significantly in just six months from 55 to 40, without loss of labour.

Ctrack's head of marketing, Christian Payne, is delighted with the results. "We've helped the NHS Trust to save £67,000 just on



# save lives



ownership and running costs alone," he said. "The annual mileage has been reduced from 1.2 million to 720,000, a carbon saving of 43.6 tons. Add to that savings of £60,000 by bringing the transport facility in-house, £26,000 in fuel costs, £42,000 a year in vehicle hire and over £5,000 in overtime cost. This represents a total saving over £265,000 annually."

The system has also eliminated unauthorised journeys and stops and has reduced speeding, and the vehicles are now designated

as multi-purpose for collecting staff, students, supplies, packages and medicines.

"We put together an attractive financial package for the NHS trust which involved outright purchase over five years, for a total investment of £50,000," added Christian Payne. "The savings speak for themselves and we are monitoring the results and system development with the Trust on a long term basis."

But the last word is with the drivers. GMB representative Tony Hepworth said: "We were suspicious at first but if you're doing your job properly you've got nothing to worry about. The Ctrack system gives us extra protection and it means we can't be wrongly accused of speeding or jumping a red light!

"If we don't get the specimens to the labs and we don't get the staff to work it will affect our service. This new system is to everyone's benefit."

## ***Facts on Leeds Teaching Hospitals NHS Trust***

*The Transport Department currently runs 40 vehicles covering on average 20,000 miles a year with the fleet totalling one million miles a year. The regular Shuttle buses that move staff between sites transport on average 13,500 staff per year.*

*In addition, the department assists with the transport of over 200 diagnostic specimens each working day. To assist with the patient catering operation, we move on average 200 patient meal thermo-containers from our central distribution unit at Seacroft to patient areas on each site 365 days a year*

Ctrack constantly monitors performance and the company believes that the evaluation of the system has fully justified its implementation. "Because of our telematics and vehicle management system, the Leeds teaching Hospitals NHS Trust now gets greater value from its fleet which has become multi-purpose and vehicles have very little down time," Mr Hepworth concluded.

"The department currently runs 40 vehicles covering an average of 20,000 miles a year. That's an annual total of around one million miles. The regular shuttle buses moving staff between sites transport on average 13,500 members of staff.

"On top of that the transport department assists with moving over 200 diagnostic specimens every working day as well as 200 patient meal thermo containers from the central catering department to patient areas on several sites. And that's 365 days a year."

He concluded: "It's easy to see how this could become a logistical nightmare. Instead, by careful planning and implementation of a vehicle management system designed to meet the NHS Trust's needs, use of the fleet vehicles has been maximised, manpower and efficiency improved and substantial savings have been made."



Neil Weightman,  
iForce Sales Director,  
nweightman@iforcegroup.com  
Tel: 01932 310 260

iForce Ltd.  
St. George's House  
24 Queens Road, Weybridge,  
Surrey KT13 9UX.  
www.iforcegroup.com

*iForce makes a difference by ensuring online shoppers successfully receive their orders and returns as satisfied customers through the provision of specialist expertise and technology to provide market leading e-fulfilment services*

## Delivering the online revolution

The online retail revolution continues as annual UK online spending is predicted to exceed £31 billion by 2013, accounting for 10% of total retail sales. Young people are driving online shopping volumes and even the recession has been good for e-commerce as all age groups seeks value and convenience online.

This brings logistics to all consumers' front door as the challenge is getting purchases direct to homes across the UK with flawless service: make an error in traditional logistics and the shop will generally deal with it when the next shipment arrives but upset somebody waiting excitedly at home for their order and you are likely to lose that customer forever.

E-fulfilment involves picking single products, rather than cases and pallets, from a wide range of product lines – anything from a delicate stem plant to a big fridge or an awkward-to-handle rug; packing combinations of these products efficiently; delivering in a way appropriate for the product and in a time window that suits the customer; updating shoppers on their order's progress and retail websites on stock availability; and handling returned orders.

Outsourcing e-fulfilment gives access to specialist experience, infrastructure and IT systems that can be scaled to handle burgeoning order volumes and product lines, as well as huge swings during peak trading periods such as Christmas.



Over the past decade iForce has been ensuring satisfaction for millions of online shoppers through its e-fulfilment services for leading retailers such as John Lewis Direct, Boots.com, Waitrose Wine Direct, House of Fraser and Fortnum & Mason. Growing at a rate mirroring that of its clients' online businesses, iForce has become the UK's leading specialist outsourced multi-channel logistics operator.

Many of these partnerships have taken the sector into new ground. In 2009, for example, in a UK e-fulfilment sector first, iForce commenced an operation that combines e-fulfilment together with online returns and retail store returns processing for Sainsbury's non-food goods. Putting e-fulfilment and multi-channel returns into the same 250,000 sq ft

dedicated depot in Corby gives Sainsbury's a highly efficient one-stop solution with a shared management resource rather than a disparate service.

In a further groundbreaking development last year, iForce took e-fulfilment 'cross border' when its service for home furnishing retailer Habitat went live from iForce's 63,000 square ft shared facility at Bromford Gate, Birmingham, which stocks several thousand Habitat home accessory products.

Habitat required an e-fulfilment partner that could offer both the scalability to cope with unknown volumes and manage the challenge of cross border e-fulfilment, with requirements such as multi-lingual dispatch notes and invoices as well as direct delivery to European customers.

### **iForce at a glance**

- 1.1 million sq ft of warehousing
- Over 2009 iForce fulfilled just under 5 million orders
- During business peak (1 Oct to 31 Dec 2009), 2,306,052 orders fulfilled
- Over 2009 iForce's multi-channel returns business handled 3,355,899 units
- 500 full time employees

For a medium-sized company, iForce has a huge number of people practices, extremely high standards and a deep pool of talent: important factors that went towards iForce receiving Investors in People accreditation in 2009, - a vital endorsement sought by FTSE companies and High Street retailers seeking third party partners on an equal business footing.

"We see ourselves as more akin to retail than the logistics sector because our e-fulfilment operations see us delivering directly to a customer's home placing us at the sharp end of customer service," Mark Hewitt, CEO at iForce explains. "Service is founded on people and through our employee engagement and positive people culture, we are developing our talent pool for our continued growth."

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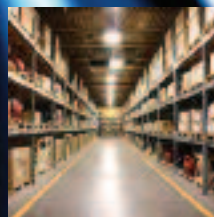
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Director General

Redfern House, Browells Lane,  
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*The British International Freight Association (BIFA) makes a difference by being the trade association for UK-registered companies engaged in international movement of freight by all transport modes, and providing some 1400 freight forwarders who are corporate members of BIFA with a wide range of services across all modes*

# Freight forwarding is the glue

The activity of freight forwarding is mostly hidden from the general public. At its simplest, a freight forwarder is a third-party company that organises the shipment of cargo for a company that does not itself undertake it. While this is not a high-profile industry, arguably every time a consumer picks a British-made item off a foreign shelf or a UK manufacturer presses the start button on the machine brought from the US, there is a good chance one of the freight forwarders in the UK has made that possible. This exciting industry offers the school leaver or graduate many types of employment and opportunities that put into practice many of the skills and subjects learnt at school, college or university.

Freight transport is a busy and challenging sector that offers much to interest the would-be entrant to the industry. School leavers may join as transport operatives, warehousing staff, or clerks, enter at lower or middle management positions, or, as graduates, join one of the graduate entry schemes organised by the very large multi-national players. They could be based in the UK, Continental Europe or any country worldwide.

Freight arrives and leaves the UK, as well as travelling around the domestic transport network, on ships, planes, trucks and trains that can be late, postponed or cancelled. These hiccoughs are balanced by customers' demand for on time, predictable deliveries and collections. This is where time management and planning skills come in useful. A key willingness has to be problem solving and handling long and irregular hours.

As well as cargo handling activities, all but the smallest operators will have the standard back office functions of any medium to large company. These can include legal sections, accounts departments, PR and marketing, Human Resources and other departments that reflect the international aspects of freight forwarding. Here an opportunity presents itself to individuals with language skills who might wish to use them to pursue a business career.

Finance also plays an important role in international forwarding and individuals with banking, accountancy and insurance interests could look to work within the larger firms. Dealing with Her Majesty's Customs & Revenue (HMRC) in order to make sure all is well with a customer's consignment leaving or entering the UK is an important role of the forwarder.

Management issues revolve around the routes that have to be planned as well as drop offs and collections to be made. Traffic management is a key function and is at the very heart of turning a profit for the forwarder. Those in this field of business management can take the reins of traffic planning and warehousing planning.



Stock must be recorded on arrival, sent to the correct destination and guarded at all times against theft or damage. Specialist IT systems are used to support the planning and monitoring that ensure this happens.

International, and even domestic UK, trade is undoubtedly a complex and intricate operation involving key communications between all links in the supply chain. Not surprisingly, given this complexity, IT made an early appearance in the freight industry and continues to develop. Both forwarders and outside IT companies supporting the sector offer the potential for careers, particularly where the application of software systems is important.

## Making your mark

Forwarding companies look as much for enthusiasm, skill and initiative in would-be entrants as much as formal qualifications. That is not to suggest that entrants, of whatever age, should disregard formal external examinations possible with the co-operation of your employer. After all, a successful qualification in a relevant subject says much for the candidate's work ethic and learning capabilities.

*Peter Quantrill is Director General of the British International Freight Association (BIFA). His freight career began in operations and cargo sales at Aer Lingus, followed by very senior roles at Mercury Airfreight International, Atlasair, Emery Worldwide and Menlo Forwarding and UPS Supply Chain Services. Quantrill is a fellow of The Chartered Institute of Logistics and Transport (CILT) and The Royal Society of Arts (RSA).*

# that holds the supply chain together



Apply to a forwarder with good A levels or a degree and an eagerness to get on and the industry will provide a surprising array of further training and qualification opportunities. Trade bodies such as the British International Freight Association (BIFA), the trade body representing the UK's professional freight forwarders, run professional courses in transport, import, export and Customs documentation, moderated by external bodies and designed to give professional advantages to those companies that fund them and those staff that undertake them.

This means that joining a freight forwarder does not mean an end to learning. Unlike some of the subjects you might have read at school, college or university, this education is tailored to your workplace and its requirements. One purpose of this training is to increase your worth to the employer and the wider industry.

A large number of small to medium-sized forwarders plan ad hoc training for staff that are keen to undertake it. For the very

large forwarder, there will be a formal career progression to which the candidate can look forward.

## Where will I work?

Freight forwarders operate throughout the UK and abroad. Those who handle airfreight shipments will have offices at any of the UK's commercial airports that handle cargo. Likewise, those who handle sea freight will have offices at any of the 40 or so main cargo ocean gateways. Away from these locations, forwarders offices can be found on industrial estates and business parks in any major town or city, though there is a natural tendency for forwarders to gather where freight activity is greatest. This translates into opportunities to join forwarders almost anywhere you live without always facing issues of relocation and upheaval.

There is also the opportunity to relocate abroad to work in the industry. Multi-national forwarders have branches in almost every trading country. This could be an attractive option for those who have studied a foreign language and want to use it in a commercial situation combined with living abroad.

If you do not fancy a working day stuck behind a desk, then sales and marketing in the freight forwarding industry is for you. Whether it is in the UK or in a foreign country, forwarders need to sell their services to manufacturers, distributors, wholesalers and those who wish to transport or import and export goods. This cannot be done over the telephone. Sales staff go direct to factories, warehouses or corporate offices to meet managers and executives to agree shipping activity and, more importantly, agree a price for the service. Marketing staff will attend the many trade shows and exhibitions that the industry supports.

## What's in it for me?

Naturally, anyone contemplating joining an unfamiliar industry asks what is in it for him or her. Freight forwarders would respond that this is a great time to consider forwarding as a career. Increasing professionalism coupled with life-long learning opportunities and career progression is visible with many forwarders.

Above all, freight forwarding is a valuable service to UK plc. Next time someone takes a Japanese digital camera off the shelf in the UK or a consumer in South Africa buys a packet of British biscuits, your satisfaction will come with the knowledge that you played a part in getting those goods where they were, when they were needed.

### **BIFA at a glance**

- *BIFA is widely recognised by many organisations and government departments as the representative body of the industry and is consulted on many subjects*
- *BIFA keeps members up to date with all aspects of the industry through regular events, its website and monthly newsletter, BIFALink*
- *One of BIFA's main activities is promoting the freight forwarder in the world of UK commerce. BIFA can trace its origins back to the 1940s*
- *BIFA provides a full range of training courses, available to both BIFA members and non-members. More than 2000 delegates attend its training courses in a typical year*
- *BIFA Standard Trading Conditions are accepted by International and UK courts. BIFA is controlled by its members, for its members*

To find out more about Logistics by Norbert Dentressangle, check out our website at [www.norbert-dentressangle.co.uk](http://www.norbert-dentressangle.co.uk) or contact us directly.

Tel: 01604 737100 or email [info@norbert-dentressangle.com](mailto:info@norbert-dentressangle.com).

*Norbert Dentressangle makes a difference by creating solutions to fit your business, not ours. We have a proven track record of providing customers with solutions that match today's requirements and can handle tomorrow's*

# Reverse Logistics: ma

Whether you're selling on the high street or on the internet, returned goods are a fact of retail life. No matter what or how you sell, people will want to return things.

Nowadays, the no-quibble, money-back guarantee is a way for retailers and manufacturers to stand behind the products they sell. The basic message is, "If you don't like it – for any reason – return it and we'll give you your money back". For us as customers, this is an unconditional promise that effectively guarantees the quality of the product we're buying.

If we decide to return a product, we want one thing – to get our money back with the minimum fuss. In the interests of customer satisfaction, the retailer also wants to give us our money back with the minimum hassle. Equally important, they want to understand the reason for the return (e.g. broken, wrong size, not what it looked like online, quality below par, etc) and to recover maximum value from the returned product.

In addition to keeping the customer happy, the retailer must also wrestle with challenges like:

- extended warranties (do they accept a product past its warranty in order to keep the customer happy?)
- increasing taxes on waste and packaging disposal (extra costs)
- meeting their environmental goals and commitments (recycling, zero-waste to landfill)
- the extra cost of processing returned goods,

So it's not hard to see that returns management (also known as 'reverse logistics') can be an expensive headache if not expertly managed.

## The way shopping is changing

Changing shopping habits are also contributing to the reverse logistics challenge. In particular, the online shopping explosion has contributed to a huge rise in retail returns.

The Department for Transport<sup>1</sup> estimated that of the £230.5 billion of goods sold in 2002, £5.75 billion were returned. However, returns levels for goods purchased online and by mail order can be up to 30% of sales volume. How many of us know someone who orders clothes online in several sizes, tries them on and returns the

<sup>1</sup>The efficiency of Reverse Logistics. DfT Report 2004.



items that don't fit? It's an increasingly common shopping habit, and one that's contributing to the rise in retail returns. And a recent report by Paypal<sup>2</sup> forecast a 137% growth in online sales by the end of 2011. That adds up to a lot more product coming back up through the retail supply chain.

At Norbert Dentressangle, helps many of the country's leading retailers – in fields as diverse as electricals, books, music, DVDs, games, fashion and DIY – to successfully meet these challenges.

The following examples demonstrate the broad range of reverse logistics solutions Norbert Dentressangle provides to a leading DIY retailer to help manage their retail 'boomerang'.

Norbert Dentressangle has been working with a particular DIY retailer over the past six years to manage their home delivery returns and waste, with the objectives of:

- reducing the number of returned home delivery products
- increasing the amount of money that can be generated from returned products; and
- reducing the amount of waste sent to landfill.

<sup>2</sup>Paypal UK Online Retail Report compiled by Experian, May 2009.



# Managing the retail boomerang

## Minimising returns

Failed deliveries occur when a customer is not at home to receive a delivery, or if product is found to be damaged at point of delivery. This results in the product being returned to the warehouse and the delivery being rescheduled, which increases cost. We've worked with our DIY client to identify new ways to reduce the number of failed home deliveries. The measures introduced resulted in a 60% reduction in failed deliveries and a 30% reduction in product damage, saving hundreds of thousands of pounds each year.

## Maximising value: from counter-tops to cows

When the customer receives their 'no quibble' 100% refund, the product may not be in 100% perfect condition. It may be damaged in some way. Or the product itself could be perfect, but with damaged packaging. The retailer needs to find a way to recover the maximum value from the returned product, whatever its condition.

For the DIY client, Norbert Dentressangle inspects all returned products and then makes a decision about how to get maximum value from the item. The decision-making process considers a wide range of factors, such as:

Condition of item	Action	Recovery value
Perfect product and unopened packaging	Return to stock for resale	100% of retail price
Faulty product	Return to the vendor for a credit	100% of cost price
Damaged packaging	Re-package and return to stock	100% of retail price
Damaged product	Repair product and return to stock for re-sale at a discount	50-90% of retail price
Damaged or discontinued product	Sell item to a secondary market re-seller (e.g. another wholesaler or retailer)	10-65% of cost price

### And there are a host of other options...

There's a lot to consider, and the solutions that are identified and managed range from pretty obvious to somewhat unusual. For example, damaged solid wood kitchen worktops are cut down to a smaller size, refinished and returned to stock. Screws and hinges are recovered from damaged kitchen units and sold back to the manufacturer or on the secondary market (that is, sold to another wholesaler or retailer). Damaged laminate worktops – which cannot be repaired or incinerated – are re-sold to a company that processes them into bedding for livestock.

## Waste not, want not

In 2009, Norbert Dentressangle processed returns with a value of £13.6 million for this DIY client. Of this, more than £7m was returned to stock, around £1.4m was 'jobbed off' to secondary markets, and £5.1m disposed of. In addition, through Norbert's recycling, re-packaging and repair activities, the amount of home delivery waste going to landfill has been reduced to only 4%. That's great for the client and for the environment.

It's the same story in electrical items, games, books, music and fashion. By really understanding the client's business and the retail marketplace, through intelligent decision-making, extensive networks and contacts, great IT solutions and decades of logistics expertise, Norbert Dentressangle is helping clients achieve significant commercial benefits combined with environmental best practice.

## A broad range of skills and talent

For those working in this field, it's interesting, fast-moving, and challenging. People working on reverse logistics solutions have a diverse range of skills, ranging from leading-edge IT and process-design skills, great networking and people skills, the ability to think creatively and, perhaps most importantly, real retail nous.



## A bright future

Sixteen years ago there was no Amazon. iTunes is barely six years old. Climate change is a reality that will continue to have a major impact on the retail, manufacturing and legislative environment. The retail world is changing rapidly, and logistics solutions will be required that we can only yet imagine. Are you ready for the future of Reverse Logistics? **Norbert Dentressangle is.**



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*TNT Express makes a difference by being Britain's leading business-to-business express delivery company which has been helping keep UK PLC on the move since 1978. It's also the parcels business that lives by its strapline – sure we can*

# A frontrunner for over

TNT Express Services has blazed a trail for the UK transport and express delivery sector for more than 30 years. Since 1978, TNT has revolutionised the parcels industry in this country. With an annual turnover in excess of £800 million, a fleet of more than 3,500 vehicles operating from over 70 strategic locations and an 11,000-strong workforce, the TNT culture is one of relentlessly trying to outperform, not only its competitors, but also its own previous best performance.

Whatever measure you use – TNT stands head and shoulders above the competition. Whether it's new and innovative services, a deep and lasting commitment to people and planet or its financial performance – the express delivery giant has proved time after time that it really does deliver.

Excellent service levels that go hand-in-hand with the delivery of a superior customer experience, are the principal drivers of a company that broke the mould in express deliveries when, in 1982, it became the first to offer a same day service. It didn't stop there. A host of dedicated services, to niche sector markets, came thick and fast through the following decades. Now the company puts its expertise to good use in a far larger arena than simply the business-to-business delivery sector.

Take an iconic event like the Virgin London Marathon. As the marathon's official logistics partner, TNT's Special Services teams compete in their own '90-minute' marathon before the athletes even break sweat – setting out 1,000,000 drinks and 600 tables at 30 strategically located 'water' stations.

A 40-strong fleet of TNT articulated vehicles bring the 750,000 bottles of water and 250,000 isotonic drinks pouches to London the day before the marathon – and then produce a personal best to ensure the logistics support is way out in front of the competition. As well as a major fulfilment of 37,500 'goody' bags and the post-race clear-up operation, it's a partnership TNT has enjoyed with the marathon for 20 years.

But, being the country's leading b-2-b express operator, much of what TNT does more of a sprint than a marathon. Whether it's moving a 25-tonne electric generator from the south coast of England to the top of a mountain in the Inner Hebrides, delivering Evel Knievel's legendary motorbike all the way from America to Essex, or getting a life-size plastic cow from Scotland to the Republic of Ireland, TNT will always live by its company strapline – 'sure we can'.

Sector experience is the key to TNT strengths. Recognising the huge growth potential, the company created its Media &



Entertainments division to cater for the movement of hundreds of millions of items within the UK's multi-media and entertainments market. The division has forged mutually beneficial partnerships with major players such as Universal and Pinnacle Arvato, and is now set to capitalise still further in the fast-growing sector.

With TNT co-ordinating daily deliveries to more than 2,000 retail outlets nationwide, the company is harnessing its expertise and channelling it into providing tailored services for film, music and computer gaming distributors. And recession or no recession, it's 'business as usual' for TNT when it comes to carrying out the business in a socially responsible manner.

TNT was the first company to embrace new, green technologies for its vehicle fleet. In 2006, it trialed with world's largest electric delivery vehicle in London. The results were positive and two years later the company invested £7m in purchasing 50 similar vehicles – giving TNT the largest zero emission delivery fleet in the world – with a further 50 in the offing. TNT is also a massive advocate of corporate responsibility, recognising that it is not only the right thing to do but that it also makes sound business sense. After all, it is a proven fact that a company which operates in an ethical and socially aware fashion will derive strategic, commercial and reputational benefits.

TNT strives to achieve standards of responsible care across a number of key areas, including its customers, health and safety, the

# 30 years



environment, employee welfare and the wider community – it operates. Powerful third party endorsement from the world-renowned *Forbes* business magazine has been forthcoming with TNT included in its list of the 100 ‘most sustainable’ companies across the globe – the ones it claims that will still be flourishing in a 100 years’ time. TNT was the only company in its sector to feature on the list, which tracks high-performing companies in major sustainability-related areas, including human capital, environmental risks and governance.

The company is no stranger to winning environmental recognition. In September 2009, TNT topped the prestigious Dow Jones Sustainability Index (DJSI) for the third consecutive year. The DJSI tracks the financial performance of the leading sustainability-driven companies worldwide, organisations that combine business success with an ethical, caring and responsible approach across a variety of areas including economic, environmental and social criteria. In The DJSI rankings, TNT scored 92% – the highest score of any company on the DJSI.

On the charitable front, TNT supports the British Rugby Union’s official children’s charity Wooden Spoon. The relationship between TNT and Wooden Spoon has developed significantly over the past 12 years, seeing donations increase year-on-year as more TNT employee’s support and raise funds for the charity. 2003 saw the introduction of ‘Seeing is Believing’ visits; a programme created by TNT to encourage its people to witness, first-hand how the money

they raise is put to good use by Spoon. These were 500 Seeing Is Believing visits in 2009. TNT is universally acknowledged as the largest single benefactor of Spoon, having so far generated in excess of £2.5million, with a target of breaking the £3m barrier this year.

On the wider global stage, TNT is a keen supporter of the United Nations’ World Food Programme (WFP), helping feed and educate thousands of malnourished and impoverished youngsters around the world. TNT in the UK plays a crucial part and has thus far provided food and an education for thousands of children in East Africa, delivering hope and sustainability for years to come. Commitment to people and planet, ground-breaking services or simply out performing its competitors, TNT sets the standards for others to follow.

As a barometer of the UK economy its has its finger on the pulse of UK Inc and is as committed as ever to ensuring the wheels of UK business keep turning.

## ***TNT at a glance***

*TNT Express in the UK was ‘born’ with the acquisition of Inter Counties Express in Ramsbottom, Lancashire in 1978*

*TNT Express UK & Ireland is part of TNT NV – the global delivery giant operates in 200 countries and employs 161,000 people*

*TNT is ‘UK PLC’s’ parcel deliverer of choice. 250,000 businesses have either traded or are currently trading with TNT. They represent a huge slice of the British economic output – these businesses alone contribute £175 billion in turnover into the UK economy every year*

*TNT has a fleet of 3,500 delivery vehicles in the UK*

*TNT has won a record breaking 33 Motor Transport Awards – the ‘Oscars’ of the transport world.*

*While the UK sleeps, TNT’s three UK hubs handle more than 273,000 items each night from around the UK and Europe – that’s 100 million per annum*

*TNT’s electric vehicle fleet has reduced the company’s CO<sub>2</sub> emissions by 1.7m kg per annum*

*TNT began life in Australia just after the Second World War when Aussie entrepreneur and founder Ken Thomas started out with a single truck. TNT stands for Thomas Nationwide Transport*





Gordon Owen  
 Head of Sales  
 ByBox Field Support  
 distribution.revolution@bybox.com

Unit 1 & 2,  
 Central City Industrial Estate,  
 Red Lane, Coventry CV6 5RY.  
 0844 800 5219

*ByBox makes a difference by listening to its customers, employing the best people, constantly reviewing its services to innovate and working hard*

# Innovation by boxing clever

Working at ByBox is an adventure. Since 2000, it has delivered annual compound growth of 15.3 percent and in 2008 was recognised as the United Kingdom's fastest growing technology company by the Deloitte Fast50 league table. Today it provides the most comprehensive field service supply chain solution in the UK, with over 20,000 mobile engineers using the ByBox platform daily.

The success has not come easy but it has always been exciting, as founder and Chief Executive Officer Stuart Miller explains: "It has been a roller coaster and we've made mistakes along the way – like an unnecessary move to an office in 'silicon valley' just days before the dotcom crash. However, I work with a passionate group of people and we shared the unshakeable belief that we could make it work and we are now the market leader, employing 200 people across three countries."

ByBox was started as a means to provide a bank of boxes nationwide where delivery companies could leave customers' products that have been ordered from online retailers. ByBox is also improving the lives of consumers across the UK by helping companies fix the things that matter faster – from the luxury digital television set top boxes to the convenience of local ATMs or even life critical medical equipment like kidney dialysis machines.



The company has an entrepreneurial culture that seeks out constant improvement and as a result has been transformed. Representative of this change and the dedication to innovation is its flagship field service management solution Thinventory™ created and developed by ByBox's internal software and business experts.

Thinventory is a software solution that, on a single platform, spans the entire service supply chain and its core processes – distribution, engineering and inventory. It's all encompassing, including raising purchase orders, goods in, pick, despatch, deliver, return, repair and return to good stock – all with serial number visibility for every customer. It is helping

companies reduce costs, be more competitive, be more productive, sell more and contribute to a greener environment.

Customers have access to real time 100 percent visibility of stock at every point in the supply chain with 100 percent validated scanning during stock movements. Thinventory also reduces same day delivery costs by up to 50 percent (to lock boxes or drop-off points) by eliminating the time wasted by engineers driving to obtain parts, which has the added bonus of helping customers to reduce their own carbon footprint. Customers can also view and select from a resource pool of 350 engineers for high end engineering, simple swap and replace jobs or to use the ByBox

## ByBox at a glance

- Formed in 2000
- UK market leader for in-night parts and equipment distribution
- 18,000 drop box network
- 1300 locations in UK
- 20 million deliveries per annum
- Winner of Deloitte Technology Fast 50
- Winner of IFW Innovation Award 2008

in-house repair centre when jobs cannot be completed onsite.


For many organisations the service provided by field engineers is the spine of the business. Their performance is key to both the generation of revenue through maintenance contracts and winning new business through their ability to meet ever stricter service agreements - Thinventory enables this.

"We believe it is a distribution revolution", adds Stuart Miller. "The future is about listening to all our customers including Coca-Cola Enterprises, Konica Minolta, Gamestec, Ricoh and Fujitsu and identifying areas for improvement or new solutions – whatever happens I know it's going to be very exciting."

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*Palletforce makes a difference by demonstrating a constant commitment to service and quality. Through its first class operational facilities at Burton-upon-Trent and its national member network, Palletforce leads the way in customer service and industry standards, making it the UK's leading palletised distribution network*

# New breed of smart haul

Transport and haulage has long suffered a bad reputation as the 'dirty man of industry'

But over the past decade things have changed ...and a sparkling new breed of hauliers has emerged, who are worth their weight in gold. These 'jewels' bring the prospect of environmentally-responsible transport, as well as highly-prized extra profits for companies across the UK and globally.

"This is the second golden age of transport," explained Michael Conroy, CEO of Palletforce, the UK's leading palletised distribution network. "Transporting goods is the lifeblood of today's world – we are a consumer-led nation and someone has to deliver our home comforts. But by intelligent planning and keeping a close eye on fuel usage, we can ensure that the environmental impact is kept to a minimum and costs are controlled.

By working with the best, companies can see the true value of logistics and embrace it as a critical part of their operation. For larger companies this can mean savings of hundreds of thousands of pounds on literally transporting goods from A to B. Michael is one of the industry's rising stars. A chief executive at the age of just 40, his energy is infectious, and he is in demand for his innovative approach.

Over the past two years he has overseen the rise of Palletforce to the UK's leading palletised distribution network. This smart and highly-successful transport network has invested in a state-of-the-art £30million hub to offer the most efficient transport services from manufacturer to retailer.

The network is owned by 86 hauliers who share a common vision, goals and a desire to provide outstanding service. Palletforce's mantra 'working together we are stronger' is never more true than in today's challenging economic climate. The network's cutting-edge technology improves quality, speeds up deliveries and is extremely flexible – able to handle small consignments, as well as larger loads.

The network members work for a wide range of manufacturers, producers, retailers and global brands operating 24/7, delivering across the UK, Ireland and Europe.

"We've developed a whole new approach to transport needs – allowing producers and manufacturers to enjoy the economies of scale, even on smaller consignments," explained Michael.

Efficient 'palletised' transport and delivery can bring major quality control benefits, save money on the bottom line and minimise environmental impact. Yet many business leaders are simply unaware of the benefits of using a shared delivery network such as Palletforce and of the possibilities that can be unlocked. "We've brought together transport technology that dramatically improves the

## **Palletforce at a glance**

- *Palletforce, which was founded in 2001 to offer an express delivery service for small consignments of palletised freight, has grown to become one of the UK's leading distribution networks.*
- *Palletforce offers a range of express distribution services across the UK and Europe. Services include next day, timed options, and economy for both standard and oversize consignments.*
- *Nearly 100 depots across the UK make up the network which recently opened a £30million state-of-the-art distribution Hub in Burton-upon-Trent, Staffordshire, the largest of its kind in the UK.*
- *A specialist IT system is used to ensure rapid turnaround times, optimum loading efficiency and that goods are tracked and traced throughout the entire distribution process.*
- *Palletforce also offers warehouse and fulfilment services providing a complete distribution solution.*





whole delivery process and the benefits to industry are potentially huge," added Michael. "By its very nature Palletforce helps cut unnecessary vehicle movements and has the flexibility to transport smaller consignments so can help to drastically reduce business costs and environmental impact."

Palletforce is the UK's number one palletised distribution network and is a major success story in its own right – having won a clutch of industry awards. The network represents the combined force of around 86 of the country's best transport companies who between them operate 96 depots including the centrally located Hub in Burton-upon-Trent, Staffordshire.

In the current climate Palletforce is seeing even more interest in its

services as companies look at the benefits of using a palletised transport network against the costs of running their own fleets. Customers can choose from a wide range of services, including UK and Europe, next day and economy, timed services for both standard and palletised traffic and oversize consignments.

One of the benefits of such an established member base is that the network can also offer tailor made solutions from part load, full load, container handling, storage and order picking services through to dedicated fleets. Michael is ushering in a new age for the best hauliers.

For more information contact Palletforce on 08450 944441, or visit [www.palletforce.com](http://www.palletforce.com).

# liers deliver golden opportunity



Michael Conroy,  
CEO of Palletforce

## What is a shared delivery network and how does it work?

Transporting goods is more than just about getting things from A to B.

The idea of a shared delivery network is simple: quality express freight delivery companies based across the UK work together in a sort of delivery 'swap shop'.

Working smarter in this way dramatically cuts down on the number of lorries and the distances they have to travel only part loaded. A much greener, more efficient way of working.

It may seem like an obvious thing to do now, but before pallet networks like Palletforce existed things were quite different.

Back then a haulage company in Scotland might deliver pallet loads across the country to Kent, taking up to three days and perhaps return to their Scottish base with an empty vehicle, or a Cornish company could run poorly utilised to Newcastle and waste more fuel getting home again.

By working together as part of Palletforce, each freight company can use the central Hub to deliver goods 'half way' and then be guaranteed to pick up goods from a fellow member for returning back to base. And all at night so that all vehicles can be double-shifted, be more cost-effective and reduce carbon emissions.

HRH The Princess Royal officially opened the Palletforce distribution hub, in Burton-upon-Trent, in September 2009. Michael Conroy said: "We believe we fly the flag for British entrepreneurial spirit and were extremely honoured to be able to share what we do with Her Royal Highness."

**Did you know...**  
More than 4,500 people work within the Palletforce distribution network. Palletforce's new £30million Hub is 400,000sq ft – big enough to house eight football pitches or 1,736 double deck buses end to end.



Contact: Sue Pryce  
Unipart Logistics  
Unipart House  
Garsington Road  
Cowley OX4 2PG

Tel: 01865 383362  
www.unipartlogistics.com

*Unipart Logistics makes a difference by believing that employee engagement together with a lean methodology is the key to sustaining continuous improvement and increasing productivity within the supply chain*

# Habitat builds a profitable

**Issue:** Habitat needed to improve performance at its warehouse in the expectation of tougher trading conditions.

**Solution:** Appoint Unipart Logistics to make savings and improve the service that Habitat offers its stores.

**Benefits:** Efficiency gains across the board; updated facility, fewer errors and an improved health and safety record.

When furnishings and home accessories company Habitat decided it was time to give its Oxford distribution centre a makeover, the company called in Unipart Logistics to oversee the refurbishment. Habitat needed to improve performance at its 20-year-old warehouse in the market town of Wallingford in expectation of tougher trading conditions. The company's association with the area dates back to the early sixties when founder and style guru Sir Terence Conran set up Habitat's first factory there. Unipart Logistics was appointed after a competitive round of tenders that involved some of the biggest names in third party logistics. Habitat was determined not only to update the site, which has 30 aisles and holds 18,000 stock items, but also to make savings and improve the service that it offered the company's 38 stores in the UK.

"We wanted to move the business forward and to do that we needed to change our operation," says Peter Benton, UK Logistics Manager for Habitat. "We were looking for someone to work with us and share liability. We were also conscious that we wanted a partnership and that if we worked with an organisation that was too large it would be difficult to establish a relationship that would meet our business model." Also in Unipart Logistics' favour was the fact that the company's HQ and national distribution centre is only 14 miles away at Cowley, opening up the possibility of redeploying staff between sites and enabling Habitat to more readily access training facilities and the services at the Unipart Logistics 'Teaching DC'.



Unipart began work at Wallingford in February 2008 on a fixed fee contract that involved cutting costs at the distribution centre by 5 per cent each year, specified in a detailed 20 point schedule covering responsibilities, key performance indicators and the timings of regular reviews. Habitat maintained that the previous 3PL transferred the employment contracts of the 93 people working at Wallingford to Unipart Logistics. This was a big step as the Habitat brand has historical links with the town and many of its workers had been with the warehouse operation for 20 years or more. "The people side is very important," stresses Nigel Price,



Unipart Logistics Operations Manager for Habitat. “You cannot underestimate the impact that change is going to have on people.” Nigel Price points out with some pride that although the number of people at Wallingford has fallen by some 10 per cent, there have been no compulsory redundancies. Savings have also come

A central element in the Unipart Logistics strategy was the introduction of The Unipart Way, a philosophy and way of working, underpinned by a set of tools and techniques pioneered in the motor industry and aimed at cutting out waste and ensuring continuous improvements in performance. “The Unipart Way is a different approach to that taken by many companies. It raises the profile and awareness of staff on site. It is a way of getting people to buy into directing their own work practices,” says Peter Benton. “As a result, there is a different atmosphere here and I can see people have developed and taken on more responsibility.”

# ble partnership

## **Unipart Logistics at a glance**

- *Unipart Logistics is part of the Unipart Group of Companies, one of Europe's leading providers of outsourced logistics and distribution services*
- *Unipart Logistics is a leading third party logistics provider utilising lean as a methodology for adding value within its customers' supply chains. We have 20 years experience of practical lean implementations in logistics to support our beliefs*
- *Services we provide range from single client operations and multi-client fulfilment sites to end-to-end global supply chain solutions*
- *Our client base spans multiple sectors and verticals, including retail and consumer products, technology and automotive, clients include asos.com, Sky, Sainsbury's, Waterstone's, Homebase, Play.com, Kimberly-Clark, Habitat and Vodafone*
- *Unipart has a strong corporate culture and way of doing business referred to as 'The Unipart Way'. This unique approach has become the company's differentiator within the marketplace*
- *We uniquely engage our employees to continually improve our own organisation and the supply chain operations which we manage on behalf of our clients*
- *Employee engagement leads to increased productivity and innovation in our supply chain solutions*

The Unipart Way, which is used in all the company's operations, involves setting clear targets for warehouse teams and keeping detailed records of their performance. The results are displayed on highly visible notice boards in areas on the warehouse floor where workers also gather for regular briefings. Displays in these communication cells highlight problems that prevent teams from reaching their targets and track efforts to resolve them. Once one problem is dealt with, the focus shifts to the next most important



and so on, ensuring continuous improvement.

Warehouse staff also take part in quality circles, known as ‘Our Contribution Counts’ or OCC circles, designed to identify bottlenecks and come up with solutions. Ideas that have come out of the circles at Wallingford included a suggestion to improve safety by marking the places in the building where accidents have happened and a more efficient way of carrying out the annual stock take in the facility so that work is only suspended for one day rather than two.

In addition to managing the operation of Wallingford, Habitat also gave Unipart Logistics the responsibility of organising updates to the site. The first year saw a number of major improvements. One of the most significant was repairs to the racking in the warehouse, which involved moving pallets as many as three times to accommodate the work. At the same time, Habitat rewired the building and installed brighter lighting. The company also took the decision to replace its fleet of diesel forklifts with electric models which created a cleaner environment. “Unipart has delivered what it promised,” concludes Benton. “What we set out to do has been achieved through fresh thinking, modern techniques and an effective partnership.”

through improving productivity, negotiating bulk discounts on items such as oil, paper and pallets, as well as reorganising the routes taken by Habitat's delivery vehicles.

The Unipart Logistics systematic approach has resulted in efficiency gains across the board. For example, tighter reporting procedures covering errors in the documentation, packaging and delivery of inbound goods have cut mistakes by two thirds. Similarly, a rigorous health and safety plan has reduced the number of accidents subject to statutory reporting.



Transport Exchange Group Ltd  
BV2, The Perfume Factory  
140 Wales Farm Road  
London W3 6UG

Telephone: 0844 225 3500  
Fax: 0844 225 3501  
E: info@transportexchange.co.uk  
www.transportexchange.com

*Transport Exchange Group makes a difference by providing a sophisticated online platform where road hauliers, sameday couriers and express freight companies can work collaboratively together to provide more efficient, profitable, greener and innovative services for their customers*

# Online technology

Traditionally, many companies turn to freight exchanges to find extra back loads for their vehicles that might otherwise run empty on return journeys. The advantages are obvious: increased turnover, higher profits and a lower carbon footprint for all the goods delivered. No more wasted journeys.

Truly canny operators, however, are seeing a far wider potential for sophisticated online freight exchanges to transform their businesses. Road hauliers, same-day couriers and express freight companies alike are using online exchanges such as Courier Exchange and Haulage Exchange as an 'on-demand' network when required. Online exchanges offer speedy communication, the ability to filter information to that which is relevant to a particular member and even the facility to receive Proof of Delivery and send invoices electronically.

Some companies are making considerable savings by reducing their own fleets and using the exchange when a job comes in and their drivers are all committed elsewhere. Reducing a fleet by just one truck will save £34,000 on annual running costs. Getting rid of one van saves £12,000 a year. Others are growing their businesses by accepting extra work, placing it through the exchange and only buying more vehicles and hiring more drivers when their increased customer base is well established.

Yet more are using the flexibility that collaborative working with other exchange members offers to launch new services. Mark Duggan spotted the potential of Courier Exchange the minute it was launched 10 years ago. Having set up his own 'one-man, one-van' courier company just two years earlier, he was ambitious and focused. His strategy was to accept all the work he could then search for sub-contractors through Courier Exchange. Step by step he grew his fleet and today Eezehaul is a £6 million business employing 110 people with a fleet of 60 vehicles. Mark attributes much of Eezehaul's rapid and successful expansion to the services provided by the Transport Exchange Group, first through Courier Exchange then its sister exchange Haulage Exchange. Eezehaul continues to use both exchanges.

"Courier Exchange is invaluable as we often need to make things happen at short notice," said Mark. "It is easy to use and developments are progressive and well thought out. We joined 10



years ago and have never looked back. There are other freight exchanges out there but we have never found anything that matches the overall offering of the Transport Exchange Group."

One of the key features important to members of any freight exchange is peace of mind. Members have to be assured their customers will receive a job well done if they place work with another member. Both Courier Exchange and Haulage Exchange vet potential members before allowing them to join, carrying out checks of creditworthiness and of statutory documentation. Transport Exchange Group has also launched a Compliance Registry where a member's relevant statutory documents can be viewed online by approved customers.

"Our reputation is important and we do not want it to be tarnished,

# boosts collaboration



## **Transport Exchange Group at a glance:**

- *Transport Exchange Group was founded in 2000 by managing director Lyall Cresswell*
- *2,000 plus member companies*
- *250,000 loads moved a year*
- *Courier Exchange is the world's largest online trading exchange for the sameday courier and express freight industry*
- *Haulage Exchange is specifically for fleets of 7.5 tonnes and above*
- *E-pay system speeds up payments and offers complete transparency*
- *Proof of Delivery can be sent electronically via the Exchange*
- *Members carefully vetted with checks on official documentation and creditworthiness*
- *90 per cent subscriber renewal rate*
- *Ambition to grow to 10,000 member companies, with new sections for Exchanges specialising in refrigerated loads and containers*

but we have complete confidence in doing business with any member of Haulage Exchange or Courier Exchange," said Mark. "Haulage Exchange is absolutely vital to our business. While Eezehaul does run its own haulage fleet, we find that Haulage Exchange is invaluable for getting jobs done at a fair market value when our own fleet is fully booked."

Courier Exchange is the UK's largest online freight exchange for the sameday courier and express freight industry, with more than 2,000 members. Haulage Exchange specialises in fleets of vehicles of 7.5 tonnes and above.

Both exchanges alert members by text and email whenever a suitable load or journey that matches their specific requirements is posted on the exchange. Alternatively, they can search on an

interactive map online that relays information in real time. Haulage Exchange additionally posts a timetable of regular runs.

The Transport Exchange Group is continually looking for ways to improve its offerings to members and is expecting that uptake of its electronic invoicing system E-pay will increase in future. "E-pay will ensure payment is done and eliminate the time spent chasing invoices," said Simon Bishop, a director of Midlands-based DSB sameday delivery company that is a member of Haulage Exchange.

"As a trading platform, the Exchange gives us a clear trail of every job and every invoice, so if there is a dispute, we have a record of all jobs, their PODs, if invoices are accepted, what the time frame of the payment should be and so on. And with the payments through the Exchange, there is more of a guarantee we'll get paid!"





Barrie Dowsett  
Managing Director  
The BJD Group  
BJD House, 11 The Point  
Market Harborough  
Leicestershire LE16 7QU

# Argos shops for the best people

Finding the best logistics professionals for any retail giant is a tall order. The mix of retail channels including high street, internet shopping and home deliveries has created new and complex challenges. BJD came up with a solution that was effective and efficient.

Fuelled by growth, a desire to keep ahead of the competition and an environment of continuous improvement resulted in a need for Argos to recruit more than 50 managers. Previous attempts to find the number and calibre of people required had met with only partial success. With head office resources limited and the cost and timescales of traditional recruitment methods considered to be unsuitable.

As an attractive employer of choice Argos believed there would be no problem in generating interest. Key to success was considered to be finding and attracting the types of managers required. Like never before the options available to source people were many, confusing, and to some untested. The decision was made to outsource the campaign to BJD using recruitment techniques never experienced before. A thorough understanding of the requirements was obtained and the campaign was underway.

Unlike other forms of recruitment the sourcing of candidates covered every media. Advertising on was on 30 plus job boards at local and national level. BJD's web site was also used and became the most successful on-line source of people. In addition the database of over 60,000 candidates was used not only to find people but also to network, get referrals and to headhunt the best.

What became clear during the campaign was that logistics professionals and recruiters are faced with a myriad of ever changing options when searching for career opportunities. Faced with so much apparent choice finding the right person, role, employer, job board, recruitment agency, head-hunter is a minefield. To have left out one source of candidates would have led to compromise.

Which so much marketing and advertising behind the recruitment

*BJD makes a difference by developing a unique recruitment method of the best people for a major retailer's distribution centre network cost effectively, to help them stay ahead of the competition on the High Street*



## **BJD at a glance**

*Sole focus on Logistics & Supply Chain Management Recruitment*

*17,000 assignments handled, 250,000 CVs assessed since 1991*

*60,000 Logistics & Supply Chain specialist candidate database*

*Offices in London, Manchester and Leicestershire plus International coverage*

campaign, it came as no surprise to receive thousands of applications, with a staggering 200 for each role. Screening, shortlisting and interviewing down to four candidates per vacancy represented a hit rate of just 2%.

To achieve success BJD used the internet and use of sophisticated technology. Every shortlisted candidate was provided with a briefing pack and the selection process included a full day at the relevant Argos Distribution Centre used as an 'assessment centre'.

The outcome was for job offers to be made following the one stage process while maximising best fit and minimising candidate interview/screening time. Like all retail giants cost was a key issue. The volume of candidates involved, technology used and logistics experience of BJD's consultants enabled the cost per hire to be 60% lower than those associated with traditional methods of recruitment.

"The message for those seeking a real career in logistics is clear," says Barrie Dowsett Chief Executive of The BJD Group. "There are many options available but it is still a numbers game."



Samskip  
Multimodal Container Logistics

Waalhaven Oostzijde 81  
3087 BM Rotterdam  
The Netherlands

Tel: +31 (0) 88 400 1000  
E: rotterdam@samskip.com  
www.samskip.com

*Samskip Multimodal Container Logistics makes a difference by providing transport solutions that are not only meeting the transport needs with regard to reliability and cost efficiency but that also lead to more environmentally-friendly supply chains*

# Multimodal makes sense

Samskip is an international company offering transport by land, sea and air. Since being founded in 1990, Samskip has experienced steady growth – both internal and through strategic acquisitions – and broadened its service portfolio. Samskip is now one of the largest container transport companies in Europe, offering short sea services and multimodal logistic solutions throughout Europe.

Samskip's client base consists of large and medium-sized shippers and logistics service providers. Candy bars, nappies, wines, windmills, fridges, raw materials, furniture, packaging and chemicals, you name it and Samskip will probably transport it somewhere within its network. Main business segments include food and beverages, electronics, chemicals and consumer goods.

## Sustainable solutions

To move these products, Samskip operates a European network of short sea services and multimodal connections, combining short sea, barge, rail and road connections into smooth door-to-door transport solutions for its customers. Samskip currently offers frequent services to and from the United Kingdom, Ireland, Netherlands, Belgium, Germany, France, Luxembourg, Italy, Turkey, Greece, Spain, Scandinavia, the Baltics States, Russia and throughout Central and Eastern Europe. The environmental impact of

transport is significant on a global scale and the need for more sustainable transport is growing and widely recognized. As one of Europe's larger providers of multimodal transport, Samskip actively drives the sustainable development of its operations. By using sea, rail and inland waterways where possible, Samskip and its customers successfully take mileage off the busy European roads, decreasing CO<sup>2</sup> emissions output as well as road congestion. This is especially the case on the middle and longer trans-European routes.

To help shippers get more insight into their potential savings, Samskip is able to calculate the emission per journey. An example: the total CO<sup>2</sup> emission output of a road journey from Leeds to Rome comes down to around 2026g. When using the multimodal transport solutions (combining shortsea, rail, road) emissions can be reduced to 1200g, saving 826g of CO<sup>2</sup> output.

Although shippers feel the growing pressure to reduce the environmental impact of their shipments, road is still the preferred transport mode within Europe. The perception that the road is dominantly needed to operate a supply chain efficiently is somehow still very much alive. But in reality there is a great potential to improve the utilisation of the European sea, rail and inland waterways to increase total supply chain efficiency as well as decreasing



environmental impact and cost of shipments.

## Cost-effective

Most shippers transport quite a steady base volume and the intermodal connections such as rail and barge are very reliable and cost-efficient solutions. The reliability of the intermodal connections creates the possibility to plan well ahead. Furthermore, the increased driver's regulations, surcharges and road congestion make multimodal transport a very cost-efficient alternative.

The Samskip container fleet includes not only modern 45 ft, 40 ft and 20 ft containers but also reefer, curtainsided and flatrack equipment. The reefer containers cater for temperature-controlled cargo, the curtain-sided containers allow side loading and the flatrack equipment is ideal to transport over-length, over-width as well

## Samskip at a glance

- An international company offering transport by land, sea and air
- Netherlands-based transport company
- Group revenue: Euro 651m in 2008
- 1,350 employees worldwide
- 46 offices in 24 countries in Europe, Asia, North & South America

as over-height cargo. Furthermore, Samskip also offers its network to those shippers using their own equipment such as dry and liquid tank containers.

Bob Jane  
Business Development Manager  
SSi-Schaefer  
83-84 Livingstone Road  
Walworth Industrial Estate  
Andover, Hampshire SP10 5QZ  
Tel: 01264 386600  
[www.ssi-schaefer.co.uk](http://www.ssi-schaefer.co.uk)

*SSI Schaefer makes a difference by going the extra mile to fulfil and deliver the most innovative distribution centre storage and automated materials handling solutions ... on time and to budget*

# If it's on TV it's in d

Back in 1993, QVC took on the revolutionary idea of TV shopping in the UK. Now, in 2011, QVC is a household name, broadcasting 24 hours a day to 18 million UK homes and serving well over one million customers every year. But have you ever wondered what lies behind what you see on the television screen or on the company's website? Where do the products come from, how are they received, stored and handled and how are they accessed and despatched? Equally important, how does the company cope with the ever increasing demand placed upon it as a result of its own success?

As the UK's largest television and internet shopping business, QVC despatches over 12 million orders per year from its distribution centre in Knowsley on Merseyside. Its vast inventory of more than 25,000 products includes household goods, electrical items, jewellery and clothing, with 100% of items sent to customers within 48 hours of order placement.

## High standards

In order to maintain such impressive standards of customer service, while at the same time accommodating future growth and on-site storage expansion, QVC needed to double its existing storage capacity in order to prevent off-site storage, which was costing money, and concentrate on restructuring its logistics processes to one site, ensuring improved availability of items and quality of delivery for same day handling of goods. SSI Schaefer's expertise in distribution centre automation design and planning was called upon to double on-site storage capacity



within the distribution centre by designing and building a new on-site extension for the storage, order-picking and distribution of the QVC product range, much of which is received and stored on pallets.

## High capacity

To achieve this SSI Schaefer worked closely with QVC and worked in phases beginning with the installation of 8-metre high, drive-in pallet racking for the storage of over 5,000 fast moving/high volume goods. The installation of a 35-metre high-bay rack-supported warehouse extension then followed to fully accommodate bulk storage products consolidating storage into one location, reducing transport and off-site storage costs.

The high-bay rack-clad warehouse is inclusive of mezzanine flooring, a pallet roller conveyor system, chain conveyor, automatic positioning within the shipping area and the integration of two shrink-wrapped systems, lighting, heating, power, sprinklers, ventilation, cranes and a computerised Warehouse Control System designed with full pallet and case picking options. The cranes are the key to delivering the high availability of QVC's stored products as they are fully automated and can provide a much faster palletised product put away and delivery rate from the high-bay dense storage medium than if the same

# emand



products were retrieved by operators using fork lift trucks. Up to 30,000 storage locations are housed in the high-bay warehouse which is designed to perform 200 pallet storage and 200 pallet retrieval operations per hour; in case of future expansion, up to 300 retrieval operations can be carried out per hour.

## High return

'Reverse Logistics' is another part of the operation which all retailers have to contend with, irrespective of whether they sell through television, internet or on the high street. The high-bay warehouse also necessitated the moving and reconfiguration of the returns department, due to its optimum on-site position – an opportunity seen by QVC to modernise, improve and increase efficiency within its returns handling process, introducing automation to bring the QVC returns operation up to the same level as its US and German operations.

A returns tote conveyor system has been installed comprising belt, curved roller conveyor, repacking tables, diverting units with integrated belt conveyor and pop-up diverts. And what about all the waste generated from returns repacking? SSI installed a waste conveyor system which removes all surplus packing materials to a compacting and baling system, allowing the

### **SSI Schaefer at a glance**

- *SSI Schaefer is the World's largest and the UK's leading storage and materials handling solutions provider*
- *Presence in more than 53 countries*
- *Established since 1939 and privately owned*
- *More than 9,000 employees*
- *Based in Andover, Hampshire with a sales and projects office in the Midlands, near Towcester*
- *Provides shelving, racking, containers, automated picking systems and warehouse IT*
- *Is the only company to supply a customer self-installing Pick-By-Light system*
- *Has developed a robot unit picking system with a capacity of more than 2,000 picks per hour*
- *Fosters a unique partnering approach, through which 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*
- *Support and maintenance extends from basic help desk service to full 24/7 resident maintenance facility*

recycling operation to be maximised.

Andy McNaughton, operations manager at QVC, said: "The installation of the high bay has benefited QVC by giving us a greater amount of storage flexibility and helps us focus on how we can deliver a better service to our customers. Our distribution team has seen the benefit of reduced pallet put away in narrow aisle in the efficiencies gained from having only one main put down and put away point."

He continued: "The high bay has also forced a discipline into the quality of pallet receipts to site which had created some issues when pallets were stored in standard racking systems. Schaefer worked closely with our engineering team ensuring that our design requirements were reviewed and discussed on a regular basis, often challenging some of our conceptions and offering more practical alternative solutions."

Andy concluded: "The high bay has become an integral part of our operation as we continue to introduce further automation into the distribution centre."





Easton House  
Church Street  
Easton-on-the-Hill  
Stamford  
Lincolnshire PE9 3NZ

Tel: +44 (0) 1780 756777  
Fax: +44 (0) 1780 751610

*CIPS makes a difference to logistics and supply chain through its certification programme as it is an established benchmark of excellence in organisational procurement competence*

# Driving organisational excellence

Over the past two years more than ever, supply chain has been in the spotlight as organisations fight for survival in unprecedented economic times. The pressure from CEOs to exert purchasing power and drive costs down has forced procurement teams to develop innovative solutions to deliver savings and maintain a robust supply chain for the future. Having the right product in the right place at the right time and at the right price has never been more important.

Future-proofing a company's supply chain also helps to build and grow sustainable businesses. Many organisations experience gaps in their knowledge or struggle to implement changes due to difficulties with resource or time pressures. A systematic review of policies, procedures and processes brings a clear focus on to the importance of the supply chain function and its effectiveness. Sound corporate governance ensures that supply management delivers added value for the business and all stakeholders, within an ethical framework and in compliance with the law, and a business infrastructure that drives profit and service improvement.

The Chartered Institute of Purchasing & Supply (CIPS) has developed an organisational certification programme to fill any knowledge gaps by providing a comprehensive and systematic process review. The benefits of sound corporate governance include:

**Improved efficiency and cost management** - Excellence in supply management enables you to increase value for money through efficiency and cost management.

**Improved risk management** - Robust, manageable checks and balances help to protect against risk.

**Motivated staff** - A clear framework helps your people to operate most effectively, ensures supply chain activities are conducted in an open manner and improves understanding of the importance of purchasing on your bottom line.

**Continuous improvement** - Benchmarking against industry standards is important to feed into a continuous improvement programme.

**Competitive advantage** - Streamlined and strict processes ensure that an organisation can act quickly and decisively to change, driving activities hard, maximising opportunities in the marketplace and delivering further value to your bottom line.

**Higher ethical standards** - A clearly understood ethical policy reduces the potential for members of your team to be compromised by unethical behaviour.

**Ensures compliance** - Organisational certification ensures compliance with EU Procurement Directives and the law of your country. If your organisation works in the public sector, it also contributes towards the achievement of value for money and efficiency initiatives.

**Smoother merger or restructuring processes** - A professional platform for building a scaleable and transferable purchasing and supply management function is fundamental to successful merger and acquisition projects.

**Eliminates wasteful processes** - A full review of all policies and procedures enables the cutting out of wasteful processes such as delays, inefficient tendering, inappropriate deployment of people and strategy selection which can translate to hard cost savings, and more efficient businesses.

## **CIPS at a glance**

- *Established since 1932 CIPS is the largest professional body for procurement and supply in the world.*
- *60,000 members in 150 countries*
- *Procurement professionals who are members of CIPS can expect to earn around £1500 more than non-members*
- *Offices in Australia, Southern Africa and Dubai*
- *Accredited study centres across the world*
- *We offer training, qualifications and support to business, individuals, governments and other partners*
- *We work to a code of ethics which is the standard used throughout the world*
- *55,000 exam entries in 2009 including in Mandarin*



## Benchmark against the best

CIPS has developed an organisational certification programme with input from supply chain professionals in the pharmaceutical, utilities, transport, oil/gas, finance, manufacturing and public sectors. This was supported by collaboration with leading academics to ensure certification delivers real value to organisations in any sector. Certification ensures your organisation maintains excellent procurement standards and delivers benefits to your bottom line year on year. CIPS' programme was endorsed by the Institute of Quality Assurance, (now known as the Chartered Quality Institute), and when you meet our certification standard for Excellence in Purchasing Policies and Procedures, you will also meet the purchasing requirements of ISO 9001:2000.

FORS is the TfL-devised and unique, industry-led membership programme involving freight operators, users and transport industry agencies. It will benefit London as a whole by encouraging freight companies to prioritise safety and reduce their impact on the environment. Currently, 33 per cent of deliveries to TfL's Palestra building are undertaken by FORS-registered operators. One such is Paper Round which handles waste management for Palestra, operating with FORS-compliant vehicles. "We hope to see similar provision in all the contracts we let going forward," explains Joe. TfL has led the way in 'responsible procurement', covering areas such as: fair employment practices; workforce welfare; strategic labour needs; supplier diversity; community benefits; ethical sourcing; and environmental sustainability.

# nce through the power of procurement



"We've made great progress in many areas," says Roger Tedder, Head of Procurement Best Practice in Group Procurement at TfL. "In the area of environmental sustainability, FORS membership is the next big thing we're taking on and embedding in our buying approach. The scheme provides an excellent framework for best practice in freight operations and we are intending to include it in future framework agreements and contracts we set up across TfL. Our aim is that eventually all suppliers to Palestra will be FORS registered."

Aspiration to be 'the best' led TfL to the CIPS Certification programme. The team believed its purchasing policies and procedures represented good practice but wanted to be judged against the best through the Institute's international standard of excellence, thus proving that the organisation was operating in the most professional way. "CIPS accreditation is a massive achievement for TfL, placing us among an elite group in terms of our procurement standards. The hard work of the team involved will benefit not just the procurement community across the organisation but TfL as a whole," says Andrew Quincey, Director of Group Procurement, Transport for London

Gaining CIPS Certification was seen as "a real step forward for the procurement function," according to David Young, Programme Director for Group Procurement. The high-level policies and processes assessed by CIPS Certification are designed to enhance individual, team and organisational esteem, as well as a sound warranty to all stakeholder. By aligning procurement objectives with TfL's organisational objectives, and the move towards greater standardisation of forms across the procurement units TfL are delivering real business benefits.

To find out more about CIPS Certification visit [www.cips.org](http://www.cips.org) or e-mail [certification@cips.org](mailto:certification@cips.org)

## Transport for London

Transport for London (TfL) is responsible for managing transport services across London and is one of the world's leading transport authorities. In September 2008 TfL was awarded the CIPS Certification standard of excellence after assessment that the organisation was operating at a level of 'recognised signature practices' in procurement.

TfL's responsible procurement procedures are expected to make a major contribution to the future effectiveness of TfL's Delivery and Servicing Plan (DSP). "They provide the opportunity to bring all elements of sustainable freight policy together, by specifying contracts with suppliers using vehicles which are Freight Operator Recognition Scheme (FORS) compliant," says Joe Dack, Freight Project Manager TfL Freight Unit, who is leading the DSP work.

### **Did you know...**

*that pay for directors and heads of purchasing function is well ahead of the national average and now they top the league and are generally more highly paid than marketing, HR, finance, IT and sales. Reference - the Croner Reward Salary Survey.*



United Kingdom Warehousing Association  
 Walter House  
 418-422 Strand  
 London WC2R 0PT

Tel: 0207 836 5522  
 Fax: 0207 438 9379  
 Email: dg@ukwa.org.uk  
 www.ukwa.org.uk

*UKWA makes a difference because in today's price-sensitive market, the need to drive cost out of the supply chain is often cited as a major reason for using third party logistics service providers. However, perhaps a better reason for engaging outside experts is the in-depth knowledge, flexibility and added value that a specialist contractor can provide*

# Outsourcing makes sense

Because most companies have a major percentage of their costs tied up in their supply chains, supply chain management – once seen as something of an add-on with no real bearing on a business's ultimate success – has been elevated to a key board-level discipline, says Roger Williams, CEO of UKWA. And in the current economic climate, an optimised supply chain is now considered vital for any business hoping to avoid the jaws of a nasty recession.

The approach to supply chain optimisation has traditionally focused on one piece of the puzzle at a time. These can include sourcing goods and services strategically to strike a balance between lowest material and transportation costs; maintaining the right mix and location of factories and warehouses to serve customer markets; and using traditional logistics techniques to maximise distribution efficiency.

However, since the 1980s there has been a sharp upturn in the number of companies that choose to outsource logistics and supply chain management functions to third party logistics service providers – or 3PLs.

Typically, 3PLs specialise in integrated warehousing and transportation services that can be scaled and customised to a customer's needs. The kind of service offered will be based on a client company's own unique market conditions and the demands and delivery service requirements for the goods that company produces and sells.

In today's price-sensitive market, the need to drive cost out of the supply chain is often cited as a major reason for using third party logistics service providers. However, perhaps a better reason for engaging outside experts is the in-depth knowledge, flexibility and added value that a specialist contractor can provide. In short, as well as helping companies to achieve significant cost savings, a good 3PL will enable a business to enjoy shorter order cycles, better customer service and improved all-round business efficiency.

There is no question that an effectively managed supply chain can positively influence business performance and, if companies

are going to succeed in an increasingly competitive and unpredictable environment, every link in the chain must operate at optimum efficiency. That's why any company that finds its fixed logistics costs are having a negative impact on its balance sheet simply has to consider outsourcing to a 3PL.

Members of UKWA – the leading trade association for the third party logistics industry – undertake an exceptional range of warehousing and added value services, from animal feed storage through bonded warehousing to e-fulfilment, as well as a variety of distribution and logistics services including freight forwarding, home delivery and pallet distribution. All types and sizes of companies



from small firms to multi-nationals can gain a competitive and economic advantage by outsourcing their supply chain and logistics requirements to them.

Regardless of the areas in which they specialise, UKWA's members all share a determination to drive up professional standards in the warehousing sector. Companies belonging to the association have been operating viably for at least six months and have demonstrated the highest standards in warehousing which means that own account operators looking to outsource to a 3PL have the reassurance of knowing that any UKWA member is a specialist company with the resources and expertise to provide a





*Chief Executive Officer  
Roger Williams  
rwilliams@ukwa.org.uk*

# out of the supply chain puzzle

faster, more efficient and cost-effective service. You can find a UKWA member capable of meeting your logistics needs by visiting the UKWA site [www.ukwa.org.net](http://www.ukwa.org.net)

UKWA's website has details about a host of warehousing and logistics-related issues, a forum that encourages companies to contribute to debates on relevant issues, as well as a video blog to allow the association to communicate its views on issues. Most importantly though, it enables buyers of 3PL services to search by geographical area or type of service that they require to access details of relevant suppliers who meet their needs quickly and easily.

With nearly 700 member companies, UKWA is the UK's only trade association dedicated to serving the vitally important warehousing and logistics sector. Established in 1944, the Association's members control nearly 100 million square feet of warehousing space from nearly 1,300 locations across the UK.

Although originally established as a trade body for the third party warehousing sector, the Association now embraces all companies that operate a warehousing or distribution facility. Membership is not restricted to those companies based within the borders of the United Kingdom.

## ***What advantages should a company expect and look for when considering entering into a third party logistics agreement?***

- *A healthier balance sheet – switching to a 3PL removes the requirement for capital investment in warehouses, materials handling equipment and transport fleets, and the up-keep and maintenance of these assets allowing financial resources to be concentrated on other core business areas*
- *Operational flexibility – a 3PL will have the resources to meet changing needs and the ability to respond quickly to changes in the marketplace*
- *Cost savings – from economies of scale, more direct routing, additional expertise, stricter inventory control and, with improved technology, a reduction in emergency shipments at premium prices*
- *Freedom to focus on core activities – a 3PL provider will help to develop a company's long-term strategy to improve customer services, reduce costs and improve efficiency leaving the company to concentrate on it what it does best*

## ***UKWA at a glance***

- *The United Kingdom Warehousing Association (UKWA) is the UK's only trade association dedicated to serving the vitally important warehousing and logistics sector*
- *UKWA has over 650 member companies*
- *UKWA was established in 1944*
- *Although originally established as a trade body for the third party warehousing sector, the Association now embraces all companies that operate a warehousing or distribution facility*
- *Membership of UKWA is not restricted to those companies based within the borders of the United Kingdom*

## ***Did you know?***

*That UKWA's members control nearly 100 million square feet of warehousing space from nearly 1,300 locations across the UK*

*Driving Edge makes a difference by developing long-term sustainable solutions for companies employing large number of part-time, seasonal and full-time staff in warehouses throughout the UK*

# Innovative labour solutions de

More than ever, there is a need for companies in the logistics sector to move from engaging with mere labour suppliers to forming a long-term, sustainable, strategic relationship with an HR and Business Solutions Provider.

The impending Agency Workers Regulations, which will come into force in October 2011, will have a massive cost impact on significant users of agency personnel (estimated at £1.9bn per annum) and will present a challenge to those users to maintain the required level of labour flexibility while mitigating the on-cost.

## Strategic Partner

With over 25 years experience in the recruitment and employment industry, Driving Edge has been fulfilling that role and providing strategic support to its customers to address any operational and legislative challenges. The breadth and depth of experience in its senior management team (comprising three individuals with a combined 80 years' experience in logistics, one former lawyer and HR and finance specialists) means that it can interface with its customers on various levels and provide strategic 'added value' to the mere supply of labour.

Driving Edge prides itself on both its track record and its continual evolution to provide solutions for its customers to achieve:

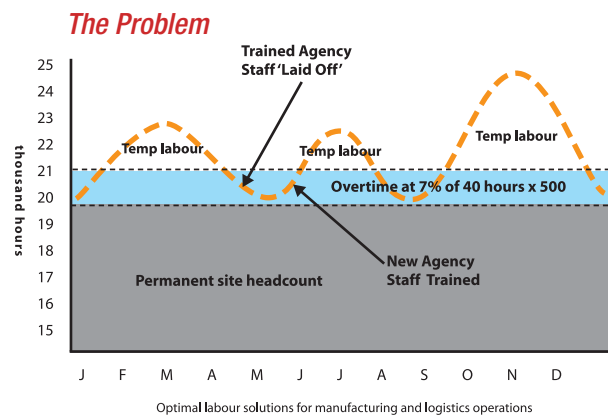
- Significant and sustainable reduced labour costs
- Improved customer response
- Reduced service risks and reliance on ad hoc agency labour
- Increased labour flexibility to address changing and more challenging customer service requirements
- A sustainable solution sufficiently robust to address present and future operational and legislative challenges.

Driving Edge has a blue chip customer base and employs around 1,500 personnel on contracts of employment at a variety of sites around the UK. Its customers view Driving Edge not as a labour supplier but as a strategic partner which can contribute significantly to improving their operations by designing and implementing new initiatives tailored to their needs. Such initiatives result, for example, in increased productivity and increased utilisation.

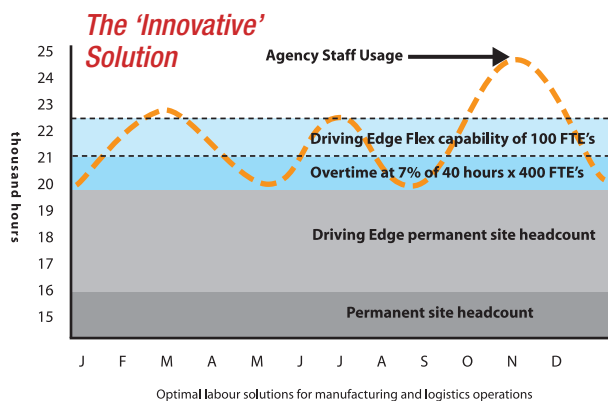
## Flexibility

With most warehouse sites there will be a number of full-time equivalent employees, 500 in this example working 40 hours with a 7% voluntary overtime commitment. The minimum requirement in a quiet week is 20,000 hours, with 24,500 hours needed to cope

with peak demand. The current headcount including the overtime, gives 21,400 hours, requiring an agency headcount of 60-80 to cope with changing demand. This consistent dependency on agency staff creates a real risk to the business, impacts on productivity levels and increases costs.



Driving Edge establishes 100 permanent staff through natural wastage from the client's original 500 staff. The client has immediately reduced its HR issues over 400 people instead of 500. Driving Edge employs its own staff on flexible terms and conditions that benefit the staff, the client and Driving Edge, who have a low turnover of staff. In this example, the in-house full-time employees produce 16,000 basic hours. The Driving Edge permanent staff produce 4,000 hours to make up the baseline requirement of 20,000 hours. The overtime generated by the 400 permanent staff generates a further 1,120 hours. The 100 Driving Edge employees generates a further 1,400 hours, creating a total of 22,520 hours. The need for agency staff has been eliminated from two of the three trading peaks and agency staff are required only in the third peak but with a 62% reduction in cost.



# Delivering an effective customer response

## Agency Workers' Regulations (AWR)

Typically, in the logistics sector, many customers achieve a 20-30% labour cost saving by using agency personnel. The advent of the AWR will, in many cases, result in a swing the other way, with the end result that the use of agency personnel is more costly than the customer employing personnel directly. Matt Wiggetts, Driving Edge's Commercial Director, believes that the on-cost will be approximately 10%, meaning there will be a 30-40% increase in labour cost for the use of agency workers.

Using a basic example, if a customer uses an average of 200 agency personnel every week over the course of a year and those personnel work 40 hours per week (a total of 416,000 hours), the AWR on-cost can be calculated as follows:

Customer's employed cost/hr <sup>1</sup>	£10
Current agency price/hr <sup>2</sup>	£8
Current saving/hr	£2
Post-AWR agency price/hr <sup>3</sup>	£11
On-cost/hr	£3
<b>On-cost/annum</b>	<b>£1,248,000</b>

<sup>1</sup>Assumed employed cost per hour for the purpose of the example

<sup>2</sup>Assumed agency price per hour for the purpose of the example

<sup>3</sup>Assuming an agency margin of £1.

This example illustrates the extent of the on-cost in simple terms using only basic pay as the differentiator between agency personnel and the customer's own workforce. In reality, there will be other costs, such as differences in holiday pay, shift premiums and productivity bonuses, which will have to be taken into account and which will further increase the AWR on-cost. In the benchmarking exercises Driving Edge has conducted with many blue chip companies in the retail and logistics sectors it is common to see a 30-40% shift upwards in cost often adding between £6,000 and £8,000 per annum in cost for every agency worker.

While the liability for the on-cost falls primarily on the labour supplier, it is estimated by the Department for Business Innovation & Skills that 85% of that cost will be passed on to the end customer in the form of increased charges.

Research carried out by Driving Edge among a significant number of retailers and logistics companies further reveals a complete lack of preparatory work by labour suppliers to propose any form of strategy to mitigate these cost increases. The facts are simple. In warehousing, distribution and manufacturing operations where labour costs can represent over 50% of the total operational costs,

those more reliant on agency workers could be looking at a 4% to 8% rise in overall costs (many operators source between 20% and 40% of the total labour hours required through agencies) if they continue to use existing labour resourcing strategies to organise their labour requirements. This could, for many, mean the difference between making a profit or suffering a loss.

At Driving Edge, they appreciate the dilemma. In the words of David Richardson, Managing Director: "End customers will want to continue to take advantage of the benefits of agency labour as a cost-effective, flexible alternative to their own often rigid workforce, they will be concerned about the scale of the increased cost. We have been working for some time on a strategy to address the AWR in order to mitigate the on-cost in a moral, legal and ethical way. As a result of our efforts, we are now able to guarantee to our customers that we will, on an annual basis, save at least two-thirds of the on-cost which the AWR will bring."

It is essential that end customers take action now in seeking out a business solutions provider like Driving Edge and agreeing a strategy to address the challenge of the AWR. For any business already working on very tight margins, failing to address the legislation positively could be the final blow that drives the business into long-term losses or liquidation. Many companies in the food, logistics and other commodity-based manufacturing operations will be under severe threat if they do not plan to address the regulations in a cost-effective way. For those who address the legislation positively, the challenge of the AWR could actually become a significant competitive advantage.

### Driving Edge at a glance

- Specialist Resourcing Company
- Established for over 25 years
- Turnover: £30m
- Employees: 1,500
- Entrepreneur of the Year 2008

Readers of Logistics Leaders 2011 can take advantage of Driving Edge's free consultation and analysis of the impact of the AWR on their business and the level of savings available to them. Ring 0151 728 5000 and speak to Matt Wiggetts or email [mattheww@drivingedge.com](mailto:mattheww@drivingedge.com)



London  
Tel: 0844 888 4111

Outside London  
Tel: 08707 510076

[www.citysprint.co.uk](http://www.citysprint.co.uk)

# Agility with mobility

*CitySprint makes a difference by never accepting the status quo, having a flat management structure which enables everyone in the business to recognise and adapt to change, while it constantly looks at how it can innovate and add new services*

A Logistics Leader could be described as one that has led or guided the logistics industry. As a business which has continued to grow, despite a faltering economy, that is how CitySprint would unashamedly describe itself, says CEO Andrew Bernard. Through a combination of solid organic growth and carefully selected acquisitions CitySprint has grown to become a truly national courier specialist with a presence in all of the UK's major conurbations.

CitySprint's organic growth has been fuelled by its constant ability to be on the front foot. A leader doesn't follow, it is followed, and there many examples of where the company has set the pace within the industry. It was the first SameDay courier network to launch a national OnLine suite of services which significantly enhances the customer experience. CitySprint operates the largest GPS enabled SameDay fleet in Europe which allows its customers to benefit from real-time information at the touch of a button. Via its website [www.citysprint.co.uk](http://www.citysprint.co.uk) customers can not only obtain quotes and book jobs but they can also track the dedicated courier assigned to their job from the point of collection through to delivery.

Unlike many other systems offered by competitors, CitySprint's solution offers complete transparency by providing a real-time, live, map location of the courier undertaking each job, enabling customers to track the journey from beginning to end. In addition, customers automatically receive a time-



stamped audit trail as well as the recipient's signature which can then be forwarded on as a hyperlink or PDF.

CitySprint also recognises that one size very rarely fits all and has developed a range of sector-specific solutions designed to work in partnership with expert buyers. As well as listening to the market, CitySprint keeps abreast of industry trends and responds accordingly. The recent launch of its retail solution is testament to

that. Online shopping is growing at an exponential rate and is proving far more resilient than the High Street. Etailers need to find ways of differentiating themselves in order to keep pace with, or outpace, rivals. Getting the product to the customer faster, at a time convenient to them, achieves this. Hence the launch of CitySprint's SameDay Retail solution. ASOS, a leading light in the retail arena, was one of the first to adopt this and many

## CitySprint at a glance

- CitySprint is the largest privately-owned European SameDay courier business
- It is in the top 5 SameDay courier companies in the world
- 10 per cent market share of a highly fragmented market
- 6,000,000 jobs undertaken per year
- Each year, CitySprint couriers travel the equivalent distance of 2000 times round the earth and half way to the sun

other retailers have recognised the huge potential it offers them. This forward-thinking approach is something replicated across many other industries.

So in summary, what makes a leader in the logistics industry? City Sprint would say an organisation with the scale and infrastructure to do more than 'collect and deliver' while being flexible enough to not become the proverbial tanker which takes an age to change course.

## *Meetings, Topics and Dates 2011/12*

<b>28 September 2011</b>	<b>Road Freight Leaders Forum &amp; People Strategy Group - Joint Meeting</b>
	<i>Totally Logistics North Exhibition, Doncaster and visit to IKEA's national distribution centre. Topic: Transport Manager Repute or Prosecution? Gary Hodgson, Partner, Ford &amp; Warren</i>
<b>29 September 2011</b>	<b>Supply Chain Strategy Group</b>
	<i>Totally Logistics North Exhibition, Doncaster and visit to IKEA's national distribution centre. Topic: Cost effective home deliveries need efficient logistics solutions. Kevin Zwolinski, MD, Click-On Logistics</i>
<b>10-11 October 2011</b>	<b>Warehousing Futures 2011</b>
	<i>Ramada Hotel, Sutton Coldfield Topic: Building A Stronger Future. Networking dinner, conference and exhibition</i>
<b>8 November 2011</b>	<b>Supply Chain Strategy Group - Site Visit</b>
	<i>Hosted by DP World London Gateway Topic: Portcentric Solutions for 21st century supply chains</i>
<b>16 November 2011</b>	<b>Road Freight Leaders Forum &amp; People Strategy Group - Joint Meeting</b>
	<i>Pall-ex Hub Ellistown Leicestershire Topic: Driver Management – are your Driver CPC strategies fit for purpose?</i>
<b>23 November 2011</b>	<b>Logistics Consultants Forum - The 12th annual networking event</b>
	<i>Hosted by DP World at London Gateway Topic: Opening up New Opportunities in an Uncertain Future</i>
<b>February 2012</b>	<b>Logistics Leaders Network Annual Lunch</b>
	<i>Rugby Football Union HQ Twickenham Topic: Sound Procurement Strategies are essential for producing efficient and effective extended supply chains. Remco Van Hoek, Chief Procurement Officer Cofely, Netherlands (part of the GDF Suez) plus the importance of supply chain from a major retailer</i>
<b>February 2012</b>	<b>People Strategy Group</b>
	<i>Pall-ex Hub Ellistown, Leicestershire Topic: People Strategies - required for a successful change management programme. Mark Simmons, HR Director of Norbert Dentressangle UK</i>
<b>19-20 March 2012</b>	<b>Green Logistics Summit</b>
	<i>Ramada Hotel Sutton Coldfield Topic: Profiting from Green Supply Chain Initiatives</i>
<b>25 April 2012</b>	<b>Road Freight Leaders Forum &amp; People Strategy Group - Joint Meeting</b>
	<i>CV Show NEC Topic: Using the Equality Legislation to fill skills gaps. Ben Daniel, Ford &amp; Warren</i>
<b>1-3 May 2012</b>	<b>Logistics Leaders Networking Event</b>
	<i>Multi Modal Exhibition NEC Logistics Leaders Network Pavilion, one-to-one meetings with key suppliers</i>
<b>July 2012</b>	<b>Supply Chain Strategy Group</b>
	<i>Wroxall Abbey Estate Solihull Topic: co-located at the SCALA Annual Logistics Debate</i>

Book places at: email: [admin@gyrosgroup.co.uk](mailto:admin@gyrosgroup.co.uk)  
tel: 01737 457002 fax: 01737 812724 [www.logistics-leaders.co.uk](http://www.logistics-leaders.co.uk)

# Logistics Leaders 2011 – thank you

Logistics Leaders 2011 has become a reality, showcasing the best brands in logistics. This has only been possible through the support of a large number of people, companies and organisations. A big thank you must go to them all, especially the effort, support and energy in developing the content by the Editorial Advisory Board, and anyone else I might have accidentally forgotten.

*Peter Acton Chairman Logistics Leaders Network.*

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Huddersfield University  
Logistics Leaders Network  
Skills for Logistics  
UKWA

## Logistics Leaders 2011

# COMPETITION

**CAN YOU GUESS:** How many tipper trucks like the one pictured below will have entered and left the London Olympic Park site by April 2012?



*If you think you have a good idea of the numbers involved - or even if you want to make a stab at it - then go ahead because you could win a fabulous VIP treat for two at a high octane motorcycle race meeting courtesy of Apex Racing.*

*We also have 20 runners-up prizes of a special Logistics Leaders Network Tour of the Olympic Park. We guarantee this will be a trip you'll always remember.*

*To enter this 'fun' competition, please email your guess to [support@gyrosgroup.co.uk](mailto:support@gyrosgroup.co.uk) and write 'competition' in the subject field.*

*The deadline for entries is midnight on 30 June 2011. The winner and runners-up will be notified by email. Please ensure you include your full name and contact details on your entry.*

*The publisher's decision is final and there is no cash alternative. The competition is not open to anyone employed or connected to LOCOG, The ODA and Gyros Group Ltd.*

**GOOD LUCK!**





# International freight services need effective information and communication

*BIFA members rely on up-to-date information on all aspects of the freight industry and international trade; as well as matters that may affect their companies.*

*BIFA and its members welcome the launch of the Logistics Leaders 2011 publication. We are looking forward to its delivery of authoritative information, news and analysis of the issues affecting the freight business environment.*

As the trade association for UK-registered companies engaged in the international movement of freight by all modes of transport, BIFA provides effective representation and support; promotes good practice and total quality, as well as encouraging the highest standards of professional competence.

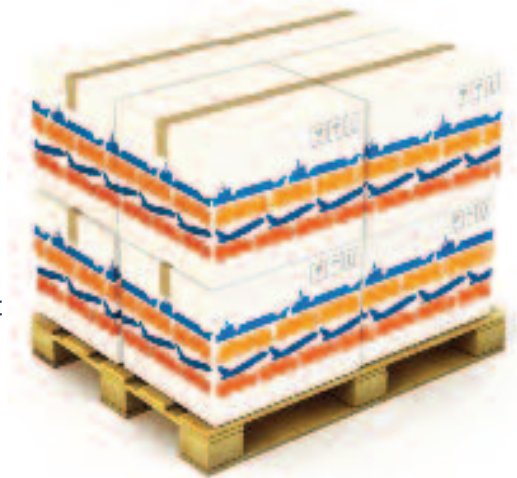
BIFA has four main areas of activity:

**Representation and lobbying:** We are widely recognised by many organisations and government departments as the representative body of the industry and are consulted on many subjects.

**Information and advice:** We keep members up-to-date with all aspects of the industry via regular events, news on our website, e-bulletins and our monthly newsletter.

**Promotion:** We promote the role of freight forwarders in the world of international trade.

**Training:** We provide a full range of training courses, available to both members and non-members.



For more information about the British International Freight Association visit:

[www.bifa.org](http://www.bifa.org)

**The leading organisation representing the UK international freight services industry**

**British International Freight Association**

**T: +44 (0)20 8844 2266**

**F: +44 (0)20 8890 5546**

**E: [bifa@bifa.org](mailto:bifa@bifa.org)**

**W: [www.bifa.org](http://www.bifa.org)**





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...at the moment you need it most, we'll give you the confidence to keep moving forward, taking your career to new heights.

**CIPS – one organisation, 65,000 members, infinite benefits.**