

THE LOGISTICS POINT

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EXCLUSIVE
VIDEO CONTENT
INSIDE



UK'S SPRING BUDGET MISSES THE MARK ON DECARBONISATION

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LOGISTICS
THROUGH AI**

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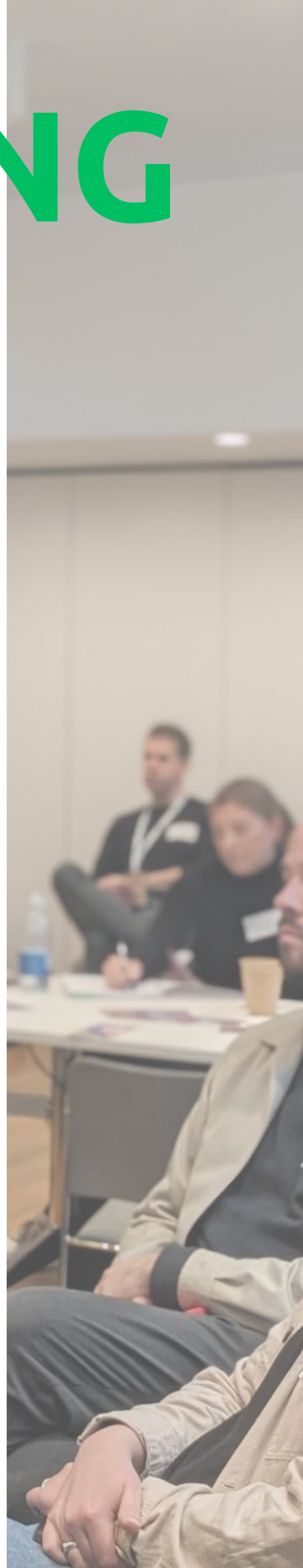
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FIONA COULL, SENIOR PROGRAMME
MANAGER @ CROSS RIVER PARTNERSHIP



EDWARD JONES, HEAD OF ENVIRONMENT
POLICY @ LOGISTICS UK



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EDITOR'S NOTE

The UK has entered an election year and this was clearly reflected in the recently announced **Spring Budget**. But as all across the globe logistics companies are gearing up to deliver on their sustainability initiatives, the budget missed the point.

In this edition we explore how UK's logistics sector perceived the budget and why it thinks that it did not deliver on the biggest challenge of our generation.

Sustainability is a topic throughout the issue. We also take a look at how the industry will create and **use energy and fuel in the near future**. Moreover, we also dive into the world of social responsibility and the importance of **Diversity, Equity and Inclusion**.

ESG Barriers in Logistics

We are also thrilled to announce our first speakers for our **Delivering Green: Breaking ESG in Logistics in London on the 22nd May**.



Edward Jones, at Logistics UK, will dive into the complexities of this transition, exploring the vital role of political consistency and the power of first movers in driving industry change. Through interactive discussions and real-world case studies, he'll uncover the industry's acceptance of the need for change and the hurdles it faces in generating long-term business plans amidst uncertainty.

Fiona Coull from Cross River Partnership will explore the range of work Cross River Partnership do and how it impacts the overall profitability or logistics and connects together with the benefit for the environment.

Register now!

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LOGISTICS REACTS: UK'S SPRING BUDGET MISSES THE MARK ON DECARBONISATION

The Spring Budget has become the focus of the UK's news this week. Although some of the measures in it are welcomed, the logistics industry has reacted with mixed feelings. The 5p cut to fuel-duty is a positive but expended and minor decision. Overall the industry comments that the mark on the big picture was missed and the budget was all about the election year ahead.



“This is definitely an election-year budget, complete with populist headline-grabbing acts like keeping the 5p cut to fuel duty. Look closer and it appears that the average driver will save only £50 per year – haulage companies will save considerably more of course, but only because they buy substantially more fuel.

It is also important to consider that no chancellor has raised fuel duty since 2011, so it is not the case that this is a giveaway so much as a continuation of the status quo that does nothing to address why fuel prices are so high to begin with,” begins Paul Holland, Managing Director for UK/ANZ Fleet, FLEETCOR in his reaction to the latest UK budget.

Overall the mood in the logistics sector is that this was a slightly disappointing but expected budget. The allocation of £250m to the R&D Net Zero fund for automotive and aerospace, continuation of full expensing for business assets and even the increase in the VAT qualification to £90,000, while not major moves, are positives.

The 5p cut seems to get the most attention with Logistics UK’s Director of Policy Kevin Green saying: “The extension to the 5p per litre cut in fuel duty announced by the Chancellor in today’s Budget is good news for the logistics sector...”

“

The overall mood in the logistics sector is that this was a Budget that was very much about the politics of the forthcoming general election.

at a time when the industry is facing increasing cost pressures from rising wage and fuel costs. Logistics powers every part of the economy, and an increase in operating costs at this time caused by the reversal of the fuel duty cut could have caused disastrous inflationary pressure on the economy. Maintaining the fuel duty cut will provide logistics businesses with more certainty as they drive the transition to a greener economy.” Meet Logistics UK at our ESG event in London on the 22nd May. Get a ticket [now!](#)

More assistance for EVs needed

In a lot of ways, one of the wins this government can claim over the last 14 years is its commitment to electrification, and the impact that its policies have had on the fleet sector in terms of moving to zero carbon emissions have been marked and dramatic.

“However, the truth is that more assistance in this area is now required – especially when it comes to van electrification where there are fundamental issues to overcome as well the need for a further increased rollout of charging infrastructure – and there was no sign of that help arriving at any time soon,” comments Paul Hollick, Chair at Association of Fleet Professionals.

His words are echoed by Philip Nothard, Chair, Vehicle Remarketing Association. “What we really wanted to see from the government was help to underpin the proper functioning of the used car market as it moves to electrification.



There are clearly issues with levels of demand and residual values that need to be resolved as supply of EVs into the sector continues to rise quite rapidly.

There are a range of possible solutions that have proven successful in other countries – from zero interest loans to subsidies. Unfortunately, there was nothing forthcoming in this area and this was a Budget that was very much about the politics of the forthcoming general election.”

The decision to cancel the planned increase in fuel duty, effectively freezing it at its current rate, does little to advance the broader objective of transitioning to more sustainable modes of transport, according to the industry.

“The cost of running EV fleets, particularly those that rely on public charging stations, remains a significant barrier to adoption. A reduction in VAT on public charging could have served as a strong incentive for fleet operators to accelerate their shift to electrification, aligning with the UK’s ambitious environmental targets,” explains David Bushnell, Director of Consultancy and Strategy, Fleet Operations.

The mood is that the Spring Budget could have been more focused on helping work towards the bigger decarbonisation story and its associated costs.



DROP IN THE OCEAN?

“The lack of reduction on VAT for public EV charging points was a surprise; this will have a particular impact on smaller fleets who rely on public charging for their operation. So while they’ve made the commendable step to decarbonise their fleet, they’re being stung in other areas of expenditure,” Barney Goffer, UK Product Manager at Teletrac Navman UK continuous.

“Any investment in energy security is good for the UK’s drivers – electric vehicles are cheaper to run than internal combustion engine vehicles – but £120 million is a drop in the proverbial ocean,’ comments Paul Holland. A single commercial 3.5 mW wind turbine can cost upwards of £3.13 million, so if this investment went entirely into wind energy it would only add 134 mW to the UK’s capacity – a tiny percentage increase in the UK’s renewable energy generation. Without investment in electric vehicle infrastructure any increase in renewable energy would be wasted.



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The £270m pledged to advanced manufacturing industries would require similar amounts of funding for the UK's infrastructure to have any real impact.

Logistics experts comment that they see truckers leaving the industry due to poor pay and conditions, no viable path to transitioning to cheaper or importantly, more sustainable fuels and poor-quality roads and ports.

A large part of the sector is disappointed and expresses the feeling of being left behind. If the UK is to become a global high-tech manufacturing hub then we need a full-spectrum approach.

"We note that part of the investment will go towards cars, though without knowing the details it's hard to know whether the UK's fleets and drivers will benefit," Paul Holland finishes.

“

“The lack of reduction on VAT for public EV charging points was a surprise; this will have a particular impact on smaller fleets who rely on public charging for their operation. So while they've made the commendable step to decarbonise their fleet, they're being stung in other areas of expenditure,” Barney Goffer, UK Product Manager at Teletrac Navman UK continuous.

BREAKING BIAS, BUILDING SUSTAINABILITY: HOW AI HELPS ESG

VIDEO **BREAKING BIAS, BUILDING SUSTAINABILITY: HOW AI HELPS ESG**

Sustainability is a top priority for everyone. AI has surfaced as a key solution for addressing complex challenges in today's macro-economic environment, but what is its place when it comes to ESG in logistics and supply chain management? We spoke to Bernadette Bulacan, Chief Evangelist at Icertis, about the role of AI in augmenting ESG efforts, how bias can be removed, and the cost considerations associated with implementing AI solutions for ESG. You can listen to the full interview below.

Bernadette, what are the first steps that companies should take when implementing AI for their ESG efforts?

The first step we see is organisations taking a look at their entire supplier base and seeing who has performed. There is going to be a great deal of data about who has an overall high level of performance or is already ESG compliant.

Secondly, organisations are looking at the rights and representations that are in the contracts. They have also started to think innovatively about new types of clauses. For instance, companies explore the possibility of termination of the contract if they are able to find another supplier who can produce the same part greener. They also look at the audit rights and make sure they can look at financial records but also ensure that operations are run the way they were described.

And lastly, companies are using technology and AI to ingest those obligations into workflows. Too often organisations agree to certain things when they sign a contract and do not actively check afterwards.

All of these are needed because with allegations of greenwashing, companies need to be able to prove their claims.

How do we understand something like AI which has so many aspects? Do you think companies are able to understand it and benefit from it?

We see organisations that are absolutely benefiting from AI. It is beneficial for ESG when pointed at a very rich data pool. Supplier relationships offer so much data from those contractual relationships.

The only way to manage the data and the supplier relationships is through the power of AI. Supply chain and procurement teams can structure the data and easily surface it.

The average loss from a supply chain disruption has been around \$82 million, so surfacing the right data is incredibly important for any company's bottom line.

Organisations are taking a look at their entire supplier base and seeing who has performed. There is going to be a great deal of data about who has an overall high level of performance or is already ESG compliant.

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When it comes to ESG we need to talk about ethics. Is there a problem with using AI to achieve a more ethical organisation?

At Icertis we think a lot about Ethical AI and we want it to be sustainable, fair, accurate, and to eliminate hallucinations and bias. One of our principals is that we're surfacing data and have kept the humans in the loop. People are augmented by the AI, vs it making those decisions.

When armed with the right data, humans are able to make better decisions about their suppliers. This will outweigh the new challenges that are connected to AI.



Listen to the full interview with Bernadette Bulacan, Chief Evangelist at Icertis about how AI can support ESG and why putting a price tag on an AI project might be counterproductive. *



TAKING AWAY A BIT OF JUST-IN-TIME CAN SAFEGUARD YOUR WHOLE INVENTORY

One of the core tenets of globalisation has been Just-in-time (JIT) delivery, an inventory and supply chain management strategy that aims to increase efficiency by minimising inventory for business customers. And if recent supply chain disruption has highlighted anything, it is the brittle nature of JIT. Axis Communications' Linn Storäng looks back at the key global supply chain challenges, and considers how organisations might strengthen their position to better meet demand in uncertain times.

undermined leaving businesses up and down the chain unable to provide the service that stakeholders demand, and struggling to meet the quality and timeliness standards that they expect of themselves.

While there are hopes of relief on the horizon, no business can afford to emerge from a rough road without learning from their experiences: now is the time to look critically at what recent years can teach us and build on those lessons to create a stronger future.

Some of these changes may seem contrary to the philosophy of JIT management, and in some ways they are – but they do not necessarily signal the end of JIT. They represent a softening of its edges.



Dual or secondary sourcing is one way to alleviate the potential of disruption. If a product requires specific components, for example, manufacturers should look to source them from more than one supplier.

Some of these changes may seem contrary to the philosophy of JIT management, and in some ways they are – but they do not necessarily signal the end of JIT. They represent a softening of its edges. Relying upon a supply chain structure which has proven itself susceptible to failure, facing an inability to deliver and the consequences which follow, is not something business should have to contend with again.

Scraping away a little of JIT's bleeding-edge efficiency is vital if businesses are to face up to the difficulties of the modern supply chain, because any extra cost is fully offset by the potential ramifications of a supply chain failure.

Proper preparation sets businesses up to act more predictably and consistently keep their promises. Do that, and partners and customers come away with the best possible experience – and keep coming back.

Track, learn and improve

The recent challenges have highlighted the importance of the three 'R's – Resiliency, Robustness and Responsibility – and all businesses must ensure that they are invested in their execution of all three. Resiliency means building a shield to protect against tough times; Robustness demands that businesses and their partners are able to react quickly should that shield be breached;

and Responsibility acknowledges the place that all businesses have in the world, and encourages high quality products, a sustainable approach, and a culture of trust.

Multiple suppliers for component sourcing

Dual or secondary sourcing is one way to alleviate the potential of disruption. If a product requires specific components, for example, manufacturers should look to source them from more than one supplier. Building buffer stock of critical components, either within suppliers or in-house, ensures supply can be maintained even if there is unexpected disruption to the supply chain.

Businesses should not underestimate the levels of stock they may require.

Keeping sufficient components on hand to support manufacturing for a year, for example, may sound like overkill, but it both protects against supply chain issues and allows for sudden spikes in industry and customer demand to be met without overwhelming suppliers.

Working with several suppliers also allows for balance to be created. With proper coordination, suppliers with a surplus can aid those suffering a shortage, helping to maintain supply chain continuity for everyone.



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Improve communication with key partners
It is all too easy to settle into comfortable working arrangements, but relationships with trusted partners must be consistently maintained and improved to ensure the best outcomes for all parties. In recent years the need for open and transparent dialogue has become more apparent. The left hand must know what the right hand is doing; involving one's partners in discussions surrounding production, sourcing and manufacturing ensures nasty surprises are minimised.

A clear path to evolution

It should be clear that every business must face the realities of the modern supply chain if it is to grow. The world is volatile, and that is unlikely to change. In order to thrive, organisations up and down the chain must consistently evolve and seek improvements which leaves them more resilient, robust, and responsible.

The left hand must know what the right hand is doing; involving one's partners in discussions surrounding production, sourcing and manufacturing ensures nasty surprises are minimised.

They must learn from difficult challenges and adapt their practices to neutralise future problems; build a culture of trust and communication which solidifies their position and lubricates the wheels of the supply chain; and nurture a spirit of close collaboration which helps them support and learn from key partners. *

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STREAMLINING LAST MILE DELIVERY BY ADOPTING INNOVATIVE IDEAS

Last-mile delivery, the final stretch from warehouse to consumer, presents businesses with a myriad of challenges. High shipping costs, time-consuming processes and the escalating demand for seamless service underscore the need for a shift in how businesses approach this crucial stage. In this article, Charles Haverfield, CEO of US Packaging & Wrapping, explores the key shipping trends businesses should expect this year and the innovations that will help streamline the last-mile delivery process.

Last-mile delivery is frequently linked to elevated emissions and environmental harm, attributable to fossil fuel-powered vehicles like trucks, vans, and cars. These vehicles release carbon dioxide and other detrimental pollutants, contributing to air pollution. To address these environmental concerns, both companies and policymakers are exploring alternative delivery methods.

This includes the adoption of electric and hybrid vehicles and the use of bike and foot couriers. These alternatives hold the potential to significantly reduce emissions, alleviate traffic congestion, and enhance both delivery efficiency and customer satisfaction.



Drones and autonomous vehicles

The once speculative concept of drone delivery has rapidly evolved into a tangible and impactful reality within the logistics sector. Forward-thinking businesses are actively incorporating this technology into their operations, acknowledging the limitations of conventional delivery methods.

Critical to the success of drone delivery is airspace management, as drones must navigate shared skies without disrupting existing aviation traffic. This necessitates precise navigation systems and adherence to clear regulatory compliance to prevent aerial congestion and accidents.

Privacy emerges as another significant concern, given that drones often carry cameras and sensors, posing a risk of unintentional surveillance or data collection from private properties. Ongoing efforts are being made to establish clear guidelines and safety protocols, ensuring that drone delivery is not only effective but also secure and respectful of privacy.

Same-day deliveries

Recent studies indicate that nearly half of Gen Z (49%) and Millennial (48%) consumers have high expectations for quick deliveries, with a preference for same-day or next-day options. Meeting customer delivery expectations hinges on the proactive sharing of real-time tracking information, fostering trust and satisfaction in the delivery process, for those expecting same-day deliveries.

Innovative packaging solutions

Active smart packaging goes beyond the traditional role of merely containing and protecting products. It actively interacts with the product, preserving its quality, freshness, and shelf life. Another innovative approach is connected packaging, a form of intelligent packaging that links parcels with external consumer devices like smartphones, tablets, and computers.

The global smart packaging market, valued at \$35.92 billion in 2023, plays a crucial role in enhancing the efficiency and transparency of the delivery process. *



INVESTMENT IN DIRECT-TO-CONSUMER INCREASES: THE STAKES OF GETTING RIGHT TOO

The Direct-to-Consumer (DTC) market is witnessing rapid expansion. This optimism about the sector's future is supported by recent Deposco-commissioned research, surveying decision-makers in e-commerce, manufacturing, retail, transport and logistics supply chain, and wholesale industries across the UK and Ireland, Benelux, and the Nordics regions. Will Lovatt, General Manager and Vice President, Deposco Europe, takes a deeper look for The Logistics Point.

In August 2023, a McKinsey analysis highlighted DTC as a key growth driver in various industries. Echoing this, the Deposco survey reveals that 68% of respondents in Europe had increased their investment in DTC since the pandemic began, with over a quarter (26%) reporting a significant increase. This suggests that the surge in DTC during COVID-19 was not just a temporary spike but part of a sustained underlying trend that is expected to continue into the future.

The shift to DTC - challenges and opportunities

The shift towards DTC is not merely a business model transformation; it reflects changing consumer expectations and the evolving post-purchase experience. Today's consumers are not just purchasing a product but buying an experience that extends well beyond the initial purchase.

This experience encompasses everything from the ease of navigation on a website, the personalisation of the shopping journey, to the efficiency and transparency of the delivery process, and importantly, the ease of returns and exchanges.

In the DTC model, brands have a unique opportunity to control and enhance this entire journey, building stronger customer relationships. However, this control also comes with the responsibility to meet and exceed the high standards consumers now expect. The post-purchase experience, in particular, has become a critical battleground for customer loyalty. A positive experience can turn a first-time buyer into a lifelong advocate, while a negative one can quickly drive them to competitors.

The growing consumer demand for sustainability and ethical practices further highlights the importance of the post-purchase experience. Consumers increasingly make purchasing decisions based on a brand's environmental impact and social responsibility. This extends to the post-purchase experience, where sustainable packaging, carbon-neutral shipping options, and ethical return policies are becoming significant factors in consumer satisfaction.

An efficient returns management process is crucial in the DTC model. The best order management and fulfilment platforms enable brands to process returns quickly and efficiently, minimising the impact on the environment and the customer's inconvenience.



PUTTING A SOLUTION IN PLACE

DTC brands must leverage technology to meet these expectations to provide a seamless, transparent, and personalised post-purchase experience. By integrating advanced warehouse management systems (WMS) with order management systems (OMS) and distributed order management (DOM), brands can achieve the agility and efficiency needed to fulfil consumer demands in real-time.

For instance, real-time inventory visibility across all channels ensures that consumers can access accurate stock information, reducing the likelihood of order cancellations and enhancing trust in the brand. Similarly, flexible fulfilment options, such as click and collect or ship-from-store, not only offer convenience but also demonstrate a brand's commitment to reducing carbon emissions.



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By making the returns process as hassle-free as possible, brands can significantly improve customer satisfaction and loyalty. The business operation can also leverage the return by directing the return to under-stocked locations, taking the opportunity to balance inventory across the fulfilment network.

Getting the post-purchase experience spot on

However, technology alone is not enough. Brands must also adopt a holistic approach to the post-purchase experience, considering every touchpoint in the customer journey.

This includes everything from the initial online navigation to the unboxing experience and the ease of product returns. Each of these elements must be carefully designed to meet consumer expectations for speed, convenience, transparency, and sustainability

Furthermore, the data collected through DTC interactions provides invaluable insights into consumer behaviour, preferences, and satisfaction levels. By analysing this data, brands can continuously refine their offerings and the post-purchase experience to better meet consumer needs.

In conclusion, the DTC model offers brands a unique opportunity to directly engage with their consumers and control the end-to-end customer experience. However, with this opportunity comes the responsibility to meet consumers' high expectations for the post-purchase experience.

By leveraging advanced technology solutions like and adopting a holistic approach to customer engagement, DTC brands can provide a seamless, personalised, and sustainable post-purchase experience that drives customer loyalty and long-term success. In the rapidly evolving retail landscape, the ability to exceed consumer expectations in the post-purchase journey will be a key differentiator for DTC brands looking to thrive both today, and long into the future.

✱

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MAKING IT STYLISH: HOW LOGISTICS SUPPORTS FASHION

While it might not be the first thing that comes to mind when you think of high fashion, the intricate dance between logistics and international fashion is absolutely vital. Indeed, without a reliable logistics partner, the season's latest designs set to be showcased at the numerous fashion weeks around the world, would not be able to take the centre stage they justly deserve. Aramex UK spoke to The Logistics Point about the challenges in fashion.

"When handling high-end, high value fashion and retail products, transportation and logistics providers are faced with a unique set of challenges. These can vary from ensuring the security of garments, to supply chain disruptions due to weather or geopolitical crises.

Regardless of the obstacle or challenge at hand, global logistics providers consistently have to keep their finger on the pulse to ensure that goods get to their final destination with minimal disruption and inventory is managed both efficiently and effectively", Aramex UK's Country Manager, David Taylor tell us.



From a B2C perspective logistics can support with both fast/slow , direct or indirect options to suit budget or customer requirement, for B2B the sector can support on import of stock to major markets via Ocean and by air freight to Amazon facilities or overseas WH operations.

Due to the time sensitive nature of fashion weeks, seasonal collections and product launches, flexibility and reliable delivery timelines to meet the demanding schedules of fashion retailers and designers are paramount. Furthermore, irrespective of how robust a logistics solution is, the occurrence of ongoing geopolitical issues, natural disasters, labour strikes and economic uncertainties – which are becoming more commonplace on a global scale – can have a devastating impact.

Sustainability

Given the movements are air, sea or road, support can be given to recycled packaging and specific routes can be chosen in the supply chain to reduce carbon footprint.



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Moreover, by optimising transportation routes and utilising eco-friendly modes of transport such as electric vehicles or trains powered by renewable energy, logistics companies can significantly decrease greenhouse gas emissions associated with fashion logistics operations.

Furthermore, by collaborating with suppliers and manufacturers to source materials sustainably and ethically, logistics providers can contribute to promoting environmentally responsible practices throughout the supply chain.

Additionally, investing in innovative technologies like blockchain and IoT (Internet of Things) can enable greater transparency and traceability, allowing stakeholders to monitor and verify the sustainability credentials of products at

every stage of the supply chain. Overall, by embracing sustainable practices and leveraging logistics expertise, the fashion industry can move towards a more environmentally friendly and socially responsible future.

"In line with the increased security risk posed to high-end garments, fashion brands now demand real-time visibility into their supply chain to track inventory levels and monitor shipments and provide an extra layer to the security protocols already in place," David continues.

Handling too also forms a big part of safeguarding garments. Traditionally, couture will require specialised handling and care during transportation that offers both customised packaging and handling solutions to ensure the integrity of their products. *

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TOWARDS GREENER LOGISTICS: EXPLORING ENERGY SOURCES IN LOGISTICS & SUPPLY CHAIN

The logistics and supply chain industry is at the forefront of addressing emissions and sustainability challenges. Whilst the spotlight often falls on the emissions from transportation modes, it's vital to consider the microscale emissions, especially and where the industry gets its energy, what alternatives there are and what are the challenges to accessing and developing them.



Looking ahead, the future of fuel in logistics operations appears to be a diverse blend of electricity and hydrogen. Battery electric vehicles are poised to make significant strides, especially in scenarios demanding shorter distances and lighter payloads.

Their versatility makes them ideal for urban deliveries and local transportation needs. On the other hand, fuel cell electric vehicles, utilising hydrogen power, will carve out a vital niche, particularly in demanding situations requiring onboard power, extensive ranges, or hefty cargo loads.

As we chart the course towards a greener and more efficient logistics landscape, embracing this dual approach promises to unlock a wealth of opportunities while minimising environmental impact.


‘Fuel cell electric vehicles powered by hydrogen will also have an important role to play, especially in complex or critical applications with onboard power requirements, longer ranges, or heavy payloads,’ says Rebecca Zeitlin – Head of Marketing and Communications at Protium.

You can meet Rebecca in May at our ESG event on the 22nd! [Get your ticket now!](#)

While the focus on transportation emissions rightfully commands attention, it's equally crucial to shine a light on the microscale emissions originating from the tools and devices that drive our supply chains forward.

“

The proactive stance taken by the logistics industry underscores a dedicated effort toward fostering a more sustainable future. As we further embrace the integration of IoT technologies into our supply chains, it becomes increasingly paramount to weave sustainability into the fabric of every decision and action.



The proactive stance taken by the logistics industry underscores a dedicated effort toward fostering a more sustainable future. As we further embrace the integration of IoT technologies into our supply chains, it becomes increasingly paramount to weave sustainability into the fabric of every decision and action.

By prioritising sustainability at every juncture, we not only reduce our environmental footprint but also pave the way for a more resilient and responsible industry landscape.

'IoT devices have revolutionised logistics, offering real-time tracking and enhanced data analytics. However, these devices, no matter their size, require energy, typically sourced from batteries. These batteries, whilst small, contribute to the overall environmental footprint of the logistics industry,' thinks Sam Colley, CEO, Pod Group.

In its [Global Energy Perspective 2023](#) McKinsey highlights that the energy transition is picking up speed, yet the road ahead is marked by uncertainty, spanning from shifts in technology to geopolitical factors and changing consumer behaviours. Navigating this landscape poses challenges in crafting investment strategies that can withstand various scenarios. Decision-makers face the complex task of balancing multiple objectives, from achieving long-term decarbonisation goals to meeting short-term economic expectations. As we navigate these challenges, staying adaptable and informed becomes key to charting a course that aligns with both sustainability ambitions and financial objectives.



VIDEO

QUALITY MATTERS: TRANSLATING PHARMA'S SUCCESS TO MEDICAL DEVICE INTEGRITY

Medical devices are a wide range of products with unique needs. This makes tracking and ensuring the quality of those products much harder. The pharmaceutical industry has already done a great job in ensuring high quality and fighting counterfeit items. What can the medical device sector learn? We spoke to David DeJean, VP of Global Strategic Accounts at Systech, and you can listen to the full interview below.

David, what makes tracking medical devices difficult?

They have standards which are generally lot based, not individual item based. Certain classes require individual numbers, but these are usually not the high moving products. And they are the ones that are the most counterfeited.

So what steps should then be taken?

Manufacturers would have to deploy some technology to authenticate that the products moving through the supply chain are theirs.

If we could standardise that technology, that would be great. This is already done for pharmaceutical manufacturers and wholesalers.

This would be the Holy Grail and would take a lot of time. In the interim, you can have things on the products that help you identify its authenticity. Obviously, there is higher risk for unauthorised distributors, but also for those that are only online based.

How easy is it for manufacturers and hospitals to claim the costs back and take actions against whoever sold the counterfeit?

An online distributor, for example, was found to sell counterfeit products, despite claiming they were an authorised distributor. Through an investigation the manufacturer found who the supplier was and tracked it all the way to India. They discovered that although the packaging was counterfeit the product inside was a real product of another company.



The problem was that the product had expired.

So once hospitals report they have a problem, it would be on the manufacturer to take action.



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FEBRUARY 2024

But how can companies trust and find information?

It is difficult because procurement is trying to get the best product and is also looking for the best price as margins are tight. Spending time at the manufacturer or distributor, making sure they can be trusted is the most important thing. The risks are for the patients and there could be legal liabilities for the hospitals if they are buying from a cheaper and unauthorised place.

It is definitely harder because it is a highly segmented industry. Again it is the manufacturers who implement some level of security.

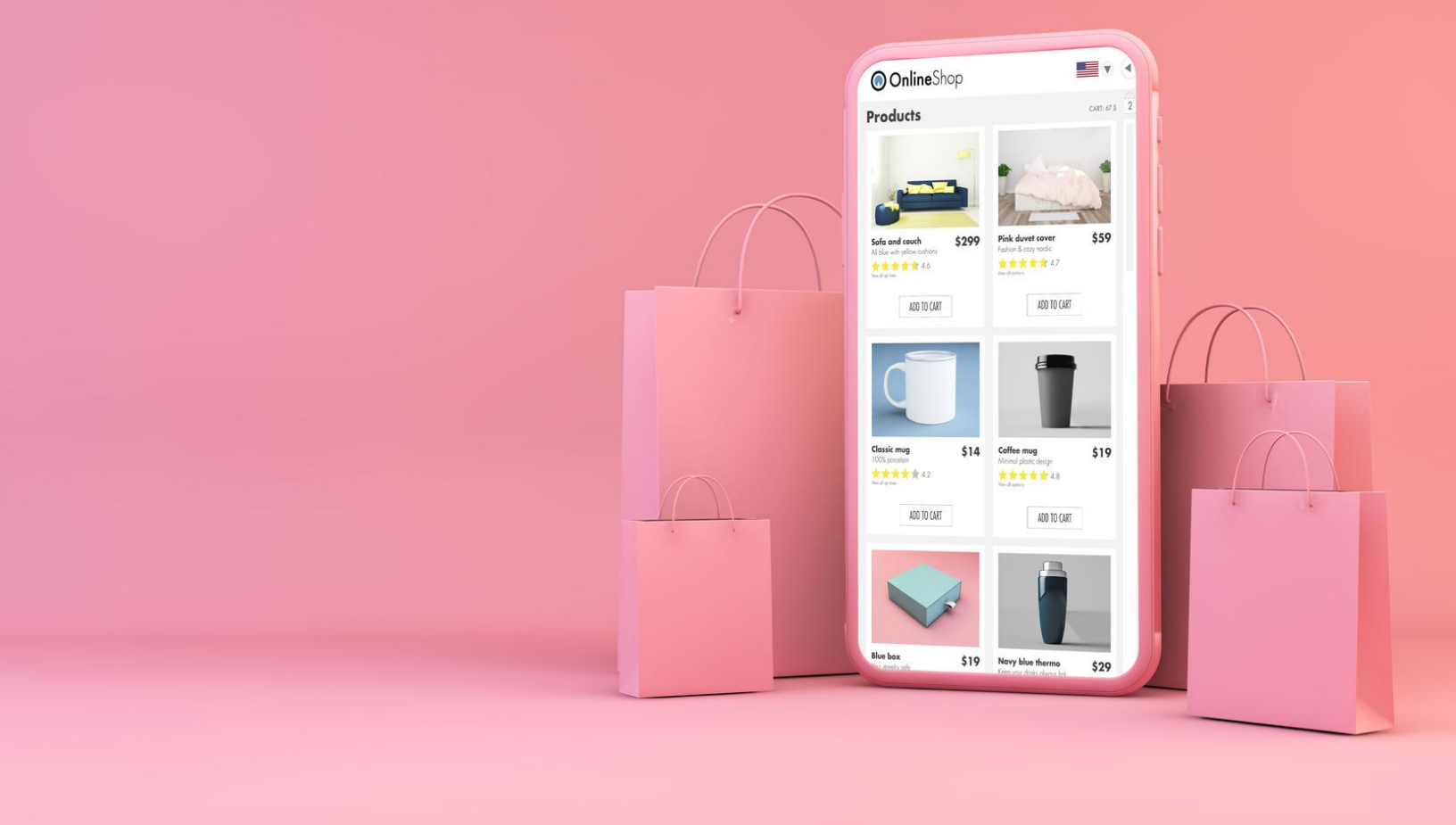
How likely is it to see a government regulation in this area?

What needs to happen is what is happening in the pharmaceutical sector.



There are vendors out there who have been doing this and know how to.

You can listen to the full interview with David DeJean below to learn more about what can be done to protect hospital and patients, the role of manufacturers and governments in the distribution of medical devices. *



TIKTOK TAKES OVER OTHER MARKETPLACES. WHAT IS THE SECRET?

The rise of TikTok Shop is shaking up the world of social commerce, giving established platforms like Facebook, Instagram, and YouTube a run for their money. Sarah Znideric, VP of Global Partnerships at Linnworks, dives into TikTok Shop's rapid ascent, sharing its biggest success stories and discussing its potential to become a top-tier marketplace.

The success stories coming out of TikTok Shop are truly inspiring. Take Nature Spell, for instance, a hair and skincare brand that went from just a few orders a day to a whopping 9,000 daily orders. Then there's Maters & Co, which saw over 100,000 orders for its pure honey products within its first year on the platform.

And let's not forget about influencer Cariad Ryan, who raked in an impressive £90,000 in TikTok Shop sales in just four hours on Black Friday.

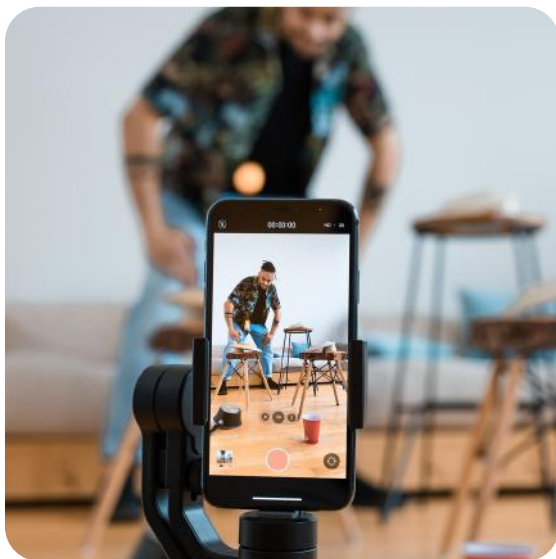
'These stories highlight how TikTok Shop isn't just about hype—it's about delivering real-world success, driving sales, and boosting visibility for businesses, tells us Sarah.

Diverse World Products

From beauty and fashion to homeware, pet care, food, and more, the platform offers a wide array of product categories to explore. While beauty and fashion have seen significant success, sellers from various industries have found their niche on TikTok Shop, thanks to its unique blend of community, entertainment, and shopping.

Timing is Everything

With a strategic launch and a mature infrastructure akin to eBay's growth trajectory two decades ago, TikTok Shop is well-positioned for success. Its commitment to 'community commerce' sets it apart, offering users an immersive shopping experience right within the app. Get ready to shop, discover, and be entertained—all in one place!



New customers

Discovering fresh customer bases without disrupting existing traffic is a breeze with TikTok Shop. The platform offers access to a diverse audience, often attracting shoppers who may not have explored other marketplaces. 'With a quick sign-up process and low commission fees ranging from 1.8% to 5%, TikTok Shop is both cost-effective and user-friendly for sellers,' Sarah explains.

The Secret Sauce

To truly thrive on TikTok Shop, sellers are encouraged to embrace the platform's vibrant and entertaining vibe. By creating engaging content that resonates with TikTok's lively community, sellers can maximise their visibility and engagement.

For those less keen on being in front of the camera, collaborating with TikTok influencers can offer an effective alternative for product promotion.

Navigating the Future

TikTok Shop heralds a new era in online marketplaces, promising a dynamic and community-driven shopping experience. With its innovative approach and dedication to 'community commerce,' TikTok is reshaping the ecommerce landscape, offering exciting opportunities for retailers to connect with shoppers in novel ways. *



CONTRACT LOGISTICS LOOKS AT VALUE-ADDED SERVICES TO BOOST PROFITS

In a rapidly evolving landscape, the demand for value-added services (VAS) in contract logistics has surged, marking a significant uptick in customer interest. As Łukasz Dziadczyk, Head of Logistics VAS at Rohlig SUUS Logistics shares with The Logistics Point some of his observation about value-added services and logistics.

We are observing a dynamic growth in customers' interest in value-added services in contract logistics, such as banding, labeling, co-packing, and the creation of product stands or sets," Łukasz begins. In fact, in 2023 alone, Rohlig SUUS Logistics witnessed a remarkable 30% increase in volume compared to the previous year.

So, what's driving this trend? According to Dziadczyk, the shift towards comprehensive operators who handle not only warehousing and transportation but also offer expertise in value-added services plays a pivotal role. "Entrusting expertise in this area to a comprehensive operator translates into time savings and cost reduction," he explains. "Additionally, these mentioned services enable proper preparation of goods for distribution and sale."



"Labeling products in the languages of the countries to which they are subsequently exported is essential for international expansion."

Moreover, "Recreating the packaging or repackaging allows the preparation of goods for delivery according to the needs of final recipients, such as retail chains, for example, in terms of the appropriate number of articles in multi-packs or boxes."

Delving deeper into the specifics, Dziadczyk outlines how each value-added service contributes to streamlining logistics processes. "The designation with excise stamps (banding) is crucial for products such as alcoholic beverages to be allowed for circulation," he elaborates.

Meanwhile, "point of sale materials (POSM), such as product stands or sets, are an integral part of marketing campaigns related to occasions such as Valentine's Day, Women's Day, Easter, Christmas, St. Nicholas Day, or the new school year."



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"Recreating the packaging or repackaging allows the preparation of goods for delivery according to the needs of final recipients, such as retail chains, for example, in terms of the appropriate number of articles in multi-packs or boxes.

However, it's not just about meeting logistical needs; there's also a growing focus on sustainability.

"An interesting trend that we have also observed recently is the increasing interest in using eco-friendly consumables, such as paper fillers or tapes," notes Dziadczyk.

"With the growing ecological awareness, we can expect that more companies will adopt environmentally friendly solutions." Indeed, as the reduction of plastic packaging gains momentum and legal regulations evolve, there will likely be a continued push towards alternative materials.

In essence, the surge in demand for value-added services underscores the evolving landscape of logistics, where efficiency, customization, and sustainability play pivotal roles in meeting customer needs and staying ahead in the competitive market. ✱

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THE HUMAN FACTOR: SUPPLY CHAINS EMBRACE DIVERSITY AS A CORE VALUE

Over the last couple of years Diversity, Equity, and Inclusion (DEI) have been on a rise when it comes to importance for supply chain and logistics managers. The world has changed and as new generations have entered the workforce the focus on employees, the impact enterprises have on the planet and communities are all becoming a competitive advantage. We spoke to Dana E. Stiffler, VP Distinguished Analyst, Supply Chain at Gartner about recent research in the area and its implications.

'The focus on DEI has been accelerated due to many incidents we witnessed in 2020 in the USA and around the world,' Dana begins. She believes that this is not just because of the wider media attention, but as a result of a genuine interest and understanding of the importance of DEI.

Supply chain organisations, in particular the large ones, were already working on DEI but the pandemic made it even more of a central point. 'There is a sense of urgency and it has reached a critical mass,' Dana adds.

We start talking about Gartner's latest supply chain research with focus on DEI and what Dana found surprising.



The commitment to DEI practices has not been watered down and is stronger than ever in large, global supply chain organizations.

'Despite having a vocal group who might oppose it, companies and people in general are really dedicated,' Dana observes. The whole environment has improved and commitments are stronger than ever.

Beyond the commitments

It is not enough to just hire underrepresented groups and commit to a focus on DEI. So how do supply chains make sure that they deliver on their promises? There are two main areas here. One is the development of newer employees from underrepresented groups and creating an environment that fosters continuous improvement, excluding bias.

On the other hand, there also needs to be a focus on educating current leaders and supporting them to make the working environment consistent and inclusive. 'This is about the mindset, behavior and how decisions are made,' Dana points out.

Formally both are achieved through better HR practices, but informally it is all about the way managers communicate and make decisions. The conversation also lands on the topic of generational divide. Dana looks at how important it is to be aware of that gap and the way different generations had their career developed and the environment they had grown up in.

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Does this cost a lot of money? Some programs can be constant, but organisations should not underestimate the investment in time and people. ‘Many of the leadership development programs would require more time than money.’ But changing the recruitment process is not really associated with higher costs and spending cannot be used as an excuse.

The generation divide is not as challenging as some might expect. ‘For the first time we have four different generations working in the supply chain,’ Dana points out. Researchers have noticed the shift towards equality in all groups. ‘There is a good team dynamic and collaboration between generations.’ Generations are exchanging technical knowledge about legacy systems in the supply chains and more modern technology solutions.

But should companies be in the DEI for the long run? Dana believes that due to the way newer generations were raised DEI is embedded in their social structure.

Those generations have grown up in an environment where diversity is part of day-to-day life and is considered something normal. ‘These are the people for whom having 50% girls in an advanced science class was absolutely normal,’ she says. *

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