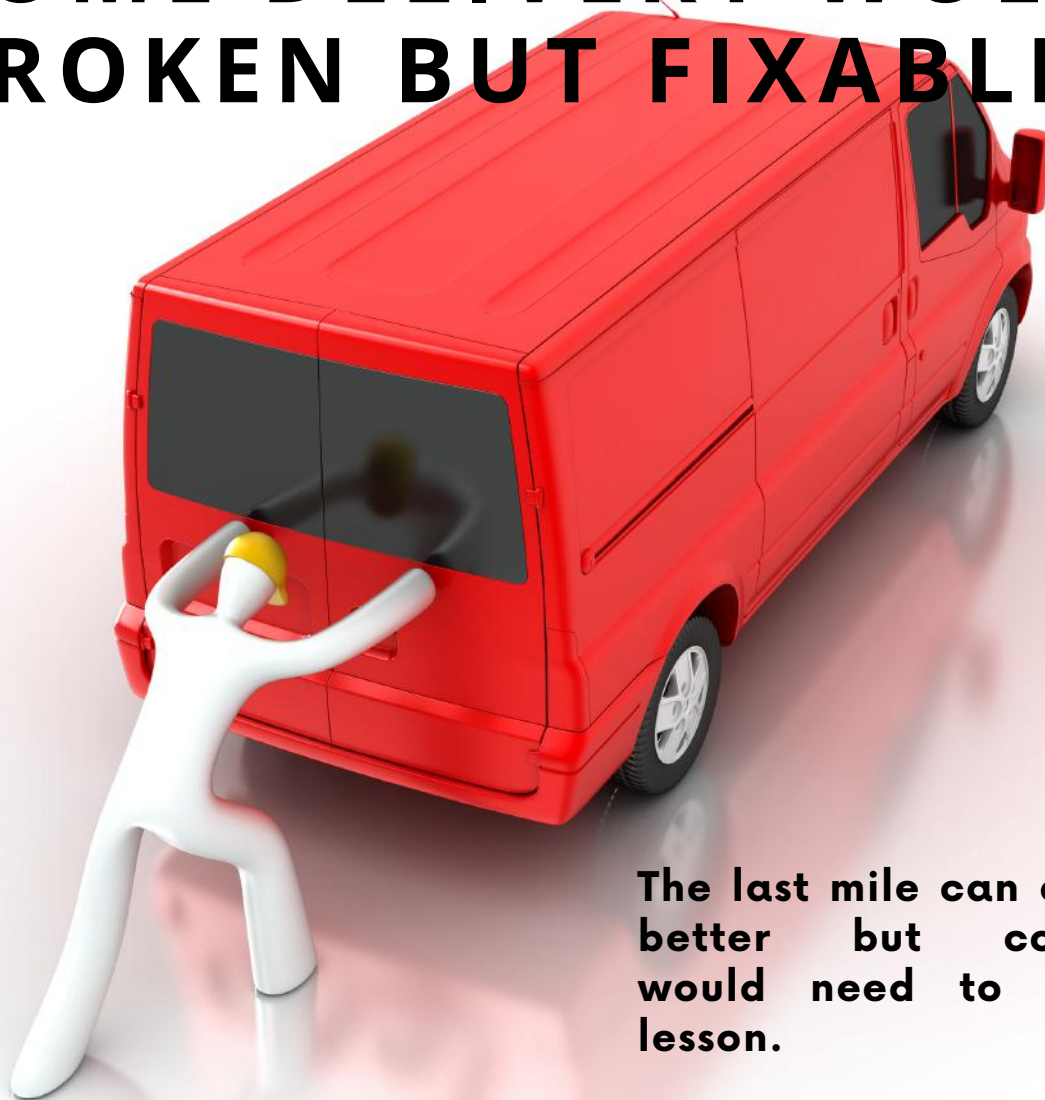


THE LOGISTICS POINT

YEAR 3 | ISSUE 09 | NOVEMBER 2022

EXCLUSIVE
VIDEO CONTENT
INSIDE

HOME DELIVERY WOES: BROKEN BUT FIXABLE?



The last mile can do much better but consumers would need to learn a lesson.

RIGHTSHORING CAN HELP

How is the supply chain changing from Just-in-Time

SUSTAINABILITY AS A COST

Calculating the sustainability costs can help goals

MARITIME GET READY FOR GREEN

Record profits could lead to record investment

THE LOGISTICS POINT'S

LAST MILE & E-COMMERCE CONFERENCE

22ND NOVEMBER
10AM GMT



TOM DAVIES
Bloom Developments



PAUL NEEDLER
iParcelBox



PIETER PAUL VAN DEN HOVEN
StoreShippers



JACK SIMS
Doddle



DANIEL LEVAN-HARRIS
Mango Logistics Group



RAYAN BANNAI
Squared



JORD BRETHOUWER
Bol.com

REGISTRATION:

Last Mile & E-Com Event

EDITOR'S NOTE

Sustainability is the key topic on everyone's mind. Of course, that is absolutely normal and expected but the question is how genuine companies are with their efforts?

Cost Control is Good

In this edition we focus on why cost control is a good starting point when thinking about sustainability with two great video interviews. One is with Katie Langley from Duddle, and the other with Dean Maciuba from Crossroad Parcel Consulting. They both talk about investment and who should make it.

But how about other parts of the industry? Maritime enjoyed great profits during the pandemic and they have the capacity to invest. Lars Jensen from Vespucci Maritime looks at what will happen with carriers' pledges and where the money will come.

Last Mile & E-Com Online Event

We are also excited about our Last Mile & E-Com Online Event on the 22nd November.

Join over 250 other retailer and supply chain professionals for this online event and learn from great experts how to deal with the challenges along the last mile.

[Register for the event on the 22nd November!](#)



In-person Networking

Let's get together and discuss topics that make us all excited. Our first in-person networking event will happen on **21st March 2023!**

Join us from **8:30 am to 11 am in London** for a cup of nice tea / coffee, great breakfast and even better discussions.

The event will feature top specialists who will facilitate **Roundtables** where all attendees can participate. **You** are not just the audience but an **active part in the whole event.**

[You can get your discounted ticket here!](#)

Nick Bozhilov
Editor in Chief
nick@thelogisticspoint.com

IN THIS EDITION



6

VIDEO

THE RISKY GAME OF CONTROLLING CONSUMERS' EXPECTATIONS

Katie Langley, Global Sales Director at Duddle

9

VIDEO

SUSTAINABILITY ALSO DRIVES COST SAVINGS AND THAT'S A GOOD THING!

Dean Maciuba from Crossroad Parcel Consulting

14

VIDEO

NEW PLATFORM OPENS UP SUPPLY CHAIN DATA FOR FREE

Katie Shaw, Chief Program Officer at Open Supply Hub

16

WHY ARE BRANDS GOING GREEN?

From Leaders in Logistics: Last Mile 2022

18

DIGITAL IS ALSO ABOUT CHANGING CULTURE

Jason Duboe, Chief Growth Officer, project44

21

GAMIFICATION SAVES LIVES & COMPANIES

Ingo Weigand, VP of Product Management, Samsara

23

EXPECTATIONS AND REALITY CLASH ON THE E-COM GROUND

Tim Robinson, CEO at Duddle

28

SMES GET A HELPING HAND FOR THEIR SUPPLY CHAINS

Khadijeh Rahmani, leading the project UK Centric Supply Chains

IN THIS EDITION



25 SHIPPING CARRIERS BRACE FOR DIP BUT INVESTMENT WILL CONTINUE

Lars Jensen, CEO at Vespucci Maritime

31 FREEFLOW ROUTING GIVES NEW ABILITY TO PLAN

Christoph Herzig, Head of Product Management, Supply Chain Solutions, HERE Technologies

34 RIGHT-SHORING GIVES SUPPLIERS THE UPPER HAND

Dave Food, Head of Supply Chain, Board International

37 THE VALUE OF ONE-STOP- COMMUNICATION WITH CONSUMERS

Andy Noyce, Senior Lead Enterprise AE, Nylas

39 REGULATIONS & TECH SPEED UP CIRCULAR ECONOMY ADOPTION

Stephen Jamieson - Global Head of Circular Economy Solutions, SAP

44 ESG RISKS EXIST OUTSIDE OF YOUR COMPANY. DON'T MISS THEM OUT!

Taylor Allis, Chief Product Officer at Avetta

47 CALCULATE YOUR SUSTAINABILITY COSTS DIFFERENTLY OR LOSE BUSINESS

From Leaders in Logistics 2022:
Last Mile

50 CONSUMERS' OBSESSION WITH VISIBILITY AND WHY YOU SHOULD CARE TOO

From Leaders in Logistics 2022:
Last Mile



VIDEO

THE RISKY GAME OF CONTROLLING CONSUMERS' EXPECTATIONS

Consumers have many choices at their disposal but how many of them serve the need for more efficiency and sustainability. We spoke to Katie Langley, Global Sales Director at Doddle, about the experience of Home Delivery vs Out-of-Home Delivery, which one serves companies and consumers better and what needs to be done to improve them both. We also look at how carriers need to speak to their clients to convince them to try Out-of-Home and make it a good option for consumers. Watch the full video now.

Katie, is the Home Delivery model broken?

Yes, I think it is. Originally it was set up to serve a good purpose but as e-commerce has grown and consumers' expectations have changed, I think the model we have now is not a great experience for people. And it can also be really inefficient for drivers, carriers and retailers.

If it is a high value item then we should think about Home Delivery and add a great customers' experience to it. Then I think the model is relevant but we need to pay the associated costs of delivery.

But if it is a low value item, then I think carriers need to start changing consumers' expectations. If the consumer does not need the item right away then maybe carriers should wait a few days and consolidate to be more efficient.

At the moment, I do not think consumers realise the impact having fast parcels delivered to their homes has on the business and the environment.

So how can it be improved?

One way of doing that for missed deliveries, for example, is to send the parcel to a collection point or a locker. Once the consumer goes to the locker they can actually experience the service and see that it is efficient and useful.

Another way of improving it is by setting up the right price point. Parcels should be priced according to when consumers want them delivered and their value, as I mentioned before. Carriers should be honest and give options to the consumers as well as how much each one will cost.

Charging the consumer is a good idea but it is also very risky. Not many would want to be the first one, right?

According to a survey we did at Doddle of merchants and their attitudes, many do not realise the positive impact Out-of-Home has on consumers, their business and the environment. Because of that they have not really been pushing it as an option in front of the merchants.

Another thing we noticed is that Out-of-Home delivery actually increases how much consumers spend per order. We think this is because people are more confident that they will receive the item at a convenient time for them.



KATIE LANGLEY, GLOBAL SALES DIRECTOR AT DODDLE

Additionally, we found out that 44% of merchants would change carriers depending on the services being offered. This is something we work on with our carrier clients to present delivery times and options at the checkout in a clear way.

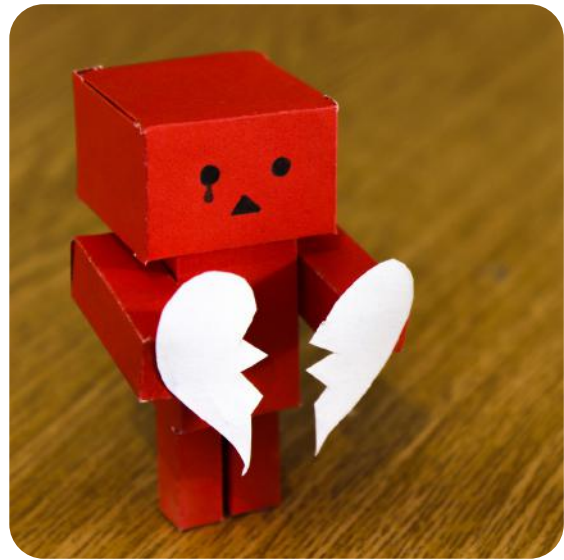
At the moment, I do not think consumers realise the impact having fast parcels delivered to their homes has on the business and the environment.

Out-of-Home delivery should be offered at the checkout with parity to Home Delivery and even as a preferred option because it is more cost effective.

I think once we start presenting the right information to people and how much it costs, they would make the right decisions.

What about returns? How do they fit in this?

We need to be honest and admit that returns are not going away but at the same time consumers' experience with returns is very poor. Carriers really need to be able to provide an integrated returns platform for the merchant. You can then present it to the consumer and improve the satisfaction.



You can watch the full video with Katie Langley from Duddle below.

[Don't forget to register for the Last Mile & E-Com Online Event on the 22nd November at 10 am UK time. Duddle will take part and deliver an insightful talk about Home Delivery, E-Commerce and Returns. *](#)



VIDEO
**SUSTAINABILITY
ALSO DRIVES COST
SAVINGS AND
THAT'S A GOOD
THING!**

Europe and the USA have different ways of looking at last mile solutions. Testing is important as failure drives improved sustainable solutions. We spoke to Dean Maciuba from Crossroad Parcel Consulting about the two markets, what would really work for the last mile, regardless of location and if companies are really investing in green because they care.

What are the last mile models that consumers are looking for and that drive true sustainability?

I think what we should first do is draw a bit of a differentiation between Europe and the USA, because Pick-up or Out-of-home delivery is much larger and more well-accepted in Europe than it is in the US. But in the US, we do have solutions that are in place and working. I think most importantly is Buy online and Pick-up in store. That's been very popular, especially among our larger big box stores like Target and Walmart.

In the US, we also have a large network of staffed access point locations too. One such group of stores is the UPS store, and there are over 5000 of them.

You see tremendous acceptance at those stores for both holding shipments for pick-up and acting to receive inbound shipment for a customer to Pick-up. Staffed access points are important to many consumers. This means that it is ease-of-use and not necessarily technology that is driving the consumer to a location. Staffed access points also drive cost savings for the carriers via stop consolidation, with sustainability being a byproduct of a cost savings initiative.

Parcel lockers have not been generally accepted in the US in the same way as in Europe.

However, Amazon Parcel Lockers are a great opportunity for customers to defer local delivery and consolidate stops at a single parcel locker location, via Amazon's single day, weekly delivery...another indirect cost savings initiative that drives sustainability.

Why do companies invest in sustainable initiatives? And does it actually matter why they do it if the end result is a greener industry?

Many of the carriers are publicly traded and have an obligation to their shareholders to drive the best profitability possible. While more costly up-front,

Better for the environment. Better for your business. Driven by your success.

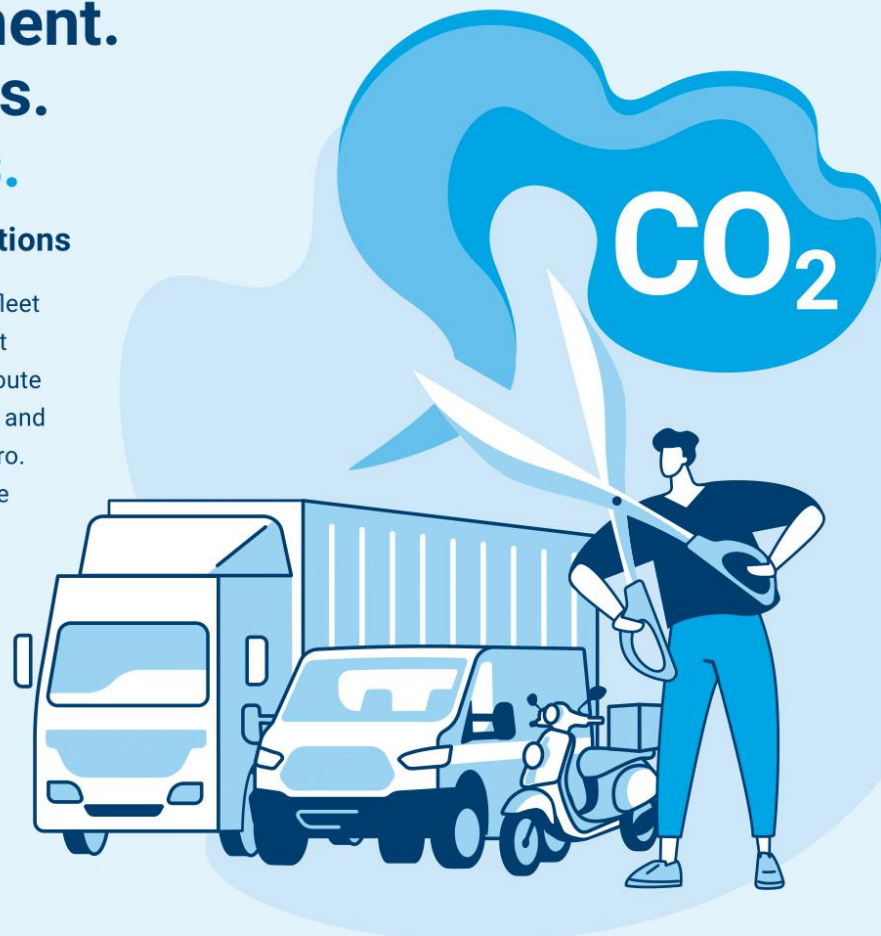
Delivery Routing & Scheduling Software Solutions

Companies that minimise the environmental impact of their fleet operations not only help the planet, but also benefit from fleet efficiency gains and improved customer service. Advanced route optimisation software is essential for managing the changes and challenges in road transport operations on the path to net-zero. Descartes' Routing and Scheduling Software Solutions enable advanced route optimisation that reduces emissions through smarter routing, reducing the miles driven. Our software can minimise miles driven to cut fuel consumption, whilst maximising delivery capacity and customer satisfaction.

Find out how we can support you to deliver your sustainability plan while retaining a competitive edge.

routinguk.descartes.com

info@descartes.com



EV's drive long-term savings as maintenance costs are lower than that of vehicles that are based on internal combustion powertrains. This is the perfect example of a greener solution also reducing operational cost.

Do you think consumers look at how an order is delivered and how sustainable it is?

Today, here in the US, there are obviously consumers that care about that, but not basing their purchases from the merchant that embraces the most sustainable delivery solution. But as we go down the road of global warming, I think that will happen. Europe is ahead of the US with consumers demonstrating more awareness of merchants that embrace green delivery solutions and embrace access point/parcel locker delivery in a much bigger way than we do here in the US.

Additionally, I think that European consumers might see an EV and not even know it is electric. But when they start seeing things like cargo bike solutions, they're going to say that it is a great idea and connect it to a greener delivery solution. We are slowly going in this direction here in the US, but have a long way to go towards embracing this greener delivery solution here in most dense urban markets.

How about robotic solutions for last mile delivery? Many have been tried out but without significant success so far.

Today, from a technology standpoint, it is still not reasonable to think that we can have a robotic home delivery that can do everything required to deliver to the front door. In the past few weeks, both Amazon and FedEx have pulled out of their R&D /testing programs for those front-door, fully automated home delivery solutions. However, we must continue to test and sometimes fail, to advance the best possible tech-based solutions to support the most efficient and sustainable home delivery solutions.

One solution we need to continue to develop is drone delivery. If we can get consumers, carriers, and merchants to embrace drone delivery under certain circumstances, that's probably going to be helpful to the environment.



**LAST MILE
& E-COM**

22ND NOV 2022

Learn about the challenges of the Last Mile & E-com markets and how to overcome them.

DANIEL LEVAN-HARRIS

MANGO LOGISTICS

Register Now
www.thelogisticspoint.com

So what is the solution to the problem then?

In the US, consumers have not embraced out-of-home delivery as well as anticipated. The perceived, e-commerce value proposition includes home delivery and it's got to be free. Out-of-home delivery could gain more traction if the merchants offer discounted out-of-home delivery solutions.

Do you think companies would be happy to invest in innovation and projects they can't really see the end result of?

If you are a startup, there is still a lot of venture capital out there, and these companies don't have a board of directors/shareholders to satisfy with regards to margin profitability. It works better for the smaller companies, who are developing a new technology to be funded through the venture capital process versus having these large companies like UPS or FedEx, attempt this because they have so many things going on due to their immense size. The giant carriers can't be singularly focused on one project like a small startup or a technology development company can be. I think that type of development is best handled by smaller companies whose sole focus is making that technology work.



What is the role of large organisations in the whole sustainability process?

Amazon has ordered more electric vehicles than anybody for last mile delivery and embraced design certifications for buildings that move them towards NetZero. Forward-thinking companies like Amazon will lead the way towards sustainability solutions.

What's interesting about Amazon is they're still a relatively new company, so they don't have a legacy thought process in place, which can stifle new ideas and sustainable green solutions. The best carriers are messaging about all their sustainability initiatives, to include what they are doing with green last mile solutions.

If we can get consumers, carriers, and merchants to embrace drone delivery under certain circumstances, that's probably going to be helpful to the environment.

Would we see competitors in the logistics and supply chain industry work together to fix common problems?

An example of that would be a carrier agnostic Parcel Locker, where numerous carriers could use a single locker instead of every carrier having their own bank of lockers, which is a little bit crazy. However, the largest carriers will probably resist this type of collective initiative based on parcel security concerns and the potential exposure of a competitor seeing who their customers are.

But I do not think we will ever see a third party in a metro area taking over all shipments. It is being tested right now in some European communities, but it will be difficult for a such a solution to gain traction here in the US



You can watch the full interview with Dean Maciuba from Crossroad Parcel Consulting below.

[Don't forget to register for the Last Mile & E-Com Online Event on the 22nd November at 10 am UK time. *](#)



VIDEO

NEW PLATFORM OPENS UP SUPPLY CHAIN DATA FOR FREE

Understanding the supply chain has become something managers are more focused on each passing day. But how to know what really is happening and where the information is coming from? We spoke to Katie Shaw, Chief Program Officer at Open Supply Hub, about the launch of the new service that opens the doors to free, curated data about supply chains around the world. You can watch the full video interview now.

Katie, Open Supply Hub (OS Hub) is taking over from Open Apparel Registry (OAR). What is the difference between the two and what are you adding on?

Open Supply Hub is an expansion of the successful approach of Open Apparel Registry. One thing that I do want to emphasise is that all data from Open Apparel Registry is being imported into Open Supply Hub.

The OAR will no longer exist because what we're doing with Open Supply Hub is mapping sectors including but beyond apparel. Those additional sectors include consumer goods, electronics, furniture, sporting goods and more. There's going to be increased scope for collaboration and supply chain improvements across multiple different sectors.

How do you actually collect the whole data and what more value do you add?

Open Supply Hub is an accessible collaborative supply chain mapping platform and it's used and populated by stakeholders across sectors and supply chains. The data is contributed by organisations all over the world, including major global brands, civil society organisations, multi stakeholder initiatives, certification schemes, factory groups and more. Organisations that have this level of technical integration can push data to Open Supply Hub programmatically by connecting with our API. What we're looking to do is get a much more accurate understanding of where global production facilities are located. At a basic level, we need information about the name and address of global production facilities and where it's available, the sector or product type that is being manufactured in those facilities.

How are you going to make sure that the data is of good quality?

It is reviewed by our data team in order to ensure good quality and accurate data is being contributed to the Hub. The team are looking at a combination of factors, including the quality of the data itself, who that data is coming from, whether there are elements in the addresses that will throw our geocoder off and more.

We've learned a lot in our experience of mapping data for the apparel sector and there are lessons that we're learning about things like PO boxes being difficult for our geocoder to handle. In some regions you see references to police stations creeping into addresses because of mapping to local points of interest.

You can watch the full video interview with Katie Shaw from Open Supply Hub below.



WHY ARE BRANDS GOING GREEN?

FROM LEADERS IN LOGISTICS 2022: LAST MILE

Why are companies investing so heavily in sustainability? Is this just green washing or are they truly interested in delivering a better service that protects the environment? Answering those questions is not easy but many consumers feel that brands are not genuine when they talk about their green initiatives. Why is that and what can be done?

'70% consumers think brands only commit to a cause to appear green,' said Simon Batt, Chief Executive Officer Asendia UK, during Leaders in Logistics 2022: Last Mile. This means that organisations would need to better communicate not only what they are doing but why and how.

Connectivity and Openness

'You need to ensure you are connected to your consumer,' explained Nick Bond, Director Parcel Lockers bpost. Consumers demand visibility and adaptability. This also extends to the way they receive information. If you just send SMS/emails you are not going to make it as a responsive brand. You need to interact with your customer within an app. The innovation you need to seek, is to make sure you have contact with your customer via a mobile application.



How about convenience? According to Matthew Lawlor, Head of Delivery Design Royal Mail Group, convenience has several different dimensions. There is a segmentation within it.

It is about giving choices to people. Some of them can be made before the posting takes place but also people want in-flight options so they can change their mind mid-delivery.

'Another aspect of convenience is habit and it is very difficult to change,' added Christian Østergaard Lead Visionary – Senior Group Strategist PostNord. 'You have to be very certain and flexible in the way you are looking at it. We have seen people who purchase many things, wait to pick their order from a locker at the same time. This is blocking our lockers.'

We need to look into what also fits the company. Companies want to be cost and market leaders but also convenient. *



•LIVE•
WEBINAR

**LAST MILE &
E-COMMERCE
ONLINE EVENT**

BY THE LOGISTICS POINT

REGISTER NOW



mangó
LOGISTICS GROUP

**NOVEMBER 2022
22ND @ 10 AM GMT**

Bloom
ULTRA-URBAN WAREHOUSES

**Store
Shippers**



DIGITAL IS ALSO ABOUT CHANGING CULTURE

Markets are moving fast and not being able to see through the noise is becoming a real problem. Digital tools are becoming the norm but with them we also need to focus on how the cultural change is being managed. We spoke to Jason Duboe, Chief Growth Officer, project44 about change and managing software adoption.

More news from the Symposium coming in this edition.

Has the supply chain become more connected than it used to be?

We have been seeing for the last ten years that there isn't a digital connecting tissue between all the parties in the supply chain. In many other industries there were underlying systems that allow cross-network operations.

Today, by necessity, we have become more connected. Covid accelerated a lot of these challenges. Prior to it many manual processes have been encouraged all the time. When we could no longer be physically together, digital became way more pronounced.

Over the next five years, we will see a much bigger change than we have seen so far.

THE LOGISTICS POINT'S

LAST MILE & E-COMMERCE CONFERENCE

22ND NOVEMBER
10AM GMT



TOM DAVIES
Bloom Developments



PAUL NEEDLER
iParcelBox



PIETER PAUL VAN DEN HOVEN
StoreShippers



JACK SIMS
Doddle



DANIEL LEVAN-HARRIS
Mango Logistics Group



RAYAN BANNAI
Squared



JORD BRETHOUWER
Bol.com

REGISTRATION:

Last Mile & E-Com Event

Can we just go back to our old ways? In some sectors what became the norm during the pandemic returned to its old stage after?

The level of disruption has caused a massive need for visibility. This is why I can't see us going to a world where manual processes are the best practice. The repercussions of that were so massive over the last three years. There will inevitably be another massive disruption and no supply chain player can say they had no way of knowing.

Are those who have not embarked on the journey yet too late?

There are two ways to look at this. If you are changing suppliers from one part of the world to another, this takes a lot of time. But buying software takes far less time. Those who have not invested can still do it but they are certainly very far behind.

Covid accelerated a lot of these challenges. Prior to it many manual processes have been encouraged all the time. When we could no longer be physically together, digital became way more pronounced.

Digital transformation also looks at Change Management and how you incorporate the software into the culture. This is something that takes time but it is still not too late.

Is Change Management turning into the core function to be performed when digitising?

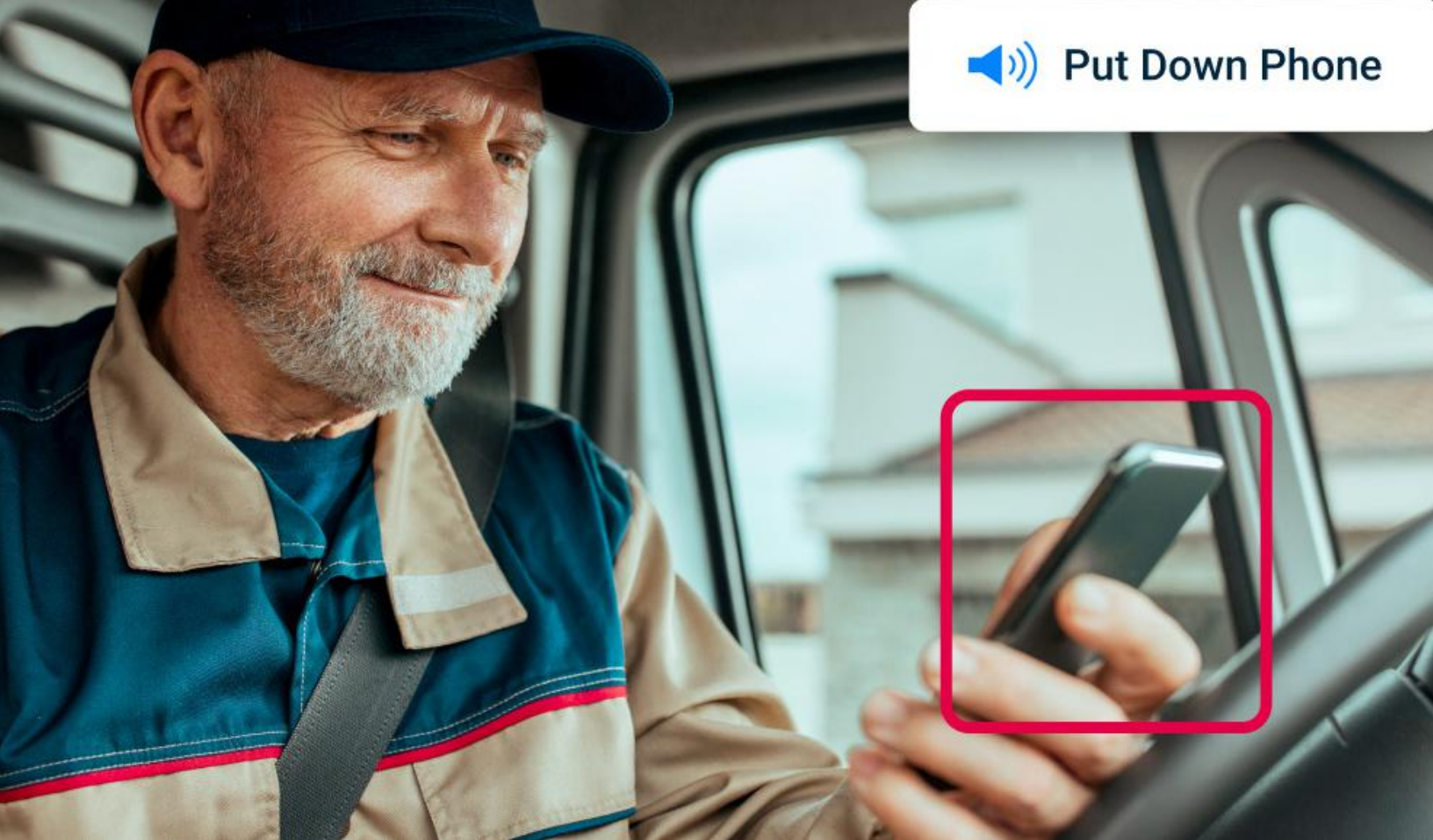
Every software platform requires Change Management. Companies have done a lot of work around what their strategy will be with adopting the technology. You need to know if you are culturally ready to find a new way of working or just replicating what you already do but with some digital tool.

You can also partner with companies which can help you not just with the day-to-day digital implementation, but also with Change Management.

But what people see as useful digital tools is different. What are the things that you would recommend?

Transitioning to a cloud-based digital tool is best. We can meet companies wherever they are on their journey but an enormous hurdle is not being able to adopt Cloud. We also need to look not just at the software tools but also those that help you figure out what to do with it.

Most companies are at some level of their Cloud adoption. But we see organisations all the time with on-site systems. *



GAMIFICATION SAVES LIVES & COMPANIES

'Gamification is an important aspect in providing support for employees nowadays,' begins Ingo Weigand, VP of Product Management, Samsara. But he continues by urging us to take a step back and look at why this is. There is a substantial trend in the logistics and supply chain industry to try and retain the workforce that is already there. Problems with labour shortages have only intensified and led to near wars for talent amongst the largest companies.

But SMEs, which make a huge part of the industry, also need to take part in the fight. Simply increasing the salary might not be the most logical and business sustainable way. And with the talk about how newer generations are looking for responsible employers, adding a personal touch might be the real differentiating factor.

'You can use technology as an advantage to engage drivers and promote safety practices,' Weigand reckons. Drivers are one of the groups that the industry has been struggling to retain and attract. Rewarding good behaviour and performance is a way to keep employees interested and stop them from switching for the next best offer.

The technology Samsara provides can detect safety levels and behaviour and then nudge the driver to change it. These little nudges don't have to be sent to the managers who often are seen as the bad person. 'Technology that looks at safety has a core real-time impact on the driver and ultimately on the company as a whole.'

This is where the idea of gamification comes into play. In addition Weigand also looks at empowerment. Drivers and employees in general, do not like to feel like they are children that cannot think for themselves. Self-correction is becoming an important aspect of how safety is perceived and also how the relationship between management and staff on the ground is built.

If your employees see you as the person who constantly tells them off, they might end up doing poorly on purpose. If a driver is following too closely another vehicle and that simply gets sent to the manager, this is not going to create a real-life improvement.

Covid accelerated a lot of these challenges. Prior to it many manual processes have been encouraged all the time. When we could no longer be physically together, digital became way more pronounced.

But having nudge technology that can help them correct unsafe behaviour adds a layer of empowerment. 'You can set a certain threshold within which self-correction is the primary option,' Weigand explains. 'Many drivers see this as fair warning and that it actually keeps them safe without making them feel like a victim.'

Aggregating safety

By collecting the data and aggregating it, those drivers who have performed the best can be rewarded for their behaviour. This in turn would also encourage the others to follow suit. On the other hand, fleet operators can focus on those who are lagging behind and help them improve. 'We have seen that such technology can not only drive safety up but also retention and engagement. One organisation reduced the usage of mobile phones while driving by 80%.' Another saw a reduction of accidents by 86% and 50% improvement in the retention of drivers.

For those who are not sold on the idea, Weigand says it is no more different to other nudges that we all rely on in our daily lives. 'There is a piece of change management, of course.'

But why Gamefy?

Why should companies even think about it? 'For me it is about how you think about motivating your team,' Weigand explains. 'Times have changed and Gamification is a way to make people feel proud of their work and make them excited about their job.' *



EXPECTATIONS AND REALITY CLASH ON THE E-COM GROUND

FROM LEADERS IN LOGISTICS 2022: LAST MILE

'What consumers expect and receive as a value proposition has not changed much over the last six years,' said Tim Robinson during his presentation at Leaders in Logistics: Last Mile 2022 in London.

Robinson looked at how e-commerce is performing in the last years and how consumers' habits are reshaping the sector. 'Our industry is in a crisis now and we will see consumers' spending drop in the next couple of years. If we do not drive a change, the pain will be very hard. Brands and reputations are under pressure because of the sustainability crisis,' he concluded.

Too fast or too slow

Evolution was one of the main focuses of the presentation. On one side, business can't afford to be too slow. Many had already been swept away by Amazon due to their unwillingness to go digital. At the same time, going too fast might not allow for sustainable growth. 'With evolution the problem is doing it too fast.'

Same-day delivery businesses have gone too early and ultimately not made it through,' Robinson went on saying.

According to the CEO of Duddle the retail evolution is not primarily driven from the top in the UK. Many merchants do not want to take the risk. Of course, there are those who can afford it and invest in pivoting.



TIM ROBINSON, CEO AT DODDLE

We have to start from somewhere and I think it is very exciting that there is such a focus. Different categories and businesses are explicitly demanding better treatment of the environment.

'Logistics should lead sustainability because we have great reach, specifically operating in the ecommerce. E-com has data enmasse. If we know what is in the individual basket, why do we not tailor the logistics solution to them specifically?' *



•LIVE•

WEBINAR

**LAST MILE &
E-COMMERCE
ONLINE EVENT**

BY THE LOGISTICS POINT

REGISTER NOW



mangó
LOGISTICS GROUP

**NOVEMBER 2022
22ND @ 10 AM GMT**

Bloom
ULTRA-URBAN WAREHOUSES

**Store
Shippers**



SHIPPING CARRIERS BRACE FOR A DIP BUT INVESTMENT WILL CONTINUE

Carriers enjoyed high rates in the last two years but this is coming to an end. Now they have more money in their pockets for the dip coming ahead and will continue investing in new and more efficient vessels. We spoke to Lars Jensen, CEO at Vespucci Maritime, about how the maritime market is performing and what new spot rates will mean for exporters and importers.

How is the shipping market performing lately?

There are multiple different ways to look at performance. The market is normalising after freight rates were ten times higher than normal last year. It was clear to everyone that it could not last forever and it was there as long as capacity was affected. This change is happening very fast.

But we are highly unlikely to see a soft landing. The market will dip but then it will bounce back up. Which is normal when you have such market conditions. Rates will go down under what they actually should be, but it will be a relatively short period.

What was the impact on shipping lines?

Different shipping lines have been impacted differently based on the way

they behaved in the last couple of years. Some carriers were trying to leverage the spot market as much as possible. But now for them things will go down much faster. Other carriers were more exposed to contracts. It is not certain if they are benefiting from these contracts at the moment.

Many contracts are in the process of being amended, some have been already. When spot rates are nearly \$5000 lower than a contract, they will just not be enforced. At the same time, contracts to some degree slow the decline.

On the other side, some of the carriers with contracts did well with supporting their shippers last year. Not all were picture perfect. Now, they will be able to hold onto those contractual volumes a little bit longer compared to those on the spot market.

We see this happen whenever the market goes up or down. This time, the sheer magnitude is much bigger. Spot rates that are \$5000 below the contract is unheard of. Even shippers who want to play by the book and their contract, would say no.

I expect that 2023 will be very unstable. We are halfway down a waterfall and the market will go quite deep first before it comes back up.

How deep would that be?

There is a limit to how much carriers can sustain. If you go below cash negative, carriers have the risk of simply running out of cash. That argument does not apply right now. In the last two years carriers made a combined nearly \$500 billion. They have a lot of cash right now. That means there is a risk the market will go really low. But it would not be for a very long period of time.

Is global trade going to suffer in any way?

Global trade has been to some degree affected by the very high rates. But we can't easily generalise the topic. For high value goods this has a very little impact. You might be paying \$10,000 more per container, but if you have \$1 million in that container, this is not much.

Many contracts are in the process of being amended, some have been already. When spot rates are nearly \$5000 lower than a contract, they will just not be enforced. At the same time, contracts to some degree slow the decline.

But, on the other hand, things like US Agricultural exports have suffered. They have less value and still face higher rates. Carriers were reluctant to take them on as they would rather do an empty run back to Asia and get the high value cargo. These exporters now will see the market normalise. And in Europe rates are usually lower, because companies would need to reposition the containers anyway.

For importers, it will be cheaper. But the challenge is on the operational side. We will see an enormous array of blank sailings and cancellations. There will not be much operational stability. Reliability will improve but integrity is unlikely to get better. Importers will benefit from the new lower rates but at the cost of operational disturbances.

How does this affect investment and NetZero?

The last two years have provided carriers with the capital to make real and genuine large investments towards NetZero. Before the pandemic carriers did not get return to even cover the cost of capital.



LARS JENSEN, CEO AT VESPUCCI MARITIME

Decarbonisation will not happen in the next five years. It is still a 20 years journey but it has accelerated it by several years.

Would carriers stop investment because they see a dip coming and would rather keep the money as a safety net?

I do not see much risk of that happening. The order book is stretching into 2025. They will need the vessels anyway. New rules are coming up in January. New and more efficient ships will be needed regardless. *

Global trade has been to some degree affected by the very high rates. But we can't easily generalise the topic. For high value goods this has a very little impact. You might be paying \$10,000 more per container, but if you have \$1 million in that container, this is not much.



SMES GET A HELPING HAND FOR THEIR SUPPLY CHAINS

A project based in Aston University is helping SMEs in two areas with their supply chain problems. We spoke to Khadijeh Rahmani, who is leading the project UK Centric Supply Chains, about what the goals are, why SMEs need help and how they can receive it.

The project is based at Aston University and is partially funded by the institution as well as the European Regional Development Fund (ERDF). At this point the project is scheduled to finish by the end of June 2023. The target areas are Marches transitional (Shropshire, and Telford and Wrekin) and Greater Cambridge and Greater Peterborough Local Enterprise Partnership (LEP) areas. So far 78 companies have benefited from the project and the goal is to have 126 by June 2023.

The criteria

The project has some specific criteria but as Khadijeh Rahmani explains they are not too strict. The university is looking for organisations that fit the definition of an SMEs: companies with fewer than 250 employees and annual turnover not more than €50 million and/or an annual balance sheet not exceeding €43million.



Companies in the UK can benefit from bringing some of their suppliers closer to home. One of the reasons is better control but also shorter lead times.

And finally, SMEs should have received less than €200,000 of de minimis State Aid in the past 3 years.

'We support companies in different sectors: engineering, manufacturing, automotive, food and drinks sectors,' Rahmani says. 'We very much focus on their supply chains.' Using Supply Chain Readiness Assessment Tool which enables our clients to get an in-depth view of the road map and enhance their understanding of their supply chain. Our experts, who are a team of academics at Aston University, generate bespoke, yet detailed reports for our clients. They assess the supply chain by using three main points: mapping, assessing and addressing.

Knowing more

'Assessing the maturity of the supply chain, companies get a bespoke plan and set of recommendations to improve SMEs overall operations' Rahmani adds.

The whole process is free of charge and the university provides additional support afterwards through other projects. 'We also want to focus on the unnecessary costs and burdens SMEs have in their supply chains which are often overlooked.'

Rahmani says that by being part of the project, SMEs have managed to mitigate risks at a very early stage. 'We can look at the relationship between SMEs and their suppliers.'

By evaluating where they source their materials we can provide them with alternatives, for example by exploring UK suppliers.' The next step is for the team at the university to also assess potential new suppliers and provide due diligence.

'We do not provide financial support or grants,' Rahmani underlines. The benefits come from the support which is free of charge and provides an insight in a way many SMEs can't afford. 'We help people understand how legitimate potential new suppliers are.' Organisations receive a template for assessing suppliers.

Why bring things closer?

Rahmani believes that companies in the UK can benefit from bringing some of their suppliers closer to home. One of the reasons is better control but also shorter lead times.

It is an invaluable consultancy service that many SMEs should utilise whilst it is available, as only positives can come from the understanding and improvements that UK-Centric Supply Chains offers.



KHADIJEH RAHMANI, LEADING THE PROJECT UK CENTRIC SUPPLY CHAINS

'For anyone who is interested, they can fill in the Contact Us form on the project's website. They will then be contacted by one of the consultants. Or you can contact at info@ukcentricsupplychains.co.uk *

The whole process is free of charge and the university provides additional support afterwards through other projects. 'We also want to focus on the unnecessary costs and burdens SMEs have in their supply chains which are often overlooked.'



FREEFLOW ROUTING GIVES NEW ABILITY TO PLAN

Knowing where you are going is the best way to succeed. Routing is a key element of logistics operations and like everything else in the industry, it is also quickly evolving. Real-time data is an expectation anymore and the next step is freeflow: the ability to plan and change in real-time. We spoke to Christoph Herzig, Head of Product Management, Supply Chain Solutions, HERE Technologies about what it actually means.

What is the biggest challenge for route optimisation technologies at the moment?

The newest systems, which have been available for a while, can now provide real-time data. In the past there was a split between static map content, like roads, and then you had the traffic, which is constantly moving. But map data is becoming more dynamic because we have to deal with road blockages, construction sites and so on.

Street networks are becoming more and more dynamic. During the lockdown cities have increased bike lanes. This is a problem for logistics companies that still need to deliver to all of us.

If we look at quick deliveries, for them the most important thing is to sign up the consumer and find their exact location. Geocoding becomes super critical for retention. First, it helps with conversion and then retention. The software for such services has to take into account a three point system. The rider, the restaurant and the address of the consumer. This also needs to be tied up to the restaurant's system.

For last mile e-commerce, you can't afford inefficiencies. Freeflow optimisation should happen during the day. Drivers also need professional navigation experience. In this way, you make sure the driver sticks with the company's app and does not use something that can cause data privacy problems.

So what does the future hold for route optimisation?

The next stage will be to really understand the stop time at each stop. This is where companies lose the most time. By utilising routing context, you can predict how long each stop can take. What this means is that companies are able to understand exact locations. For example, you can take into account where the vehicle can park, how far away the address is from the parking spot, etc. You can also show how many floors a building has and whether it has a lift or just stairs.



After that, apps can advise the driver where to actually stop for each location to save time and hassle. A new driver, who has never been in this area of town, can be as efficient as an experienced one.

How do you get the data?

The data can be collected from the driver and the consumer. But collecting it is just one step. Putting it in something that is useful and user friendly is another area.

Freeflow optimisation should happen during the day. Drivers also need professional navigation experience. In this way, you make sure the driver sticks with the company's app and does not use something that can cause data privacy problems.

So should drivers record each step of their journey to every single stop they go?

This is one way to do it. At the same time, apps can be used to provide that information. By tracking the flow, you can see patterns. The app can then ask questions about the location which drivers can confirm or deny. You do not need to put a burden on the driver but analyse the data first and finally validate it.

A customer of ours has already created an engaging experience for their delivery agents. They have gamefy it. You need to do this by reprogramming your network.

How much data do you actually need? Just once won't be enough.

Yes, exactly. But vehicles send a lot of data back to different platforms already.

We can understand if there is a problem with a certain road and detect traffic jams and construction works. The data is anonymous and we gather it from thousands of sources.

Validating it is the next step. We can send someone to check or just ask the authorities about a location.

Professional drivers however report problems because they all benefit from knowing what is ahead of them. So in this case, you can do that with less data. The source is trusted. It is all based on consent. According to EU law all last mile solutions should allow the driver to switch off tracking. *



•LIVE•

WEBINAR

LAST MILE & E-COMMERCE ONLINE EVENT

BY THE LOGISTICS POINT

REGISTER NOW



mangó
LOGISTICS GROUP

**NOVEMBER 2022
22ND @ 10 AM GMT**

Bloom
ULTRA-URBAN WAREHOUSES

**Store
Shippers**



RIGHT-SHORING GIVES SUPPLIERS THE UPPER HAND

Offshoring was an easy way for companies to source products, but it also meant that they gave away some control of product quality and manufacturing processes. This is no longer the case for various reasons, but what happens when production comes closer to the consumer is a different conversation. According to Dave Food, Head of Supply Chain, Board International, companies are now sourcing from more locations to manage risks. This could give suppliers the upper hand in negotiations.

How should we see an end-to-end supply chain? Have the ends been stretched too far to understand and manage it?

Depending on who companies are talking to, they may only think about what happens within their enterprise and not what happens externally. A larger view can be extended by one of their key suppliers or customers; they're just unaware that they can contribute to a better plan.

The degree of end-to-end may vary according to the industry. In automotive, businesses can go end-to-end, whereas in grocery, they might want to go down to the field. Farmers, retailers, packaging companies, and so forth have a pretty dynamic relationship. It is imperative to remember, however, that end-to-end doesn't mean everything. It is not about all partners;

businesses should look at their top 5 or the essential resources, understand the opportunity and risk and connect their intelligence into the plan. Through this type of visibility, businesses can gain a more comprehensive understanding of their planning process, improve their peripheral vision, and, as a result, respond more rapidly.

What capabilities are going to be most needed in the next five years or so, both for people and companies?

Due to silicon chip shortages, we have customers who were unable to supply their products. Using the Board platform they are intelligently allocating chips to ensure their customers can still get the products they need since supply issues are constrain them from getting enough chips.

Understanding supply limitations is the least companies can do in a market with scarce products, then planning intelligently to ensure improved customer satisfaction. It's also important to know what alternative sources are available; they might be sourcing from Taiwan but are now able to switch to Turkey; how quickly can they be switched, and how do businesses intelligently transition.

The degree of end-to-end may vary according to the industry. In automotive, businesses can go end-to-end, whereas in grocery, they might want to go down to the field.



DAVE FOOD, HEAD OF SUPPLY CHAIN,
BOARD INTERNATIONAL

As a result of Covid and current macroeconomic trends, companies are seeking flexibility. Instead of offshoring, they are rightshoring. They have some local suppliers and others that come from further away, balancing reliability, cost, and risk, but also inventory in transit and, therefore, costs. Resilience here means that businesses are aware of this and have the visibility to make intelligent choices when they need to.

A promotional graphic for an event. It features a dark blue background. On the left is a circular portrait of Pieter Paul van den Hoven, a young man with dark hair, smiling. To the right of the portrait, the text 'LAST MILE & E-COM' is written in large, bold, white capital letters. Below this, '22ND NOV 2022' is written in smaller white capital letters. Further down, a short paragraph in white text reads: 'Learn about the challenges of the Last Mile & E-com markets and how to overcome them.' At the bottom, a blue arrow-shaped banner points to the right, containing the name 'PIETER PAUL VAN DEN HOVEN' in white capital letters. Below the banner, the text 'STORE SHIPPERS' is written in white capital letters on a dark blue rectangular background. At the very bottom, the text 'Register Now' and the website 'www.thelogisticspoint.com' are written in small white font.

Register Now
www.thelogisticspoint.com

Does this put suppliers in a better position where they can choose their clients?

Yes, absolutely. Sourcing materials in areas of shortage solely on price leaves supply chains vulnerable. It is sometimes necessary to develop a long-term relationship with suppliers of essential materials especially if they are the sole source. A few companies have very strong relationships with their suppliers, but the risk is if the supplier can't deliver, the company is out of luck.

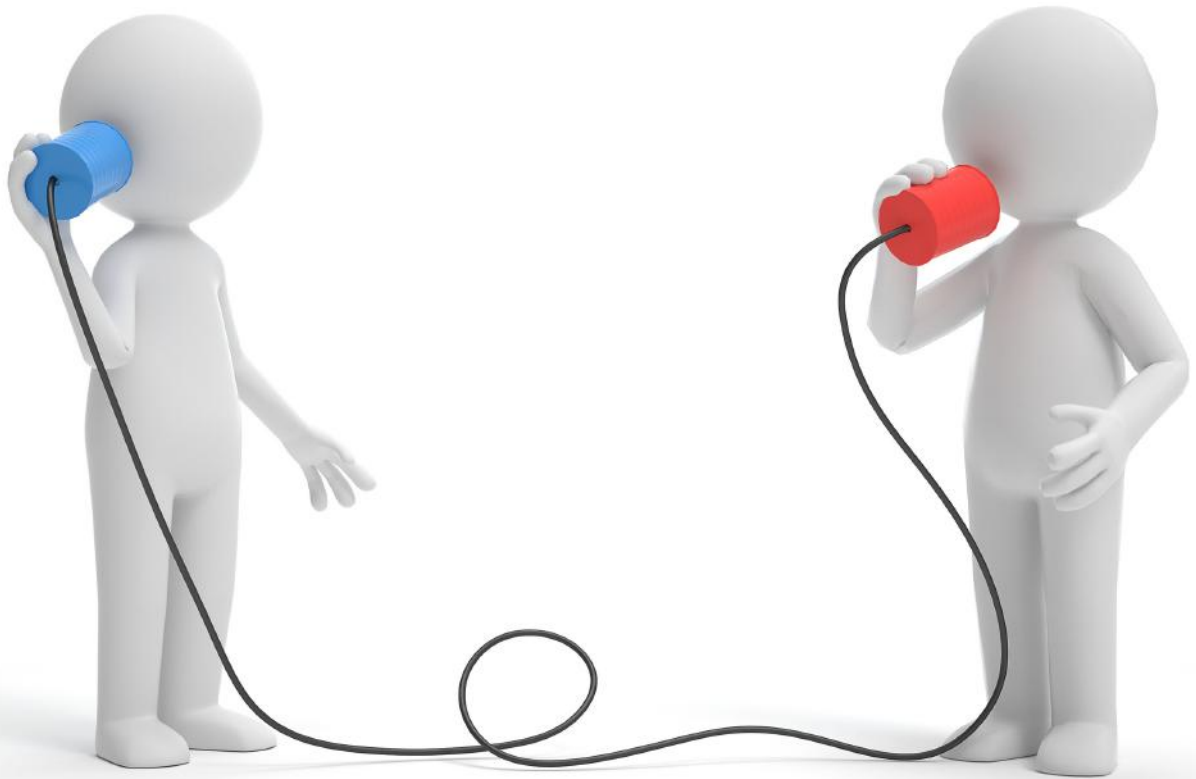
A resilient plan must also take into account sustainability, profitability, and risk. All of these are visible to the business but are not yet integrated into the planning. The fact that some essential products were being distributed through the same transport hub led some companies to realise that they were at increased risk. Despite originating in different places, all of them went through the same port. To shape and shift risk, it is important to gain better visibility in the network view.

Were supply chains complicit in ignoring the obvious risk?

There is a whole debate about whether companies are capable of managing probabilistic scenarios. For example, if a deal has a 50-50 chance of success, how does this factor into the planning process; is it known only to one part of their business. Unless it is shared with all key players, the whole business may suffer through lack of visibility.

Businesses can learn a great deal if they just extend their visibility. Greater visibility allows them to identify bottlenecks earlier, enabling them to plan intelligently and minimise risks by leveraging opportunities and reducing risks. *





THE VALUE OF ONE-STOP-COMMUNICATION WITH CONSUMERS

Connectivity in logistics is often seen as something that happens between the carriers and merchants. But consumers demand to be connected to the provider and have easy access to information and channels that can control what is happening. Many carriers struggle with that due to how far away from their core business such a process is. But simplifying the communication with the end consumer is something retail needs and logistics has to support. We spoke to Andy Noyce, Senior Lead Enterprise AE, Nylas about incorporating better communication tools in the overall consumers' experience.

'If your website or mobile app forces users to get off it, so they can communicate with you, then you are losing efficiency and the opportunity to convert them,' starts Andy Noyce when explaining why communication is a vital part of the final mile delivery.

Synchronising different tools like websites, email notification and tracking apps, is not just about making it easier for the consumer. It adds a level of visibility which is becoming essential for every retailer and by extension for every final mile provider.

Personalised services

'Rich data sets can be gathered and then sent to the marketing team,' Noyce goes on. This is a way to offer more personalised services.

If carriers can connect their system directly to a consumer's calendar, they can offer specific delivery slots that fit the consumers' availability. In this way logistics providers can make the delivery process as convenient and predictable as possible. And additionally bring what consumers already use as technology to their last mile experience.

Data privacy and compliance is very important here but end users are able to authenticate and accept whatever data is being collected and processed. Noyce also points to the way data collection is talked about. Often it is something consumers see no benefit in but when it has an actual value people are more open to sharing information. 'I find that connecting delivery slots to my calendar availability is really valuable,' Noyce explains. 'If you are out most of the time, this serves as a reminder.'

Carriers have to be clear about what information they capture, of course.

Best of

'Consumers have moved from the idea of needing loads of options and into receiving the best option for them on an individual level,' comments Noyce. For retailers this increases brand loyalty and for logistics it saves money but also improves the relationship with the merchant.

'Consumers have a high level of expectations. Some companies are driven by this but some carriers are behind.'

How much

How much data is needed would depend on what the organisation wants to achieve. In the future we might see more carriers working in partnerships to utilise each other's sets of data. 'Data utilisation is high on the agenda for logistics and how you use this to engage with all parties,' Noyce says. 'If a user is having to go all around the place to find the data they need, they get frustrated to say the least.'

Ultimately the end consumer does not care who is sitting behind the data. They want a better experience. Retailers also want fewer customers' complaints. 'It has been quite a journey for people to see the value. The companies who have adopted such technology have increased satisfaction and consumers are happy to share their data.'

*

LAST MILE & E-COM

22ND NOV 2022

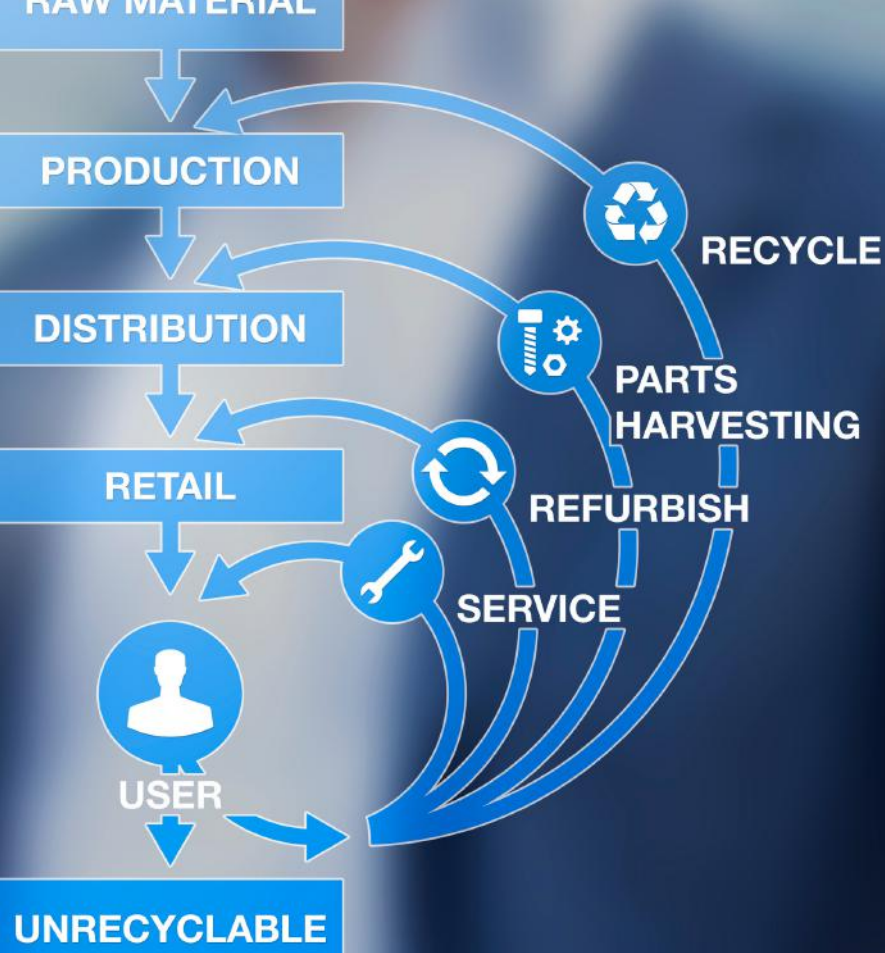
Learn about the challenges of the Last Mile & E-com markets and how to overcome them.

**JACK
SIMS**

DODDLE

Register Now
www.thelogisticspoint.com

THE LOGISTICS POINT/
NOVEMBER 2022



REGULATIONS & TECH SPEED UP CIRCULAR ECONOMY ADOPTION

When talking about Circular Economy it is hard to determine where the circle starts. We are in a situation where many of our processes and assets have not been designed to be reusable and are thrown away at the end of their life. We spoke to Stephen Jamieson - Global Head of Circular Economy Solutions, SAP, about the need to focus away from the challenges and at the opportunities.

Where does the circle start? Economies today are filled with assets that cannot be reused or recycled.

We think it is best not to just focus on the start but actually use frameworks to untangle the problem. All businesses and products have their own intricacies, depending on context, location and more, and the approach would need to be dynamic. A plastic water bottle has a different value in a small, island community as opposed to it being on the road somewhere in the UK. As a result it has different opportunities within and different ways to treat it.

We would need to see everything as a resource and opportunity to reuse. In fashion, for example, there are all sorts of ingenious and innovative ways to unlock value.

It comes down to how to get the value to the surface and connect it to the market as well as possible.

SAP Business Network, formerly Ariba Network, is the world's largest business network where we have more than 6.7 million companies. We see a lot of opportunities to make materials more valuable in a way that would ultimately help circularity. For instance, Encore by SAP allows us to see how to use the procurement network in reverse. Businesses can utilise the same network to get value out of materials at the end of their life. For example, a business can send car parts and materials into the network and make them visible to someone who can use them.

Does it matter what type of technology we use to achieve circularity?

What is important is that the data you have is accessible, available and consumable by third party systems. In SAP we are really focused on working with third party solutions to make sure that they are not only scalable but also are open and accessible to people.

All businesses and products have their own intricacies, depending on context, location and more, and the approach would need to be dynamic.

At the end of the day, circularity would need to be an open system in the cloud, so we can see the scale that is needed. That ecosystem will come through a variety of providers.

Would organisations like SAP not lose their competitive advantage in such open networks?

We are an essential part of companies and enable their logistics networks to drive core functions. We are well placed to help businesses understand the impact materials have on the environment and the society.

We work with many partners. Some of them look at what happens to materials and products in the downstream supply chain and see the ultimate fate of the materials. Companies now see that it comes down to what is the value to the customer, based on the environmental impact.

Is it easier to sell the idea of Circular Economy to people now?

Things have completely changed in the last five years. Five years ago businesses knew there was a problem to solve and that they needed to act, but did not know where to start. A combination of regulatory interventions are showing the way to businesses and what they need to focus on next. At the same time, by innovating the Cloud solutions we have we are also able to support this better. *



**NOVEMBER 2022
22ND @ 10 AM GMT**

LAST MILE & E-COMMERCE ONLINE EVENT

BY THE LOGISTICS POINT

REGISTER NOW



mangó
LOGISTICS GROUP

Bloom
ULTRA-URBAN WAREHOUSES

**Store
Shippers**

LAST MILE & E-COM ONLINE EVENT

The last mile & e-com have changed forever but do we really know how to make them more efficient? Join us this November for an insight look!

What's On and Who's In

We have prepared a great look into the world of Last Mile & E-Com for this year's event. Below are some of the highlights but more is coming...

Warehouse as An E-Com Service

How warehouses are accommodating e-commerce orders and the role of logistics operators in executing orders, promotions, operating returns, etc.

Q-Grocery

Understanding the financial sense of Q-grocery and how it can be done efficiently. The future of the sector and whether the boom of quick deliveries is over.

Urban Logistics

Storing and delivering options for cities and urban territories. How different solutions can be deployed to answer the need for NetZero cities.

Fireside Chats

Join us for these 15 minutes chats with two experts each!

How Logistics Can Propel Your E-com Strategy

The benefits of a strong logistics network for e-com and the place of logistics organisations in strengthening the overall brand awareness and customers' satisfaction.

Last Mile in the Era of Quick Commerce

Addressing the challenge of last mile deliveries in a sustainable and efficient way during the growth of Q-commerce and Q-grocery. How to create a network that answers the needs of the urban resident without being subsidised by companies.

Urban Warehousing: The New Frontiers

Where would urban warehouses go and how to pick the best spot for them? The role of automation in urban fulfilment centres as well as regulations and obstacles.

Register now for your free spot!

OUR SPEAKERS



Jack Sims @ Doddle

Jack has been with Doddle since 2015, developing Doddle's relationships with parcel carriers, merchants and 3PLs globally and focusing on the challenges they face in an increasingly digital world. He is currently the Business Development Manager.



Rayan Bannai @ Squared

Rayan is the founding consultant at Squared, a disruptive consultancy. With a background of growing businesses and operations, he spent the better part of five years at a major European sustainable logistics provider, driving expansions and infrastructural evolutions. Today, he works with his team at Squared to empower impact and innovative businesses.

OUR SPEAKERS



Tom Davies @ Bloom Developments

Tom co-founded Bloom after five years of development, asset management, and investment experience FTSE 100 REIT SEGRO. He was also CEO and Co-founder of a data analytics PropTech start-up named GeoHood with Antler VC, and has an MSc in Real Estate from the University of Reading. Tom is obsessed with all things e-commerce, last mile logistics, q-commerce, warehousing and PropTech.



Pieter Paul van den Hoven @ StoreShippers

Pieter (CEO) has a background in tech and finance. He co-founded TAPP and Checkmetrix, a payment application and data analytics platform for the hospitality industry. Before becoming an entrepreneur he financed technology companies at ING Bank. He holds an MBA in business administration from the University of Groningen.



Daniel Levan-Harris @ Mango Logistics Group

Founder and CEO of Mango Logistics Group, which was founded in 2004 in the heart of London, providing end to end logistics solutions including warehousing, fulfilment and last mile delivery services as well as UK next day and international courier services.



Jord Brethouwer @ Bol.com

Jord Brethouwer is working for Bol.com as team lead Delivery Capacity and Innovations responsible for the forecasting and planning of our delivery capacity and the coordination with our logistic service providers. Meanwhile responsible for those innovations to maintain control while the Bol.com logistical network is being expanded.



Paul Needler @ iParcelBox

Needler is the founder and CEO of iParcelBox - an innovative solution for home delivery. Paul is particularly known for bringing together his entrepreneurial approach with a proven track record of delivering results, using innovation and best practice to create tailored solutions for clients which increase speed to market, maximise return on investment and improve sustainability and quality of life.



ESG RISKS EXIST OUTSIDE OF YOUR COMPANY. DON'T MISS THEM OUT!

Environment, Social and Governance (ESG) is always seen as something positive, and it should be. But many companies underestimate what risks can occur and the sources they come from. We spoke to Taylor Allis, Chief Product Officer at Avetta, about risk management and how to evaluate partners on their risk potential.

Do you think logistics companies suffer from tunnel vision when it comes to risks?

Most large organisations are just realising how expanded the risk areas are and how disruptive they can be to the supply chain and logistics. Many clients we work with are focused on one particular area like cybersecurity, health and safety, ESG, or financial risks. Many of them are very siloed in their approach.

A great example on how risks can come from anywhere is Target's data breach. The company was affected by brand damage and suffered a lawsuit. The breach happened not because of their systems but because of a partner's system being hacked. The hackers managed to get into Target's system through their partner.

Many companies would pre-qualify their partners only for the thing they are directly responsible for. But a cyber risk can occur due to your health and safety relationship too, and many people find this surprising.

We have also found out that companies that struggle financially tend to have more accidents and incidents too. They also are less sustainable and do not have good social policies in place because they can't invest in them.

All risk is connected, and when you bring a partner into your supply chain, you have to think about them all at the same time.

What are the steps to bring partners in line with that?

We work with the suppliers and have them submit documents that prove their credentials. We conduct a series of risk assessments, and we also work with auditors that can personally inspect suppliers.

What are the risks around ESG? Most people just look at it as an opportunity.

New regulations are coming out soon that will force companies to accurately present their environmental reports. If they fail, they will get fined.



LAST MILE & E-COM

22ND NOV 2022

Learn about the challenges of the Last Mile & E-com markets and how to overcome them.

**JACK
SIMS**

DODDLE

Register Now

www.thelogisticspoint.com

In Germany, a percentage of your revenue can be influenced if you do not disclose the information or do something wrong.

If you do not have ESG policies in place, legal fines will come your way. And if one of your partners is caught doing something wrong, it will affect you. You won't be able to use that provider, which disrupts your supply chain. In addition, the brand is also damaged; there are fines and lawsuits.

How many of the companies you screen and audit fulfil all requirements and how many don't?

In the beginning when we start to bring a new client on our platform, we see up to 80% not having all the policies they need in place. We tell people what corrective actions they should take and allow for some time for them to improve.

Our goal is to get 80% of all providers in the supply chains of our clients compliant. We also see incidents fall by 20-30%. Suppliers have a lot of questions, and they need to know how to put the policies in place. We support them 24/7, especially very small companies that can call us and discuss what they have to do to improve.



TAYLOR ALLIS, CHIEF PRODUCT OFFICER
AT AVETTA

Is there a difference between what SMEs need to do compared to the large suppliers? They will have different abilities and knowledge.

The requirements are the same. But larger companies and those who have more dangerous operations, will get deeper audits. A small company or a sole proprietor could expect fewer assessments. We would send someone to those organisations that our clients really depend on and spend a lot of money with.

SMEs need more support because larger companies can hire someone and are more mature in their processes. *

If you do not have ESG policies in place, legal fines will come your way. And if one of your partners is caught doing something wrong, it will affect you. You won't be able to use that provider, which disrupts your supply chain. In addition, the brand is also damaged; there are fines and lawsuits.



CALCULATE YOUR SUSTAINABILITY COSTS DIFFERENTLY OR LOSE BUSINESS

Organisations are recognising that sustainability is an essential part of better financial outcomes. Good procurement practices are becoming a core pillar many supply chain managers try to build their systems on. During an event at SAP's office in London, the company looked at its latest report on how sustainability and financial success is linked.

Michiel Verhoeven – UKI Managing Director, SAP; Stephen Jamieson - Global Head of Circular Economy Solutions, SAP; Gemma Baker, Sustainability Managing Director, Accenture; and Tim Embley, Group Research & Innovation Director, Costain, looked at the findings and what they mean for organisations.

'90% of the people in the survey say that we need to link profitability with sustainability,' began Michiel Verhoeven – UKI Managing Director, SAP. Procurement and energy are two of the areas that have received a lot of focus. Half of SAP's customers believe that positive financial impact will come with more sustainable practices.

'Companies who can demonstrate that sustainability delivers financial benefits, will get better outcomes with customers too,' echoed the sentiment Tim Embley, Group Research & Innovation Director, Costain.

Consumers are also affecting what is happening. There is a cross-sector interest in the topic of sustainability but now companies are looking into how to achieve and measure better. 'One organisation's view on a sustainable product might be different to another,' said Stephen Jamieson - Global Head of Circular Economy Solutions, SAP. Consistency would have to be achieved in order to create an environment where companies benefit from one another's efforts.

Materials and products are becoming an essential part of the change. Practicality is taking over from empty promises and more organisations are realising the need to measure and build KPIs. Many are asking about the opportunities to eliminate waste, regenerate natural systems and reuse what is already there. An interview with Stephen Jamieson - Global Head of Circular Economy Solutions, SAP, about Circular Economy is here.

Connecting consumers to impact

By utilising SAP, Unilever, one of the largest producers in the world, have managed to connect consumers to farmers. People can now find more about the products in their homes, how they are produced and what the impact on the environment is. But in order for this to happen, there needs to be support from large organisations who can help SMEs and individuals improve their production processes.

'This had been a great pilot from a large company that responded to the questions by consumers and saw market possibilities,' explained Verhoeven.

Setting targets & fighting data silos

'We are seeing that the top level of organisations is now setting targets on sustainability,' explained Gemma Baker, Sustainability Managing Director, Accenture. 'Now things are focused on how to make it operational.' For her the single biggest problem at the moment is that data is not easily accessible.

Materials and products are becoming an essential part of the change. Practicality is taking over from empty promises and more organisations are realising the need to measure and build KPIs.



Procurement and energy are two of the areas that have received a lot of focus. Half of SAP's customers believe that positive financial impact will come with more sustainable practices.

One of the reasons is that there is so much data needed from different areas. Sustainability managers need geodata, risk data, carbon emissions and more. Regulations are also adding to the mix and change quickly. 'Much of the data cannot be compared,' Baker said. 'We advocate for putting in place a real control framework, as well as aligning to voluntary and mandatory standards.'

Getting the costs right

Financing the change can be a challenge. According to Baker, however, many banks have been positioning themselves as investors in the area and are ready to help SMEs.

'Clients are looking into investing more in the beginning to see better outcomes,' said Embley. 'They have realised it is a long-term game. The Return of Investment has changed and now is about the way they procure and the questions they ask.' Clients are now more interested in sustainability targets and put those in the way they award executives. The business case is changing and sustainability has become more personal, because it has an impact on the decision makers.

A broader understanding of what costs are has become the norm. Projects are evaluated not just by how much the price tag is but also what would happen if the investment was not approved. Negative impacts can include anything from higher taxes to marketing problems. *



CONSUMERS’ OBSESSION WITH VISIBILITY AND WHY YOU SHOULD CARE TOO

FROM LEADERS IN LOGISTICS 2022: LAST MILE

We often speak about the importance of visibility as a way for companies to better control what is happening throughout their networks. But there is another reason why visibility is so important. Consumers are becoming obsessed with how much they are told about their deliveries. Being able to track every single step along the way is more important for them than ever.

‘Consumers are obsessed with where drivers are and whether they will make it in the time window promised,’ said Elaine Kerr, CEO DPD UK, during her opening keynote at Leaders in Logistics 2022: Last Mile. Kerr looked deep at why logistics companies are investing in their traceability and what are the benefits for the consumer. ‘Everyone is refreshing pages to make sure the driver is on their way. Consumers want trust and insurance,’ Kerr continued.

Personalisation is also becoming a key differentiating factor. ‘We saw a lot of new customers going straight online during the pandemic, with the requirement to have a more personalised experience,’ explained Andrea Abegg, Vice President Global Distribution & Logistics, The Estée Lauder Companies.

She said that retailers do not see themselves as last mile experts and want to know about what challenges logistics is experiencing. Retailers are also in communication with consumers and they can feed that information back to logistics.

Environmental Anxiety

More people are looking at what is the impact on the environment and how they can better control it. 'There is a need for standardisation on how to measure emissions on an end-to-end area,' Tim Bennett Head of Operations Development, Royal Mail Group. According to Simon Batt, Chief Executive Officer, Asendia UK, 70% consumers say that addressing climate change is more important than ever.

This means people are open to the idea of slower delivery. 43% would opt for next day delivery, if it is better for the environment.

The return issue

'Customers are continuing to buy online but we need to make it competitive after the purchase. Delivery choices around speed, location, sustainability and returns are all becoming a differentiator,' explained Andrea Abegg. Customers are looking at how easy it would be to return some products at the check-out. Especially if it is a product they have not used before.

According to Tim Bennett return pain points are getting a bit easier but only when we are not looking specifically at the crossborder trade. 'People have an appetite to have From-Door>Returns,' said Sebastian O'Keefe, EVP of Growth, Stuart.

James Marley Enterprise Director Zonos pointed at how returns affect crossborder trade, picking on what Royal Mail had to say. 'Consumers are struggling with whether they are using a domestic website or not and some give up on their orders because of unknown duties. In Singapore, a number of shipments are being returned because people are not aware of the duties before they get the order.'

Thinking twice

Overall, the conclusion around fast and cheap delivery and returns, is that people would need to either pay more or think twice. 'It was very clear Q-commerce was a very unsustainable model. If you want fast deliveries, you need the network to support it. Tools can help consumers to think more about whether they really need something very fast,' Sebastian O'Keefe commented. *



**LAST MILE
& E-COM**

22ND NOV 2022

Learn about the challenges of the Last Mile & E-com markets and how to overcome them.

DANIEL LEVAN-HARRIS
MANGO LOGISTICS

Register Now
www.thelogisticspoint.com

YEAR 3/ISSUE 09/NOVEMBER 2022

THE LOGISTICS POINT



LINKEDIN



TWITTER



YOUTUBE



EMAIL

EDITOR Nick Bozhilov

CONTACT THE EDITOR

nick@thelogisticspoint.com

All rights reserved! Content cannot be reproduced without the explicit approval of the editor. We would like to thank all our partners who made this edition possible!

FOR EXCLUSIVE ONLINE CONTENT VISIT
THELOGISTICSPOINT.COM