

THE LOGISTICS POINT

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EXCLUSIVE
VIDEO CONTENT
INSIDE

UNWELCOME DETOUR: UK'S NETZERO AMBITIONS UNDER SCRUTINY

Examining the impact of UK's delay on sales of new petrol and diesel cars and how the logistics industry feels about it

RISING TO THE
PEAK OF PEAK

SEASON

How are logistics and retail getting ready

THE AI MINDSET FOR SUPPLY

CHAIN

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BATTERIES-AS-A-SERVICE ARE

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What do to and how to embrace the new idea



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EDITOR'S NOTE

Welcome to the October edition of The Logistics Point Magazine!

In this issue, we delve deep into the commitment of the UK's government and the logistics industry to the ambitious goal of NetZero. We question the extent of this commitment and explore the concrete steps being taken to transform these aspirations into reality. The road to sustainability has never been more critical, and we're here to dissect the progress.

Additionally, we shine a spotlight on the ever-evolving role of Artificial Intelligence (AI) in modern supply chains and procurement. From predictive analytics to enhanced decision-making, AI is revolutionizing the way logistics businesses operate.



Lastly, we uncover the significance of batteries in our increasingly electrified world. As energy storage technology advances, it's changing the landscape of not only transportation but also energy management.

We invite you to explore these crucial topics and insights in our October Magazine. Thank you for joining us on this informative journey. Happy Reading!

Nick Bozhilov
Editor in Chief
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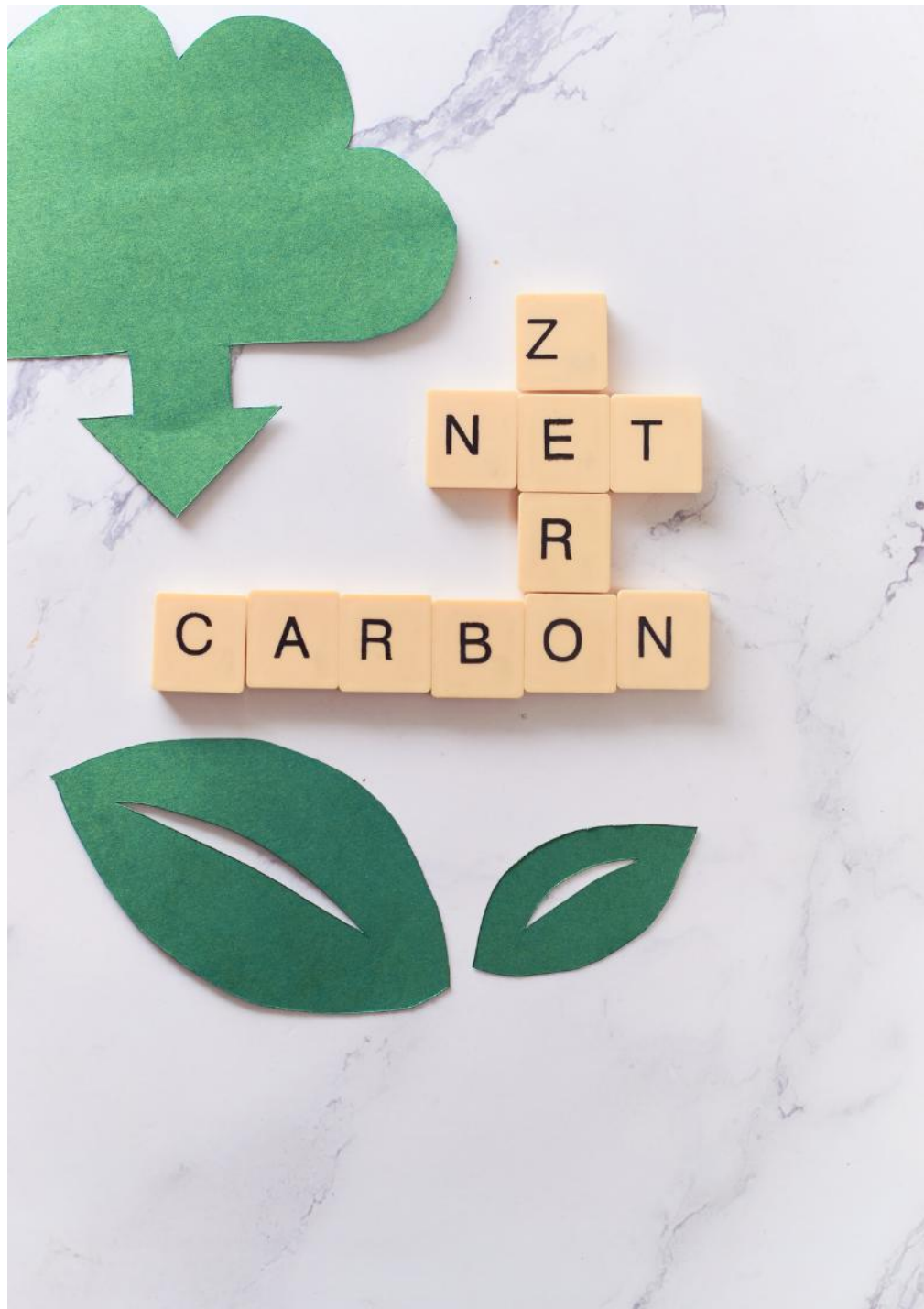
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NET ZERO DETOURS: EXPLORING UK'S DELAYED BAN AND LOGISTICS NET ZERO COMMITMENT

The transport sector accounts for more than a third (34%) of Britain's total carbon dioxide (CO2) emissions. This has put it in the forefront of the NetZero targets and organisations of all sizes are rushing to prove which one is the most environmentally friendly. The recent announcement by the PM Rishi Sunak that the ban on sales of new petrol and diesel cars has been delayed has once again put the focus on how transport will decarbonise.



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To transition at pace, the industry needs the right policy framework and long-term certainty from government.



The conversation has now become highly politicised and it is likely that the biggest loser will be the effort to clean the environment and create a more sustainable future. Some are hailing it as “pragmatic”, others – from the automotive industry and beyond – have been extremely critical of the move.

The PM himself acknowledged that reaching NetZero by 2050 will need change but how prepared are politicians, businesses and the society as a whole to change on time? ‘We all believe that the more we can do to protect our planet for the next generation the better. Net Zero is an ambitious target but, with every step towards the target, we make positive progress,’ says Chris Higgins, Commercial Director at AFS Global.



SHIPPING INSIGHT

Comment by Chris Higgins, Commercial Director at AFS Global

'The global shipping market, via either sea or air, is one of the major industries to contribute significant CO2 emissions. The challenge that the industry faces is the scale of operations and the viable alternatives to the way that we already move cargo around the world.

Carriers have already adopted lower sulphur fuels and fitted scrubbers to vessels in a bid to reduce their environmental impact. But with the size of the vessel, the weight of the cargo and the distance that these vessels/aircraft travel, there are currently few alternatives.

An increasing number of customers enquire about more environmentally sensitive methods to ship their goods and also trying to understand their current carbon impact.

His sentiment is shared across the board. Some, however, think that the government has not done a good job when it comes to communication and sticking to the plan. 'To transition at pace, the industry needs the right policy framework and long-term certainty from government, as well as confidence in the infrastructure and energy to support alternatively fuelled vehicles will be developed in time,' explains Michelle Gardner, Logistics UK's Deputy Director of Policy.

Michelle looks at something that many of the critics point at. How sure can the industry be that regulations and policies won't keep changing? After all what every business needs is certainty and continuity. Business bodies are worried and want to find what more changes are being planned and discussed. Would there be more? The answer is unknown and this is what creates the biggest problem.

Supporting a pragmatic approach

Others are less critical, not because they are against the ban as a whole, but because they feel the new date of 2035 should have been the original commitment.

Crucially, it brings us into line with other major nations and it is important to recognise that the UK, while a substantial vehicle market, represents less than 3% of the global production volume. What we do politically has a limited effect on manufacturer plans internationally,' says Philip Nothard, Chair, Vehicle Remarketing Association.

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The conversation has now become highly politicised and it is likely that the biggest loser will be the effort to clean the environment.

But isn't the UK proud to be a world's leader despite limited chances of success?

Supporters say that while significant, the recent announcement may not substantially impact the UK's 2050 NetZero targets. At the same time, they agree with the critics: confusion will reign unless clearer announcements are made.



A key danger is that it could introduce confusion and uncertainty into the strategic approach to the transition to EVs. Whether this is the case will largely depend on complementary measures, particularly changes to the Zero Emission Vehicle Mandate. These must be carefully and effectively managed.

Smoother transition

While the delay may introduce some short-term uncertainties, it also offers an opportunity for a smoother and more coordinated transition to EVs if managed effectively. If it is executed in such a way that it maintains investments in infrastructure,

research and development, as well as business support for the transition to EVs, it could ultimately have a positive impact. The critical factor is establishing that deadline as a point towards which all stakeholders in the automotive industry can work toward.

‘For some businesses the ban delay may prove helpful, buying them a little more time to allow for vehicle and charging technology advances and for them to hone their transition strategies,’ explains Richard Parker, Webfleet UK&I EV Consultant, Bridgestone Mobility Solutions.

To accelerate the transition, a spirit of collaboration is called for – mutual learning and a collective green vision. For fleets, there is not only a clear environmental motivator for decarbonisation, but also a powerful business case. Decarbonisation can boost a business’s reputation, while offering long-term cost saving benefits.

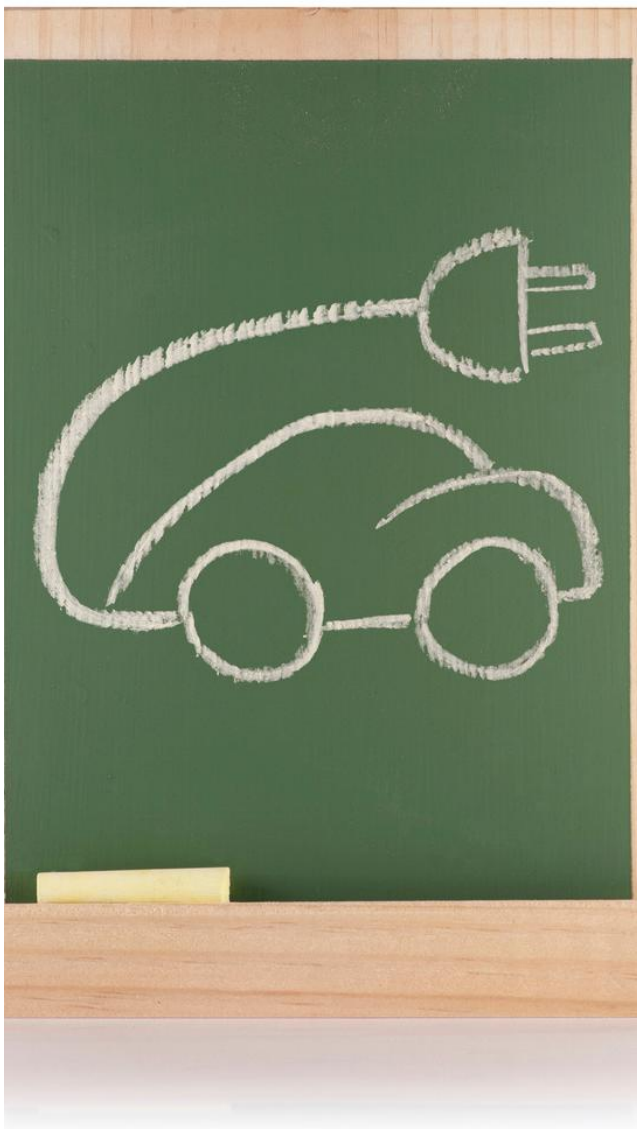


ZEV MANDATE

Comment by Barney Goffer, UK Product Manager at
Teletrac Navman UK

This mandate provides deadlines that the industry was missing, offers a feasible plan to meet the government's 2035 carbon net zero target, and gives fleets more opportunity to commence their transition. In theory, it should bring more alternatively fuelled vehicles into the market at better price points and for fleets already experiencing supply chain issues for ICE vehicles this should hopefully be welcomed.

It provides the fleet industry with the clarity it's been lacking to better plan its decarbonisation journey and transition towards full ZEV switchover.



Holistic approach

The logistics industry remains focussed on the steps it must take during this journey, and what can be done today, such as adopting low carbon fuels already available, that can reduce emissions immediately. In moving towards the essential 2050 target, it's key that the strategies and policies employed are holistic and inclusive, and consider both new and used vehicle markets to ensure a smooth and effective transition. One pressing issue in the UK is the existence of a two-tier market, where new EV customers enjoy tax benefits while little or no support is extended to used EV buyers. 'This disparity hinders the adoption of EVs for everyone and should be examined,' claims Philip Nothard. *



OPTIMISM ABOUT UK'S NETZERO BECOMES A CHALLENGE

The UK's government has announced it will push back the ban on new petrol and diesel cars by 5 years. The logistics industry has responded with mixed feelings. Some are happy but many say remaining optimistic about the overall goal is becoming more of a challenge. Read a full feature on how the industry feels on page 6. We spoke to Transporeon on their thoughts and what the new change means.

What is your view on net zero goals and how fast should we all move towards them?

Since the recent announcement about the UK softening its zero-emissions policy, remaining optimistic has proved challenging. Despite the fact that the UK deindustrialisation fosters the actual decarbonisation by 87%, the UK has not been on track to achieve its decarbonisation goals.

In June 2023 the independent UK government consultant "Climate Change Committee" called the progress "worryingly slow" and confirmed the UK wasn't on a trajectory to reach its reduction targets.

Could the UK achieve its 2050 targets with the new announcement?

Apart from shifting the cost into the future, even in the very unlikely scenario that the net zero target by 2050 would still be reached, works of professor [Alan McKinnon](#) made crystal clear that its not just about net zero: "One must also take account of the emissions that will accumulate in the atmosphere over the intervening years".

The new plan would increase the UK "carbon budget" by one third approximately, contributing to global temperature increase. Any current cost savings will lead to additional future expenses. The efforts required for decarbonisation cannot be evaded or ignored.

If these measures are being postponed they will just return, whether this is in a few years down the line, during the next government or even the next generation.

What would the implication for the industry and your company be based on the recent government announcement?

The industry is seemingly opposed to the new announcement. In the UK, the logistics industry is willing to decarbonise, and any distraction from that path is likely to be problematic, potentially damaging the sector if it were to slow its pace of change. Furthermore, the chance to counter the investments needed by profits from growing low-carbon business opportunities is missed. *

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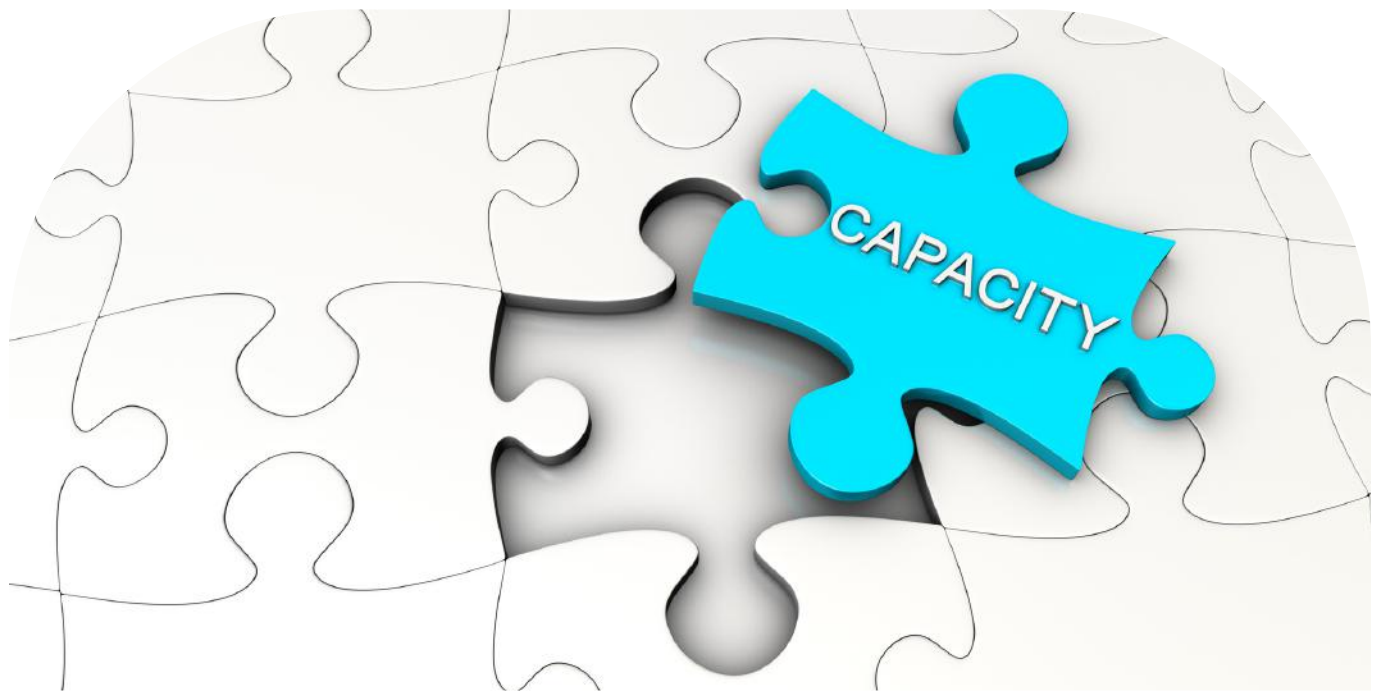
REDUCING WASTED SPACE: A NEW ALTERNATIVE IN LOGISTICS

A sustainable revolution in logistics is underway. In order to achieve a green supply chain, new innovation is needed to reduce emissions, minimize waste, and optimize routes. We spoke to Spencer Steliga, Founder and CEO of shuddl, a company dedicated to introducing a third, more sustainable and efficient alternative to LTL and FTL. Spencer shares a few tips on how organisations can make this challenge work for them and how individual drivers can also benefit.

In the era of sustainable transport, preserving efficiency is non-negotiable. Historically, the logistics industry has relied on two methods of transport: LTL (less-than-truck-load), and FTL (Full-Truck-Load). While both play pivotal roles, Spencer has created a new approach to moving shipments between 1 and 12 pallets that addresses shortcomings such as low efficiency, high cost, and unnecessary fuel consumption, therefore curbing carbon emissions.

From A to B

A better way to connect carriers and shippers is emerging with solutions like shuddl. Connecting available capacity on the go to shippers has never been done before, but is quickly becoming an efficient and sought-after solution.



On one hand, carriers can utilise all the capacity they have with limited inconvenience. They also benefit from showcasing lower emissions per delivery. Customers receive quicker service which improves not only speed but safety as well.

Trucks with empty space can pick up additional shipments along their existing route with the help of predictive artificial intelligence. This has many benefits.

On one hand, carriers can utilise all the capacity they have with limited inconvenience. They also benefit from showcasing lower emissions per delivery. Customers receive quicker service which improves not only speed but safety as well. Orders have zero touchpoints and go from A to B straight away.

Complexity Resolved

Spencer looks at AI as a tool to resolve the complexity involved with planning and executing such a task. Data provides a better understanding of what space is available, where it is and how fast it can reach the customer and the final destination. The work that would take hours or maybe even days is limited to minutes. Customers get a much better streamlined experience and carriers benefit from a process that saves them time, effort and fuel. *



VIDEO

AI-FIRST MINDSET: PROCUREMENT COUNTS THE BENEFITS, MINDING THE SETBACKS

AI has become an integral part of business operations and a new generation is bringing even more value to supply chains and procurement in particular. There are many things that need to be considered, however, before organisations take on the route towards AI-first mindset. We spoke to Saratendu Sethi, VP of AI/ML at GEP Worldwide, about the power of AI, transforming procurement operations and what steps need to be taken.

Saratendu, how has the improvement in AI changed procurement?

We should look at AI as a catalyst for transformation and not fear it. This is a pivotal moment towards a more responsible and data driven procurement. AI is used to enable organisations to make more data driven and actionable insights. We already have active clients who are using the power of Generative AI - tools such as ChatGPT.

AI can provide work on contracts but also can answer questions, as well as interacting with the software to get more information. Through AI companies can learn if they are exposed to risks and what they can do. Generative AI can provide contract drafts and speed up the process. AI has many applications, including inventory management.

Do you think supply chain and procurement managers fully understand the benefits of AI?

We see a lot of excitement and a lot of fear at the same time from our customers. AI is going to revolutionise procurement and supply chain. The recent past events and ongoing crises are exposing the fragility and the problems in both procurement and supply chain. This is why I think we either embrace AI or risk being driven out of the market.

Is there a skill gap?

Coming to the skill gaps and what is needed. We need to transform procurement using a blend of technical and soft skills. Key skills will be those of data science and analytics. Access to those is now much simplified by the popularity of AI and all different tools.

Software is becoming more accessible and we need people to be more technology savvy.

What board rooms need is AI literacy. AI can't solve all problems and fix the broken bits. We can't expect everyone to be a developer but there needs to be some foundational knowledge. They need to be aware that AI is both a positive force but can also very easily be used badly.

How about the processes that need to be involved and created?

Many organisations ask us how quickly they can have AI incorporated and when they will feel the change. They need to look into their change management capabilities too. The second part is stakeholder communication. Transformation happens through little changes.



SARATENDU SETHI, VP OF AI/ML AT GEP
WORLDWIDE

Finally, have an AI- first approach. Procurement is very intensive and companies should think about how AI can help them at the very beginning. Start small, define a small project and bring more efficiency. You want something which is very straightforward to measure ROI. Areas with explicit KPIs are the easiest and success their brings excitement which you can use for other areas.

Generative AI

Generative AI is built on more data than traditional AI. Traditional AI models are built to understand the structure of contracts, for example. With Generative AI companies get not just information about how contracts look but also a wider look that includes other relevant data points. It can capture knowledge which is not just based on past data but also relies on the general knowledge it finds on the Internet. It can also be multimodal: it can process not just text but also audio and video, which additionally expands its functions. Finally it can bring all that old knowledge to create new knowledge. Most importantly, people can now communicate with these tools through natural language and do not have to be data scientists. *

RISING TO THE PEAK: LOGISTICS STRATEGIES FOR THE EXTENDED PEAK SEASON

The Peak Season is just around the corner and logistics organisations have already started to prepare for it. Over the course of the last couple of years, Peak has become an extended event that spans over two months. This has brought a bit of breathing space both for retailers and carriers. But how can it be done better? We spoke to some experts about their readiness and tips.



'Our retail and e-commerce clients are indicating stronger volumes than in 2022. This opinion seems to be reflected by a number of consumer sentiment surveys published by several major accountancy firms over recent months,' explains Luke Barton, COO, ArrowXL.

In recent years retailers have spread promotions throughout November and it's looking likely that this pattern will occur again this year. The traditional peak is expected post Black Friday and Cyber Monday and carriers are even more optimistic this year.


'Our customers have not signalled any decrease in volume compared to past years,' says OSM Worldwide. They anticipate a substantial increase of around 30% on an average day during the peak season. Import customers are already shipping volume, and specific product categories like health and beauty, apparel, pet boxes, and books have experienced significant increases in shipments, as well. This reflects changing consumer preferences, with e-retail and various niche markets witnessing growth.

Consumers' expectations

Consumer expectations have evolved in recent years. Consumers now demand faster shipping speeds and the ability to track packages in real-time, which has raised the bar for timely deliveries.

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the availability of Black Friday deals for longer periods, and Christmas Eve falling on Sunday this year give both carriers and consumers a full 'normal' working week to secure those last-minute bargains. As a result, delivery volumes could be sustained until Saturday the 23rd leaving little time for service recovery.



During the COVID-19 pandemic, customers showed more understanding about potentially delayed delivery times, but that has since faded and companies now face greater pressure to meet tighter delivery expectations.

Consumers who have previously had a negative delivery experience may choose to plan in advance and order earlier.

However, the availability of Black Friday deals for longer periods, and Christmas Eve falling on Sunday this year give both carriers and consumers a full 'normal' working week to secure those last-minute bargains. As a result, delivery volumes could be sustained until Saturday the 23rd leaving little time for service recovery.

Preparing for it all

Different organisations are preparing in different ways. OSM Worldwide, for example, has taken steps to address these evolving consumer expectations by adding staff and establishing an employment agency relationship for year-round support.

'There's no denying it's a 'full on' time so it's important that our leadership teams have plans in place to prepare our people, and keep them motivated,' admits Luke from ArrowXL.

Their exec team will run a roadshow to communicate with newer colleagues, making sure they feel prepared and allowing managers to address concerns.

IT systems are also being upgraded and looked at across the board so they can cope with the higher volume. Last but not least, companies are also improving returns processes which will be crucial for a smooth peak season.



BROADENING VISIBILITY KEY TO GOOD RISK MANAGEMENT

The National Risk Register for the UK has recently been updated to include new information and a better look at what potential problems businesses might be facing. Has the update been comprehensive enough and what more could have been added? We spoke to William McNeill, AVP Global Product Marketing at eZopen, for a better look at the changes and what has been missed out.

'The risk register is very comprehensive, but it does seem to focus on specific moment-in-time risks and certain catastrophic risks that may never actually happen,' begins William. Longer-term risks and trends, however, should also be included. Examples include inflation, which can affect consumer purchasing power and thus affect demand for our clients' products; operational risks which include labour and talent shortages, port congestion, and logistics delays; and supplier risks including financial viability, sustainability, and the ability to fulfil manufacturing orders. The semiconductor shortage of a few years ago is a great example of a supply oriented risk that was highly disruptive, lasted several years, and affected supply chains around the world.



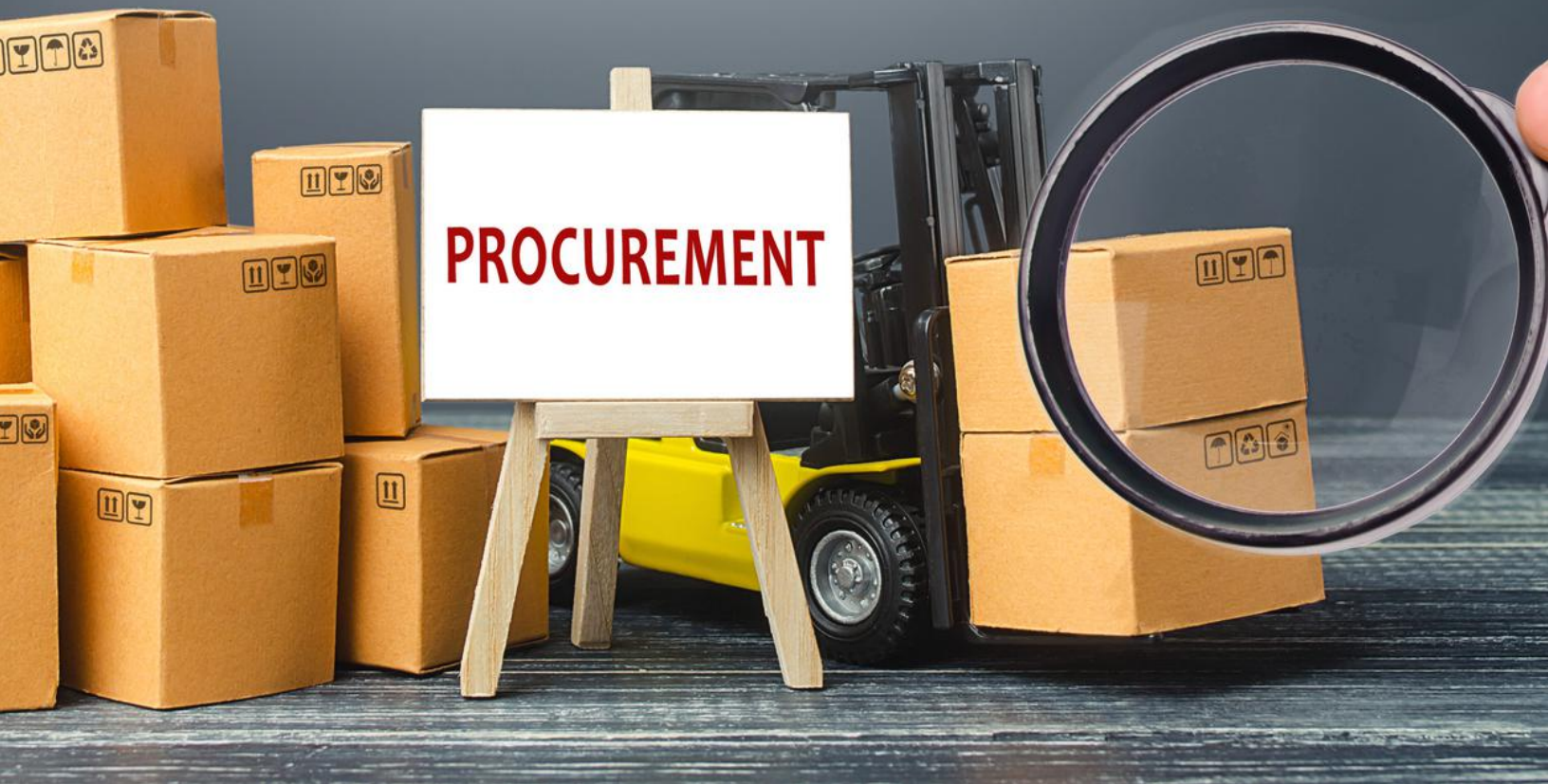
The semiconductor shortage of a few years ago is a great example of a supply oriented risk that was highly disruptive, lasted several years, and affected supply chains around the world.

Establishing risk control

Technology is one of the many tools to better understand and control risks. But before technology can be deployed effectively, there are several precursor steps that companies should take including: establishing a cross-functional team, determining the corporation's overall risk appetite and risk strategy, creating a risk framework with a prioritized list of risks based on severity and likelihood, and documenting risk mitigation procedures. Once these steps are in place, technology can help supply chains become more resilient.

Focusing on yourself

'Most of the risks that affect supply chains are buried in the second, third or fourth tier of the supply chain. But full visibility beyond the first tier or two is rare,' William says. Technology can help enable this visibility as well as help companies determine the amount of revenue, inventory, and customer commitments that are affected by any particular event. Ideally the company's risk management capabilities are embedded directly in their supply chain software so mitigation efforts can be activated automatically in the system with little or no human intervention.*



AUTOMATION & HIGH-QUALITY DATA RESHAPE PROCUREMENT EFFICIENCY

Modern shipping has begun to realise the importance of digitalising in order to streamline traditionally cumbersome processes. Procurement departments, in particular, are taking advantage of automation and machine learning systems to access new suppliers and cut costs. We speak with Carsten Schmidt, Vice-President of Sales at Procureship, about the importance of high-quality data in modern procurement decisions.

"Procurement specialists rely on data to pick suppliers that can provide parts and services that meet specific needs or help balance the books. Being able to compare local suppliers depending on where your vessel is at any time using the sheer amount of data that is now available is an invaluable resource that more procurement departments should look to take advantage of," said Carsten Schmidt, Vice-President of Sales at Procureship, a leading e-procurement platform based in Athens, Greece.

Fixing Unreliability

"Unreliable and inconsistent data from suppliers can lead to inefficiencies and poor decision making for procurement departments.

There is a growing need for procurement departments to be able to understand how to utilise this data to improve their overall business.

Poor-quality data can often result in procurement managers overspending on parts, purchasing too many or not enough of a certain type of product, or buying parts that are not fit for purpose. High-quality data from suppliers offer a better return on investment for ship owners and managers in the long run," he adds.

Errors in data traditionally come from legacy systems or manual entries so identifying the source of the data is the first step in cleaning it up.

For the global shipping sector, procurement specialists need to identify what data is important to them when it comes to their metrics and KPIs, and focus on that data to ensure it is fit for purpose.

With information driving procurement decisions across the shipping industry, buyers and suppliers are increasingly seeking to take advantage of advancing technologies such as automation and machine learning to broaden their scope of potential partners and streamline the entire process.

Reducing Rogue Spending

This 'next-level' approach to procurement enhances the visibility and transparency of the entire process, reduces rogue spending and enables procurement departments to have a greater amount of control over the entire purchasing process.

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Importantly, this approach puts data at the forefront of operations and decision making.

There is also a growing need for procurement departments to be able to understand how to utilise this data to improve their overall business. Collected data can be analysed in order to gain insight into market trends and patterns, as well as furthering the decision-making process of procurement departments.

As the global shipping sector continues to evolve, the benefits of advanced digitalisation software, machine learning and automation are being recognised and producing real-world benefits. Crucially, the technology and the users must adapt to this new norm in tandem.



Digital platforms must be able to evolve to meet customer and market trends, while users of those platforms must have the confidence to use these systems effectively to drive their decision making.

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VIDEO

RENTAL BATTERIES: HOW TO SAVE COSTS AND GET GREENER

Batteries are an essential part of the logistics delivery process now. But there are many things that need to be taken into consideration. We spoke to Sinah Truffat, Head of Expansion at Swobbee about the future of batteries as a service, the importance of safety and maintenance.

Sinah, what are the main problems that fleets and organisations of all sorts in logistics are facing when it comes to batteries?

The first one is certainly safety. Most charging currently happens unmonitored in warehouses and there are risks associated with that. For example, batteries can overheat while being charged and fires can start. Some companies have even opted in to having employees staying overnight. This is an extremely costly solution.

The high upfront investment costs into batteries is a second challenge. For many companies, especially young logistics companies, the upfront investment only for the battery can be around 50% of the total vehicle cost. The market is still news and volatile. One of the solutions to these problems is batteries for rent.

Charging operations are also costly and deter investment and players. There needs to be a good network of charging stations and battery swapping stations too.

What can be done to improve safety? No one will want to use it unless they feel it is safe enough.

The choice of battery comes first. There are many batteries to choose from and usually the cheapest ones are not safe. We recommend excluding those completely. Station monitoring needs to be done 24/7 and to take into account all important measures. Maintenance is also key. Finally, you need to be prepared. There always is a risk of fire, for example, and you need to have the measure to contain it if it happens.

How about lead times? How much of a problem is this?

It would depend on which type of battery we are looking at but there are problems. Specific models can have longer lead times and we have also found that much of our productions goes straight to being used.



RENTAL MODEL

Swobbee offers a rental model for batteries. According to Sinah this makes life much easier for users and a lot of the complexity is being taken away. The company operates a successful service in Berlin through large petrol stations and other central locations in the city center. Organisations can also work directly with such providers and rely on a more private experience where maintenance is taken care of.

For many companies, especially young logistics companies, the upfront investment only for the battery can be around 50% of the total vehicle cost. The market is still news and volatile. One of the solutions to these problems is batteries for rent.

The choice of battery comes first. There are many batteries to choose from and usually the cheapest ones are not safe.



What do you wish would change so we can adopt such solutions more?

There needs to be a battery standardisation. It will lower the costs for everyone and allow for better and faster reuse. Last mile companies, which predominantly use the service, need more central urban centres. There needs to be storage options with a full solution in place. Some cities are actively funding this but more needs to be done.

Finally, what steps would you recommend when going down the battery route?

We always ask about the specific requirements. But we will always recommend working with proven battery manufacturing. Also, have a system that can monitor your charging too. *



RETAIL EMBRACES UNCERTAINTY. BUT IS THIS GOOD?

Retailers of all sizes have accepted that supply levels will not be as stable as they used to be. Consumers have also become more willing to forgive empty shelves. But is this a good thing? We spoke to Jeff Bornino, President of North America at TMX Transform, about how the North American market has transformed but also how global problems are shifting the way retailers all around the world transform their infrastructure.

"We have a new normal in the retail industry, but I can't say it is a good thing," starts Jeff Bornino, President, North America at TMX Transform. Retailers have accepted a level of Out-of-Stocks that they would not have been okay with pre-pandemic. Customers are also more accepting of items missing on the shelves. Overall performance has worsened, and people simply view it as "the way things are" now.

Understanding why this is happening is not an easy task. Part of it might be because retailers are reluctant to remove underperforming items from their assortment or hold suppliers accountable to pre-pandemic execution levels. On the other side lead times for certain goods have increased dramatically causing even more reliance on forecast accuracy.

"There are many items that retailers still can't get in the quantities that they need," explains Bornino. He recommends a reality check on which SKUs are being carried and urges retailers to not put up with service levels that are creating out-of-stocks for their customers.

Suppliers might be responding slower because of the changed dynamic in the way consumers are purchasing items. "There's still an uncertainty about how that's going to level off over time," Bornino says. Suppliers might be manufacturing too much of the wrong item and on the other end, retailers are buying things that might not be as sought after as once before.

Forecasting has also become a problem. Volatility in demand is not helping and patterns have shifted. There is a belief that retailers need to have more inventory for just-in-case of some items, which is causing capacity challenges, higher operational costs, and even out-of-stocks on adjacent products. Demand volatility has been especially challenging in the frozen foods category throughout the US.

All of the above, coupled with ongoing labor challenges, has increased the interest in automation amongst both retailers and manufacturers. Clients are now looking for solutions with more urgency than ever before. Their existing infrastructure was not created to operate at the new demand levels which is causing them to consider a variety of automation solutions in both their existing facilities as well as potential new operations.

Companies are also beginning to consider network optimization; questioning whether they have the right number of facilities, the design of those facilities, and whether or not they are in the right locations. The concept of redundancy has become far more

important than ever before, both from an internal network perspective as well as from a sourcing standpoint. Organizations are working with more suppliers than ever before to make sure that they have adequate supply in case of additional demand fluctuations. Others are expanding their own internal operations to allow for increased inventory levels and to create secondary distribution points. On the other side, some are consolidating facilities because they see an opportunity to become more efficient.

Bornino says that the solution will be different depending on each individual case. For some clients expansion makes more sense while consolidation would be more appropriate for others. The key is to consider a variety of "what if" scenarios before making the final decision on what the network should look like. *



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BLACK FRIDAY PLANNING: STRATEGIES FOR RETAILERS AND SUPPLY CHAIN MANAGERS

Many Operations Directors, Logistics Managers and Supply Chain Experts would never have heard of Black Friday or Cyber Monday at the start of their careers, but fast forward thirteen years and they are now considered two of the most significant dates in the industry calendar, especially for those working in retail, for a fulfilment house or a delivery partner. Steve Penney, UK Key Account Sales Manager at goplasticpallets.com takes a closer look.

First introduced to the UK by online retailer Amazon in 2010, Black Friday falls on the day following the US Thanksgiving holiday. Throughout the following decade, the popularity of Black Friday accelerated at a rapid pace as more businesses looked to drive revenues by attracting huge crowds with cut-price offers. Asda was one of the first companies to take this online phenomenon in-store, but later received bad publicity after those infamous videos of customers fighting over reduced TVs made headlines across the country.

It is fair to say that Black Friday is now more of a measured event. This is partly due to changing consumer behaviour, with many preferring to shop online, as retailers improve the overall user experience, but also down to the event being elongated substantially.

With increased footfall and limited shelf space, retailers need to think strategically when it comes to point-of-sale displays in order to sell more products in-store.

Many businesses now choose to introduce different offers in the weeks leading up to Black Friday and Cyber Monday (which falls three days later), and then all the way up until Christmas. Whilst this has done a great deal to lessen the logistical burden on the immediate days following Black Friday itself, it has now created a prolonged peak season that doesn't ease until the New Year.

The preparation for such a busy period must be meticulous. In fact, some of the larger retailers, together with their logistics partners, start planning for the peak season as early as January, once the previous peak has been evaluated. We asked a number of our own customers and partners - both retailers and logistics companies - for advice on how best to prepare for the peak season, as well as what lessons they've learnt. Here's what they said:

Utilising Supply Chain Data: Data from across the entire supply chain should be carefully analysed to ensure to accurate forecasting and resource planning. Armed with this information, retailers can then proceed to strategically fill their warehouses with the necessary products.

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28TH
NOVEMBER

It is crucial to ensure that a diverse range of items are readily available to meet the varied demands of consumers during this busy shopping period. Additionally, incorporating a buffer stock is a wise strategy to avoid any potential shortfalls.

Harnessing Predictive Analytics: Don't be afraid to leverage predictive analytics tools and programmes. These technologies, utilising big data, artificial intelligence, and machine learning, can help with forecasting, route optimisation, and supply chain management – helping you to streamline operations and enhance productivity during peak times

Taking Stock of Resources: Ahead of Black Friday, logistics companies should conduct a thorough audit of their facilities and materials handling equipment, ensuring they have the resources available to handle forecasted volumes and more. This might involve sourcing additional hand-held devices, forklifts, plastic pallets, scanners, and other essential equipment. Equally important is ensuring that there is adequate storage space within the warehouse to accommodate the incoming stock. Conducting an audit of your existing inventory can provide valuable insights and help to optimise space. Consider relocating slow-moving products to temporary containers to create more room for high-demand items. This proactive approach helps to identify and address any potential bottlenecks or resource gaps.



COLLABORA TION

For those retailers working with fulfilment providers for packing and shipping, clear and timely communication is essential. Informing your fulfilment partner about the anticipated volume of packages for Black Friday enables them to make the necessary preparations to ensure seamless shipping. By proactively discussing expectations and requirements with your logistics specialist, you can mitigate the risk of delays and contribute to a smoother, more efficient Black Friday operation.



Consider using foldable sleeve packs - such as the CabCube 3.0 3R - to make efficiency gains. When they are not in use, these sustainable products can be folded down to save significant space during transportation, as well as in the warehouse. Nestable plastic pallets are also an excellent choice for sustainable businesses looking to enhance operations.

Strategic Placement of Goods: Group your incoming inventory from the fastest to slowest moving. It would make sense to place the fastest moving items at a central location in the warehouse—so that they can be picked and delivered in the minimum possible time. The slower-moving items can be placed in areas that are away from the shipping dock. You'll be surprised how much time you'll save while processing and fulfilling orders.

Enhancing Point-of-Sale Displays: With increased footfall and limited shelf space, retailers need to think strategically when it comes to point-of-sale displays in order to sell more products in-store.

Nestable and display plastic pallets provide businesses with the advantage of transporting products directly to the shop floor, reducing the time and labour involved in unloading and rearranging stock. This efficient approach frees up resources and enables a consistent rotation at the point-of-sale, allowing retailers to showcase those products in high demand.

In conclusion, the evolution of Black Friday has had a monumental impact upon the logistics and retail industries over the last 13 years. This extended peak season has only emphasised the need for meticulous preparation and strategic planning, supported by the use of data from across the supply chain. Meanwhile, the strategic use of resources and the tactical placement of goods within warehouses, are essential for optimising efficiency and meeting consumer demands. *

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