

# THE LOGISTICS POINT

YEAR 4 | ISSUE 04 | APRIL 2023

**EXCLUSIVE  
VIDEO CONTENT  
INSIDE**

## SUPPLY CHAIN DISRUPTION: THE KEY TO BETTER GROWTH

Supply chain managers should use disruptions to rethink how they build new market opportunities.



### DP WORLD RWANDA'S PROJECT

How the company helped farmers export more

### LONDON LOGISTICS NETWORKING

Join us in May for a morning of great talks and networking

### NEW CPTPP DEAL: WHAT DOES IT MEAN FOR THE UK




A look at the new deal and its impact on the economy

# THE LOGISTICS POINT



## LONDON LOGISTICS NETWORKING

Join us for a morning of insightful talks and discussion on sustainability, ESG in logistics, legal frameworks for ESG, and more.

-  Wednesday, 24th May
-  At 8:30 AM - 12 pm
-  Museum of the Home,  
London

**Register Now**  
[London Logistics Networking](#)

# EDITOR'S NOTE

## **Disruption Is Good**

We tend to look at disruption as something bad but in this edition we explore the idea of what happens when change brings new opportunities.

We are also taking a look at the role large organisations play when it comes to promoting sustainable SMEs businesses. In a video interview with DP World we talk about how Rwandan farmers benefited by the organisations' help and improved their exports.

## **Logistics Networking**

You can also learn more about our first in-person event on the 21st March. Logistics and supply chain managers came together in London to discuss key topics, share their experience and learn from one another. We were honoured to host them and can't wait for our second event of the year.

## **24th May: Networking Continued**

On the 24th May we are hosting our second networking and roundtable event for the year. This time the focus will be on sustainability and we will welcome Descartes Systems Group - talking about fleet management; Zedify - talking about cargo bikes and urban hubs; Backhouse Jones Solicitors - talking about ESG legal frameworks.



**You can get your ticket for the in-person event now!**

## **Online Sustainability**

On the 16th May we will host our online Delivering Green: Creating Sustainable Supply Chains Conference, exploring key trends and trying to make sense of how sustainability can be combined with operational success.

**You can get your ticket for this free online event now!**

I hope to see you in London on the 24th May for a morning of great talks and many new contacts.

Nick Bozhilov  
Editor in Chief  
[nick@thelogisticspoint.com](mailto:nick@thelogisticspoint.com)

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# Logistics Best Shared: The Advantages of Collaborating & Networking



## CELEBRATING OUR FIRST IN-PERSON EVENT: LONDON LOGISTICS NETWORKING

Logistics is best shared. We were thrilled to welcome some of our network for our first London Logistics Networking on the 21st March at the Museum of the Home. Participants took part in lively discussions about key trends in the warehousing market including Hyper-Local Warehousing; Retail Challenges and Opportunities; Design and Architecture; and Warehousing Contracts.

Our speakers deliver short and insightful 5 minute talks to open the discussions. You can read more about what happened and join us on the 24th May in London where we will host our networking event with focus on sustainability. [Get a ticket now!](#)

### Hyper-Local Warehousing

The day opened with a look into the world of Hyper-Local Warehousing and Michal Pasternak @ Parcelly shared how warehouses are becoming an integral part of the urban landscape and what this would mean for logistics operators. Many challenges are arising from this shift as consumers become more aware of the warehouse and logistics in general.

After opening the discussion attendees talked about how Covid has shifted the focus of operations and slowed down some of the efficiencies the industry was trying to implement. In addition, a few important questions were raised. Many logistics leaders wondered how the sector can navigate consumers' behaviour and what would happen when they experience a closer encounter with an urban warehouse.

For Michal the answer could be hidden in using stores as local fulfilment centres and helping consumers combine trips. Parcelly, for example, is developing a network where stores can operate as drop-off and pick-up locations.

Other technologies can also be implemented but there would not be a one-size-fits-all scenario.



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We truly enjoyed this inaugural in-person networking event organised by The Logistics Point. We've had a chance to meet and speak to several extraordinary field experts, as well as participate in a fascinating discussion which left everyone with much to consider. We will certainly be back to join more The Logistics Point events later this year.

Michal Pasternak, Senior Sales Executive at Parcelly





# LONDON LOGISTICS NETWORKING

*Speakers & attendees  
enjoyed a morning with  
insightful talks and  
conversation at our  
first in-person  
networking event in  
London.*







# LONDON LOGISTICS NETWORKING

*The speakers delivered short 7 minute talks on key warehousing issues and participants shared their views and opinions.*





# LONDON LOGISTICS NETWORKING

*The event was held at  
Museum of the Home  
in London and  
gathered logistics  
experts for a morning  
of open conversations  
and discussions.*







## JOIN US ON 24TH MAY IN LONDON

*Join us on the 24th  
May in London for our  
second London  
Logistics Networking.  
The focus will be on  
sustainability.*





## Retail Challenges & Opportunities

Picking up on the topic of what technologies can be implemented Russell Holmes @ Autostore opened up the second discussion. Russell presented a survey conducted by Autostore amongst leading retailers.

According to the results many companies struggle with controlling costs such as energy but at the same time are unwilling to make the necessary changes. One of the reasons could be that often such projects seem overwhelming and money would need to be invested well before any results are visible.

Russell's talk led to a discussion on the place of robotics in warehousing and fulfilment operations, and how machines can improve efficiencies. Participants discussed the areas where robotics will be most suitable but also covered the journey that companies would need to take.

Often organisations see a solution which looks good to them but they fail to invest the time in proper research.



Russell raised an important point on how much leadership knows what the purpose of implementing a robotic solution is.

The attendees also took some time to talk about how logistics organisations need to ask the right questions and gather as much information from clients on their operations. Without that they risk creating a perfectly looking solution that does not reach its desired purpose.




Join us for a day of sustainability & logistics discussions.  
London Logistics Networking is back on the 24th May,  
Wednesday. [Get your ticket now!](#)

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## Design & Architecture

After a short break Simon Rispin @ SMR Architects delivered a talk about how architecture is responding to the rise of last mile logistics. Simon spoke about the current model of designing and building warehouses which leads to industrial units being away from consumers, which in turn creates a large number of vehicles going into cities.

The creation of more mix-used spaces was a central topic for the discussions with many participants agreeing this would be the next logical step. But at the same time, some key challenges need to be solved. Such locations might conflict with city centre usage and as space is limited it would be hard to decide who takes what.

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It was great to see such an engaged audience in the first The Logistics Point in person event, and delighted to have had the opportunity to speak at the event. There is so much we can do with urban and last mile logistics, it was great to put our view across, and to hear the view from the experts in the room.

Simon Rispin @ SMR Architects





We welcomed our guests with a nice cup of coffee and an informal discussion area.

Attendees also looked at the need for better design and why city warehousing units need to look appealing. They also covered who these premises will be most suitable for.

Some of the best use cases would be for dark kitchens, micro-mobility and micro-hubs; on-demand grocery services. Participants also looked at how urban warehouses and different commercial buildings can swap between usage at different times of the day.

### **Warehousing Contracts**

The last talk came from Elizabeth Selby @ Bexley Beaumont on warehousing contracts and the need to involve the legal team at the very start of negotiations. Elizabeth looked at how contracts have changed over the course of the last few years and why urban warehousing would need a new framework.

Elizabeth gave some key advice on how to focus on change control, scheduling and clearly explaining what would happen if one of the parties is looking for a change. She also asked managers to think how they can incentivise suppliers to perform well and what gainsharing mechanisms can be put in place.

A few of the participants shared some of their legal stories and why they have found it useful to involve the legal team at the early stages.

The topic of governance was also raised as often participants worried their companies did not invest enough time in self-governance.

We were honoured to host so many and so active logistics specialists. You can join us for our next London Logistics Networking on the 24th May at the Museum of the Home. The focus will be Sustainability and Green Logistics and we can already confirm Descartes Systems Group and Overhaul as some of our speakers. [Get your ticket here!](#)

Some of the participants include: Descartes Systems Group; British Land; Overhaul; Hatat Solutions; Guidance Automation and more!



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It was fascinating to hear from the other speakers. What made the event even better was the level of audience participation, with everyone being willing to chip in and share experiences, challenges and market insights.

It's very difficult to get that level of interaction with an online event, so it's great to see that The Logistics Point is organising more in-person events for later in 2023.




Elizabeth Selby @ Bexley Beaumont

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# THE SPEAKERS

Pól Sweeney

Descartes VP Sales EMEA Fleet Solutions

Pól is a specialist in the solutions and technology that automate and create value for today's global supply chains. With over fifteen years of experience in helping businesses transform their operations with technology, Pol has previously held roles as a Chief Technology Officer for logistics software businesses and has worked both in the UK and US.



Pip Marshall

Zedify, Group Partnerships

Pip first joined Zedify in 2019, helping the London operations team scale up rapidly during the pandemic. He then moved to a vegan food startup called DAD, setting up their in-house logistics department, before returning to Zedify in the commercial team last year



## LONDON LOGISTICS NETWORKING

Wednesday, 24th May

# THE PARTNERS

## Descartes System Group

Descartes is a global leader in cloud-based software solutions for improving logistics and supply chain productivity, performance, security, and regulatory compliance. Descartes' Software as a Service solutions for fleet operators help to maximise delivery capacity, reduce costs, enhance the customer experience, and reduce fuel consumption and CO2 emissions.

DESCARTES™

## Zedify

Zedify helps create less congested, less polluted and more liveable cities. It does this by pioneering and normalising the use of hyperlocal microhubs and zero emission vehicles for deliveries within cities.



## LONDON LOGISTICS NETWORKING

Wednesday, 24th May



# **INFLATION & GEOPOLITICS DRIVE SUPPLY CHAIN CHANGES**

A new report by JLL, a leading global commercial real estate company, looks at what is reshaping supply chain decisions. Inflation and geopolitical uncertainties are driving how managers behave and are reshaping decision making. We spoke to Guy Gueirard and EMEA Logistics Lead & Global Lead Logistics Occupier Services at JLL about the report, its findings, what is surprising and what can be done next by supply chain managers.

**Guy, Can you summarize the findings of the research for us: what did surprise you and what did you expect?**

Our report reveals that inflation and geopolitical disruption are the key issues shaping decision making this year across the supply chain.

However, what has been encouraging to see is that despite these concerns, European supply chains are showing resilience in the face of a challenging economic and geo-political landscape, with operating conditions likely to improve in the latter half of this year.

The report also demonstrates the agility of the industry and the forward-thinking of those involved. It is clear that logistics service providers (LSPs), manufacturers, eps to operate more resourcefully.





# You see enormous challenges. We see incredible opportunities.

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We don't need to tell you times are challenging in logistics. Drivers are in short supply, customers have growing expectations and costs keep rising. You're under pressure to do more with less resources – and tick all the sustainable boxes along the way.

But what if you could go beyond overcoming the challenges to revolutionise your business, your long-term future – and your bottom line? What if you could not only streamline operations but achieve efficiencies, increase capacity, improve service AND unlock transformative potential?

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**Geopolitical problems are a big hurdle, but what can supply chains do now to limit the risks and manage their supply chains better?**

The conflict in Ukraine is not something we can ignore from a humanitarian perspective or a supply chain one. Disruptions have reinforced the need for organisations to build more robust solutions that can withstand economic and political uncertainty. This includes reducing dependency on Russia and Eastern Europe for services and raw materials and instead migrating output towards more localised sourcing and distribution hubs.

Diversifying reliance on the global supply chain is one way that managers can mitigate heightened geopolitical risk. This includes reshoring or nearshoring part or all your production line and suppliers or

building up a buffer stock as well as taking advantage of multi-modal transportation networks.

Organisations are now also looking for more modern and cost-efficient spaces that can support automation and are closer to the end customer to reduce transportation costs. Looking forward, these advanced warehouse spaces will be critical for controlling energy usage as businesses seek to combat a higher inflationary environment.

**Is the outlook positive or negative? How are managers feeling about what is to come?**

While we are not out of the woods yet, the long-term outlook for European supply chain managers is optimistic in terms of consumption levels rising. Nonetheless, occupiers are still concerned about

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8:30 am - 12:00 pm  
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MEET LIKE-MINDED PROFESSIONALS;  
INTERACTIVE SESSIONS;  
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**With focus on  
Sustainability**

logistics space constraints and how this may impact agility when it comes to implementing their strategies. In the shorter-term, supply chain managers will likely adjust their inventories of fast turn-over products to ease the dip in consumption expected across Europe, although this is expected to last longer in the UK.

Our report shows that the majority of businesses expect to only pass on some costs to the consumer, and concerns around Covid-19 and port capacity constraints have massively reduced.

To make the most of the easing inflationary environment, supply chain managers will have to think strategically about how they can best adapt to a rapidly changing market. While the UK showed weaker space demand in Q1, we are generally seeing more European supply chain managers implementing agile processes such as reducing inventories in order to maintain the price point of goods and services.

**Organisations are now also looking for more modern and cost-efficient spaces that can support automation and are closer to the end customer to reduce transportation costs.**

**Is there something you think companies should be really focused on but are missing at the moment?**

The discussion around supply chains has long been focused on how businesses can survive disruptions, instead of how they can use changing market conditions to their advantage. As a long-term prospect, the restructuring of the supply chain presents managers with a real opportunity to diversify their operations and reduce reliance on particular processes and regions.

Organisations and businesses should be buoyed by indications that the tide is turning for the better. In the long-term, it is promising to see that the logistics space will likely continue to be sustained by key structural drivers, such as the growth in e-commerce.

ESG benchmarks and strategies in the commercial real estate sector are starting to work their way through investment portfolios, building plans and the European supply chain more broadly. Organisations should be paying closer attention to how they can champion recent industry legislation such as The Global Real Estate Sustainability Benchmark (GRESB) to help drive capital flow into improving buildings and occupier ESG criteria. Businesses also need to consider the impact that consumer demands around ESG have on supply chain management. As consumer awareness around ESG matures, supply chain managers must adapt their operations in tandem with consumers changing need to be more environmentally conscious. \*





## **US INFLATION RESHAPES CONSUMERS' ATTITUDES & FREIGHT'S OPERATIONS**

The USA is facing a challenging economic outlook as consumers are still feeling the problems from inflation. This leads to 3PL companies focusing on how they can keep good service levels and consumers happy. We spoke to Manny McElroy, Sr Vice President of Transportation for ITS Logistics, about the freight market, what is reshaping it and what is to come next.

### **What problems are being faced in the USA freight market at the moment and what caused them?**

Inflation is a massive problem with the current climate of freight in the US, and it is damaging consumer spending. The population is not purchasing many goods and not only does this affect transportation in the US, but it hurts everyone globally.

With uncertainty surrounding federal interest rates, people get to talking about a bad economy and that pushes up the level of uncertainty even further. Once that feeling of doubt and fear begins to spread, the consumer is likely to pull back even more on spending.

## **Do you see improvements or more troubles coming soon?**

I think for the next couple of months there will still be more troubles because there isn't going to be much change in federal interest rates. The way things are currently going, it will be another month or two before we see the bottom. Produce season is around the corner and its success this summer will be a good indicator for the rest of the year. Over a third of the country's vegetables and three-quarters of fruit and nuts are grown in California. They have had trouble over the years due to drought, but this winter they have had the opposite problem with flooding. When the farms have done well, then the rates in summer drastically increase – especially for reefer. That will then trickle across the US and tighten up capacity. A lot of beverage companies experience the same increase in the summer.

Will people be going on vacation with their families during the summer break? Or will they be working on projects around the house, having BBQs, and spending more? Whatever happens, this summer will naturally carry over into the fourth quarter and into peak season.



MANNY MCELROY, SR. VICE PRESIDENT  
OF TRANSPORTATION FOR ITS LOGISTICS

## **How are organizations trying to counteract that?**

Organizations in the industry are focusing on the bottom line and looking to cut costs where they can to increase profitability. At ITS, we are focusing on refining our processes, building up our people, and sustaining strong relationships. Good processes will carry you through the tough times to withstand adverse market conditions. Building sustainable long-term partnerships allow you to stay personally connected with your customer and your vendors. With trust and open communication, we can all successfully navigate the supply chain.

## **What advice would you give?**

Focus on operational efficiencies internally and adopt the belief that the market is going to come back. Don't stray too far from the successes that have gotten you to this point. Instead of being reactionary and changing your entire business model, focus on what has made you successful. \*





# **VIDEO**

## **DP WORLD: SUPPORTING SMES ECOSYSTEM TO DIGITISE & GO GREEN**

The supply chain is an ecosystem that needs care. Large organisations have a very important role to play in supporting SMEs in their journey to digital and carbon neutral supply chains. We spoke to Mike Bhaskaran, COO of Digital Technology & Logistics at DP World, about different projects DP World is working on, how they are supporting environmental pledges and digitisation. You can watch the full video interview below.

**DP World has helped local Rwandan coffee farmers to improve their exports. Can you tell us more about the project and what happened?**

Three years ago we started working on a project called World Logistics Passport, which allows the acceleration of goods through countries. You can think about it as a green channel, helping merchants with new markets. Rwanda was one of the first countries that actually signed up to this program.

One of the conversations we had with them was about their great coffee and the challenge they had with packaging. At this time we were developing new routes and solutions for Latin America and Africa, we did not anticipate packaging to be a challenge.



We spoke to a company we work with and discussed how this premium coffee can be packaged and showcased on our retail page. We wanted to make it possible for customers to see this on dubuy.com which is our B2B platform.

We are very proud of the work we did and there are so many opportunities that came up out of it. Packaging and presentation has become an equally important part of digitisation in the supply chain, along with many other aspects we work on.

**What is the role of organisations like DP World in supporting smaller, local producers to enter global markets?**

I think we have an important role to play. We do almost 80 million plus containers through our ports. We handle more than 10% of global container trade and a sizable part of this are SMEs. We play an important role in facilitating access to markets for them.



MIKE BHASKARAN, COO OF DIGITAL TECHNOLOGY & LOGISTICS AT DP WORLD

We can also provide them with the much needed working capital. In addition, we play a broader supply chain role by providing a good user experience with services like dubuy.com. We can also provide ERP solutions that can provide information about costs, demand and environmental impact.

Today we have a method to capture the amount of CO<sub>2</sub> a container emits during a trip from Shanghai to LA, for example. There are then offset market places which can provide the ability to offset this. Of course, this is not a process a small farmer in Africa can do without help. We can tell them how much carbon can be offset and we think spreading this is a very important role for us to play.

**How is digitisation going? Is the supply chain reaching its own goals in this area?**

When we first started we asked ourselves if it is better to solve it in parts or as a whole. We think that solving it in parts is better.

We concentrated on different areas and we also noticed that different companies are very good at different aspects of digitisation. Some might be great in the ERP area and we are developing solutions that can fit in a gap and be plugged in instantly.

**Do you think the industry will be able to reach the climate goals for 2030 and 2050?**

Today we have a method to capture the amount of CO2 a container emits during a trip from Shanghai to LA, for example. There are then offset market places which can provide the ability to offset this. Of course, this is not a process a small farmer in Africa can do without help. We can tell them how much carbon can be offset and we think spreading this is a very important role for us to play.

You can watch the full interview with Mike Bhaskaran, COO of Digital Technology & Logistics at DP World, with more details on the projects DP World is working on. \*



# HOW DOING GOOD CREATES VALUE

BY IRVIN NEWBITT, CEO @ ECOVERITAS

Sustainability doesn't have to come at the sacrifice of profit. There, we said it! It is, however, still necessary to balance the needs of people, the planet and prosperity. That balancing point is where sustainability meets smart business. In the past 40 years, we have seen more man-made disasters, corporate scandals, fraud and ethics issues than any time in recent memory. Resource consumption and environmental change are all trending in the same direction.

We're so used to justifying, minimising, and keeping the boundaries of what we observe and measure within office walls, we're not looking at the greater issues that business has on our communities and environment.

Naval-gazing, token projects that mask the view of their genuine negative impact on the environment and society, are now commonplace. It's very easy to become dispirited.

And it's even easier to throw up our hands and say there's nothing you can do about it. If the system prevents you from running a financially sustainable business and doing the right thing, you need to identify those barriers and take them to decision-makers. Even better if you are armed with data!



Companies that use sustainability as a driver of innovation and then smartly market their benefits will win.

Our friends and colleagues in Westminster are not engineers, and they don't have an intimate grasp of your issues.

They don't understand the complex web of legislation you are facing, which prevents you from doing the right thing. This is where it becomes important to collaborate with specialists such as Ecoveritas and to work with trade associations to identify blockers.

### **Change only matters if it's meaningful**

Consumption is the current elephant crashing around the unsustainable room. And businesses are increasingly reaping bottom-line benefits from focusing on environmental and ethical issues. It is no coincidence that we have seen an increase in businesses aiming to turn a profit while simultaneously transforming our world for the better.

Companies that use sustainability as a driver of innovation and then smartly market their benefits will win. Strong forces are changing the rules, the strategies, and how corporations conduct business.

If you want to know how to make your packaging more sustainable and how to sell your brand better to your customers, data holds the key.

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**With focus on  
Sustainability**

It can help you thrive despite the disruption and changing consumer values.

Data can help show you the way to good profit - whether you work for an international supermarket chain, a medium-sized regional business, or your start-up.

To some, it might appear a fast-evolving subject, but we've been at it for 20 years. And only now is Extended Producer Responsibility making its final descent.

For this change to matter, it must be meaningful.

At Ecoveritas, we help brands take sustainability to heart and market themselves more effectively, attaining a tighter grasp of the subject, its many applications and implications. Additionally, we help businesses understand what sustainability means to their consumers and other significant audiences.

### **Decoding the future of the packaging industry**

Ecoveritas has decades of experience as the trusted, gold-standard intelligence provider to leading packaging brands, manufacturers, and suppliers, helping them make faster, more informed decisions.

Looking at life from a different point of view is a rare skill. Built on in-depth research, broad experience, and original thought, our service helps measure success in a new world that is not always straightforward.



IRVIN NEWBITT, CEO @ ECOVERITAS

Investors are already moving capital towards organisations with robust plans to take action. Finance organisations are already tying capital to new projects that have sustainability metrics. Consumers are already shifting their demand towards sustainable products and services.

**Data can help show you the way to good profit - whether you work for an international supermarket chain, a medium-sized regional business, or your start-up.**



Businesses need a modern and flexible range of partners who can support them on the journey and advise them as they go through it. Needs can change over time, but those core processes of bringing things together to make better decisions will always be important.

While sustainability-driven cost savings are valuable, the opportunity on the other side of the balance sheet may be even greater.

Becoming a sustainability leader can pay off, but it is not easy.

Largely, it's a perception issue, and we must show that it makes good business sense to overcome the hurdle.

The degree to which a company aligns a meaningful brand promise with how it designs, builds, and delivers its brand to the market is key.

Business leaders do have an opportunity to drive sales and build customer loyalty and brand value by positively addressing the social and environmental challenges we face through purpose-driven product innovation. \*

Businesses need a modern and flexible range of partners who can support them on the journey and advise them as they go through it. Needs can change over time, but those core processes of bringing things together to make better decisions will always be important.





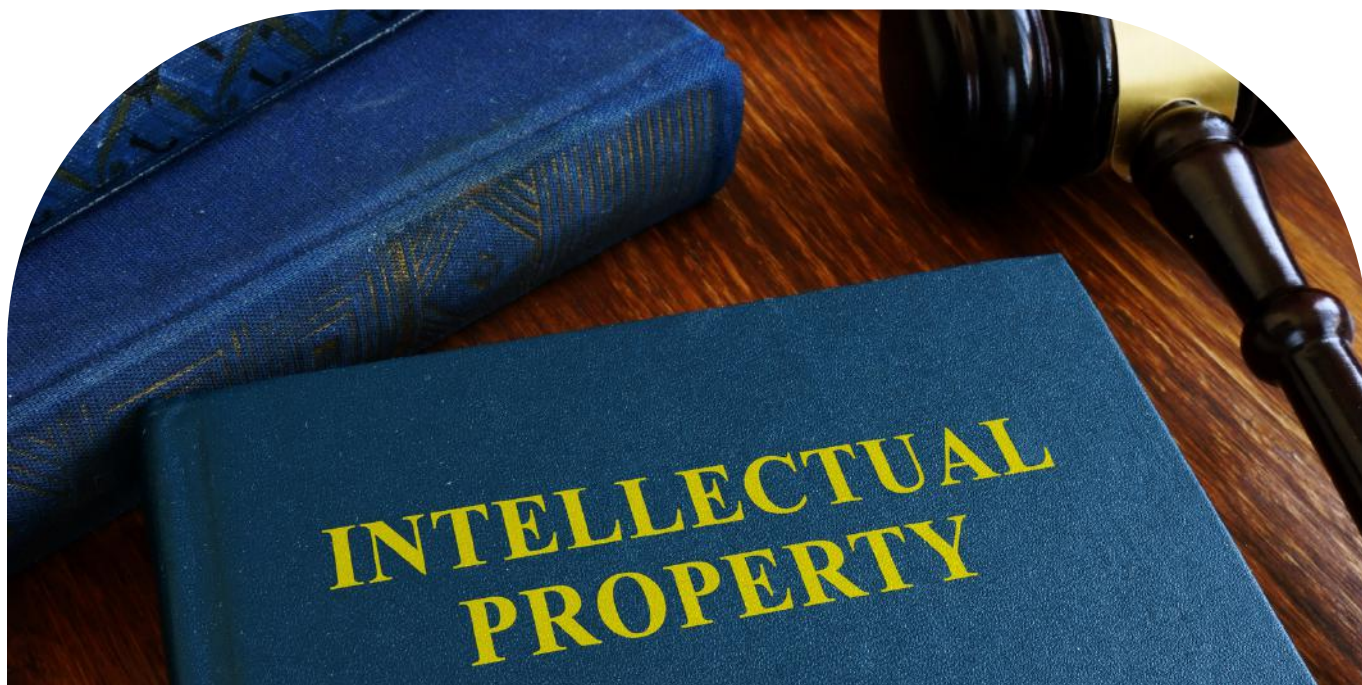
## PROTECTING SUPPLY CHAIN IDEAS: PATENTING YOUR BEST

Supply chain operations often take the backseat when it comes to innovation and upgrades compared with functions that face the customer and consumer. Companies prefer to leave these processes unchanged whenever they work and often usually intervene only after something bad happens. But active measures need to be taken to protect the most valuable resources, tools and ideas. We spoke to Pat Mathavan, Patent and IP Attorney for Tompkins Robotics, about change, how companies can protect their intellectual property and more.

'If there is a problem that has been present for a while and your company comes up with something that solves it and increases productivity, reduces costs and time, that might be a good fit to patent,' explains Pat.

People come up with ideas all time and some of them bring a very incremental change. 'Maybe you have done something to reduce the number of people needed for a task by one.' Pat starts, 'That would be best left unpatented as a patent costs money and your benefits would not be much.'

However, if an idea has brought a significant cost saving, then businesses need to take a careful look and protect it.



In addition, if the idea is very specific to your operations and can only be executed in combination with other specific settings, a patent may not be needed. It is not just about a good idea that saves money. If it is unlikely to be replicated by someone else and applied in their operations, there is no need to spend money on patenting.

Novelty is one of the key components of patenting. Under patenting law in most countries, an idea needs to be not just new to the creator but to the whole world. 'I might have invented something by myself, but if someone else had already done it in another part of the world, it can't be patented. This is regardless of whether you knew about it or not.'

'Ask if your idea will be applicable to just your environment or not,' Pat goes on. He also covers licensing, which can be useful for companies looking at markets in which they are not yet present. Organisations can protect themselves by licensing their ideas outside their home market.

### **Patenting Outsourcing**

Companies might struggle with making their ideas a reality. What they can do is hire prototype companies who can work on a prototype on behalf of the original idea creator. This saves money and time, and also outsources the process to someone who can test and determine whether a product is good or not. Usually the prototyping firm assigns all right to the company that hired them.

When to patent an idea is also important. Different companies approach it in different ways. Some patent the idea without having created a prototype or conducted any tests. Others work under non-disclosure agreements and only file a patent application after they have proven the product is viable. \*





## NEW CPTPP DEAL: HUGE LONG-TERM POTENTIAL

The UK has just become part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). As with most news surrounding new trade agreements, experts are divided. Some claim the deal will have marginal benefit to the UK economy, whilst others welcome it as a proof of post-Brexit successes. We spoke to Kate Jennings, Policy Director at Logistics UK, about the deal and its benefits. Kate also answered a few questions around UK's EV's infrastructure on page 51.

**Kate, is it easy to evaluate how good the CPTPP will be for the UK economy as a whole and specifically for logistics?**

From the perspective of Logistics UK all free trade agreements are good, because they facilitate trade and make it easier. CPTPP opens up the market to 11 countries. Most of those countries already have some trade agreements with the UK but some new countries are also added, like Malaysia.

The deal has a big potential because the countries in Asia are big growth markets. Becoming part of the agreement at this stage is very beneficial because the UK could influence what is happening next.



**Who is this deal for? Who are the people who can benefit from it the most?**

The organisations that can benefit are those dealing heavily with exports. For example, exporting cars can become much easier. There are some simplifications of customs. Singapore is working towards digital customs. This will not just simplify the rules but make barriers much lower. In the first instance the benefits might not be that clear but in the long-term free trade is something really positive.

**Is there a type of deal that Logistics UK's members would like to see?**

Clearly the EU is the biggest export market for us and I do not think that CPTPP is a substitute for that relationship. It also does not substitute a USA - UK deal, because the US is another major market. Now that the Windsor Framework has been agreed, we would like to see ongoing work on facilitating trade and making it work.

Looks like the USA's administration is not prioritising free trade agreements. However, I think the government should still work towards it. Is it necessary to wait for a full deal or can we just work on facilitating trade in another way?

**A few comments were raised that the CPTPP will be detrimental for the UK's environmental pledges. With logistics so focused on its NetZero goals, have you noticed something in the deal which will clearly have a negative impact on them?**

Logistics businesses are committed to Zero Carbon, green fleets and air quality. I have confidence in the UK and in the industry, because our targets are part of the UN's aims and the UK government is also committed to them. There is still a lot to do in this area but we are confident that we know what needs to be done. \*



## CPTPP EXPLAINED

The bloc is home to more 500 million people and will be worth 15% of global GDP once the UK joins. It is estimated that joining will boost the UK economy by £1.8 billion in the long run, with wages also forecast to rise by £800 million compared to 2019 levels. Being part of CPTPP will support jobs and economic growth across the country, with every nation and region expected to benefit. More than 99 percent of UK goods exports to CPTPP countries will now be eligible for zero tariffs, including key UK exports such as cheese, cars, chocolate, machinery, gin and whisky.



# PACK ONCE AGAIN: CREATING A FRICTION-LESS RETURNS EXPERIENCE

BY CHRISTOPHER MORGAN, GLOBAL SALES DIRECTOR, FILTRONA  
TAPES

The great trick of e-tail has been to get us to shop more and think less about how our purchases reach our homes. Its explosion is a story in which we have all been willing participants since our clicking and swiping powered the boom. We're told if something cannot be done quickly, it's barely worth having. Nowadays, we make our purchases with the smallest movements of our thumbs, often resulting in a wasteful merry-go-round of returned goods.

Corrugated cardboard is a daily presence in our lives. We see it on the market in fruit boxes, delivery trucks, and packages that bring parts or raw materials to our industry. Parcels arrive at our doorsteps. Our trusty cardboard companions. Totems of 21st-century materialism.

The cardboard box is the most potent symbol of the home-delivered world. It reminds us of the difficulty of choosing between our consumption and the planet's health. We have come to rely on it so quickly that we have not been able to grapple fully with the scale or true impact of widespread home delivery.

This divorce of a product from its voyage to us is perhaps what e-tailers have sold us most successfully. But what do we do with the forests of used cardboard? And what if we could give some of it one more use?



Over 159 billion parcels were shipped globally in 2021, most of which were sent in single-use packaging.

### **An open-and-shut case**

Once, we were prepared to wait, but now same-day delivery is seen as a must. We have vehicles shooting all over the place, making single deliveries. We have the concept of 'free' delivery, which is a selling point for retailers, but it's not free in terms of what it costs them and what it costs the planet.

People also buy things, particularly clothes, intending to return much of the order, resulting in more carriage and mileage. But additionally, as our purchases hurtle towards us in ever-higher volumes and at ever-faster rates, they exert an unseen, transformative pressure – on infrastructure, cities, and the companies themselves.

You may give a fleeting thought to the environmental impact when drowning in excess packaging, but it's easy to ignore. In today's e-tail market, your purchase might

have been shipped from far-off countries, manufactured from raw materials, and arrived at your home at minimal expense.

Using good quality, well-designed and easy-to-use packaging that ensures goods get from A to B and back again, by whatever circuitous route, can greatly reduce the damaging impact of returns on business and the environment.

Filtrona Tapes approaches packaging performance forensically, intelligently, and purposefully by starting at the end.

Take shipping mailers for example: there are two features you can build into the mailer itself to make returns easy.

Rippatape® makes it simple to get into your product without special tools or knives, and without damaging either the product or the packaging.



EASILINER then lets your customers reuse the mailer for returns. One strip is used to close the bag for the original package fulfilment, and the second strip is for your customers to seal it again and ship products back to you.

### **One more use**

Over 159 billion parcels were shipped globally in 2021, most of which were sent in single-use packaging, according to global shipping and mailing company Pitney Bowes.

More than ever, people are searching for something they can do to reduce their impact on the climate. The ease of online shopping means it's fast becoming the preferred choice for many, but while buying goods is easy, returning them can be frustrating.

It's safe to say that everyone has, at some point, had to return a purchase. We've all learned how to deal with returns as buyers, but what happens when you're the one the item is getting returned to?

Retailers across the fitting-room-free world of fast fashion, where ordering online means buying before trying, are processing a deluge of unwanted items. And frustratingly, the most valuable customers tend to be the ones that return the most. As such, suppliers want to provide a great customer experience – extending beyond the purchasing process to the goods return process should a customer not be satisfied with their purchase. End customers want the assurance of a quick and easy product return process to the supplier.



CHRISTOPHER MORGAN, GLOBAL SALES  
DIRECTOR, FILTRONA TAPES

The best solution is the most straightforward one: ensure that the e-commerce packaging you select to deliver your products safely and soundly to the customer can easily be used to return the product in case of dissatisfaction. The last thing you want a customer to use is unsuitable return packaging that could lead to a damaged product.

Getting returnable packaging right can impact your business' manufacturing productivity, competitiveness, costs and ultimate success.

Incorporating an easy opening solution into returnable packaging is critical to improving the consumer opening experience and delivering a method of opening that will maintain a pack's structural integrity. If a consumer must destroy the packaging upon opening an item, the returns benefit is lost immediately.

Filtrona Tapes' Rippatape® tear tapes, including the new fibre based repulpable Rippatape® Halo, opens corrugated and paper packaging cleanly, safely and without needing tools or blades.

With the packaging opened cleanly, if returns are needed, release liners or double-sided tapes offer a no-fuss, ready-to-use solution to reseal the pack and enable hassle-free repacking for the consumer.

Filtrona Tapes provides a range of paper-based release liners under its EASILINER banner, which protect glue lines, enabling consumers to remove the paper liner to reseal their packaging easily. Something as small as a glue strip and release liner can turn flexible packaging and corrugated packaging into an easy-return solution with relatively little investment and yet significantly boost the consumer e-tail experience.

Historically, deploying both opening and closing solutions has required multiple passes through the packaging production process, but not anymore. Advances in packaging technology now mean resealing and easy opening technologies can be seamlessly woven into existing packaging lines using multi-head applicator systems.

Filtrona Tapes has developed the SF-AS applicator range for folder-gluer lines to deploy its Rippatape® and Easiliner or double-sided tape solutions in a single pass. Returnable packaging no longer means having to accept decreases in operational efficiencies.

## **Past the point of no return**

At Filtrona Tapes, we do the little things well and the big things better.

Today's packaging has to be much more than just about product protection and presentation. In an era of environmentally aware consumers maintaining more sustainable and healthy lifestyles, the demands on packaging manufacturers, designers and brands have never been greater.

Product returns are a thorn in the side of most e-tailers, and it's not surprising when you consider that returns rates for online orders stand at a staggering 25% (source: Paazl). Although more and more businesses are seriously considering their packaging from an aesthetic and environmental point of view, returns aren't always part of that thinking.

The 'right to return' is now deeply embedded into the online shopping culture, and consumers expect to be able to return items without fuss. According to Invespcro, 92% of consumers say they would buy from a retailer again if they offered an easy returns process.

But 'easy' returns require more than a generous returns policy; this also extends to initiating the return itself – and packaging plays a key role in whether the returns experience is positive or negative. Packaging problems can amplify the returns problem.

Demonstrating a pre-emptive 'there-if-you-need-it' approach to reverse logistics by incorporating easy-return features into a packaging solution is a subtly effective way brands can enhance their packaging, turning it into a vital element of their relationship with consumers. Single-trip packaging offers none of this – its use ends when the consumer has it in their hands. Research from payment provider Klarna shows 84% of shoppers would not return to a brand following a poor returns experience, meaning it pays to remove as many roadblocks from the returns process as possible. Well-designed packaging can boost the consumer experience and loyalty.

We've all been there: returning a product is the last thing on your mind as you tear through plastic and cardboard packaging. There is a way to give consumers a great

unboxing experience while offering a packaging solution that facilitates an easy returns process. Something as small as a tear tape and a glue strip protected by a release liner can turn flexible packaging and corrugated packs into an easy-return brand experience with relatively little investment.

In a hectic eCommerce environment incorporating returns features into packaging is becoming a pre-requisite for any brand looking to offer convenience, sustainability, and a high-quality experience to the consumer. Thanks to modern, intuitive applicator systems, clean opening systems, and value-adding products such as EASILINER, returnable packaging is now more accessible for brands and converters than ever. The heyday of single-trip packaging for eCommerce applications is over – and that's one thing that won't be returning. ★

# LONDON LOGISTICS NETWORKING WEDNESDAY 24 MAY

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8:30 am - 12:00 pm  
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## ***RISK APPETITE: DEFINE IT WELL TO BEAT THE COMPETITION***

Risks have exponentially increased for supply chains in recent years and there is no doubt the coming years will see even more pressure. This raises the question how ready managers are to deal with risks and what their risk appetite is. We spoke to Erika Peters, Global Head of Innovation & Operations at Exiger, about risk management maturity in the supply chain and Exiger's proprietary framework created to help organisations understand themselves better.

'Often when board members ask their management team about specific third party and supply chain risks and their teams interpretation of those risks and what they could mean to the company, the questions have been difficult to answer due to the lack of an overarching risk appetite strategy in place helping guide the management team in building processes and decisions similar to a credit or market risk function,' Erika explains. The framework called "TRADES", created by Exiger, is aimed at evaluating the current state of the supply chain risk management framework and what can be done to improve.

What companies should aim for is to enter a Predictive State where they can understand and act on risks before they occur. 'For this to happen, companies need to have confidence in the information to

build risk models of their organisation specific what-if scenarios to understand the impact,' Erika says. 'The majority of organisations, however, are not even close to that stage.'

### **Start to finish**

Usually, companies find themselves in a more reactive environment where things happen to them with little prior knowledge. Getting to the final stage means taking the organisation on a journey through embedding active risk management and eventually predictive. Erika speaks about central repository of vendors and how crucial supply chain mapping is as a foundation for the process to be successful.

'Think about your direct and indirect risks and then you can look at monitoring and modelling out different disruption events or potential risk scenarios,' Erika continues.

If you are hiring a company on a long-term contract, providing critical products to a business, this requires more extensive due diligence than a third party hired for one event like organizing your Christmas party, where exposure of any inherent risks are much less, reducing the need for extensive research.

### **Risk appetite**

We usually go through how much risk we want to take in many areas of our lives but often businesses find it hard to implement those lessons in their environment. 'Evaluating risks vs rewards is unique for each company,' Erika points out. 'Step one should be knowing what the micro and macro risks are specific to their industry and business model. During the pandemic, for example, companies had no idea of how their supply chain could be impacted or rely on central points of failure.' Now organisations are searching for ways to be more proactive and take a broader look at the way they define risks and can mitigate them.

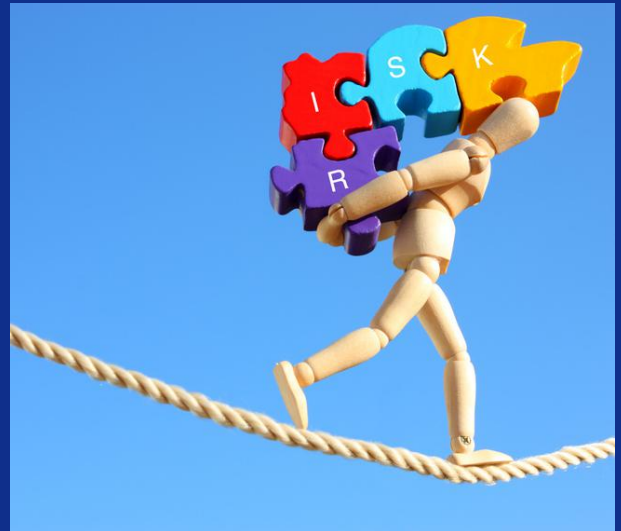
Erika specifically called out geopolitical risks as an area of growing concerns. These involve sanctions and working with organisations or countries that are or could be sanctioned or countries with nefarious intentions. 'You have to know where your business sits within the micro and macro risk ecosystem and consider what potential problems might appear.'

There are also inherent risks related to specific country profiles. Consumers in different parts of the world have a different sense of what is right and wrong. 'If an active consumer finds out about something they find unethical a vendor of a company is doing like financing modern slavery, this can become huge reputational damage.'

Evaluating risks should be a case-by-case exercise taking a risk based approach. 'If you are hiring a company on a long-term contract, providing critical products to a business, this requires more extensive due diligence than a third party hired for one event like organizing your Christmas party, where exposure of any inherent risks are much less, reducing the need for extensive research.' The risk appetite threshold for critical vendors and suppliers should be much lower.

People have become more interested in understanding their risk profile and companies are strategically focused on this issue and are realizing that having a strong third party and supply chain risk management programme is a competitive advantage. 'Competitors have even started to research their competitors to find out whose programme is better in order to beat out their competition.' Overtime Erika expects frameworks around ESG to be more widespread playing into this competition.

Erika urges senior leaders to be clear about their vendor and supplier risk thresholds so they can set the scene for execution managers. If there are documents that outline what is acceptable and what's not, people can easily navigate and choose the right suppliers and make decisions as well as build out mitigation steps for risks discovered. 'There are easy decisions that are black and white like avoiding sanction risks. But a lot of risks are not black and white and those risk appetite frameworks needs to come from the tone at the top.'



## MATURITY

Erika is unsure how many companies have managed to learn the lessons from Covid. 'Some specific companies have taken things very seriously. For others it is still a question of how much they would actually want to know about their risks.'

She gives an example of an Italian company which was the only producer of a specific valve for medical ventilators in the world. 'Everyone should have known this was part of their supply chains during the pandemic when ventilators were in high demand, but they didn't. This was a huge operational issue in the whole world.'



Supply of critical components to a business' operations need a backup plan. But organisations can only create it when they have clearly mapped out their supply chain and have methodically described each element. 'Conducting a product risk assessment and a vendor risk assessment including their supply chain risks are very important. This is how you understand what your plan B needs to be instigated.'

### **Future proofing**

'Looking into the future and deciding which risks to focus on more depends on your business profile and industry,' Erika explains. If you are based in the US, monitoring America's foreign policy is extremely critical.



ERIKA PETERS, COMMERCIAL - HEAD OF INNOVATION & OPERATIONS AT EXIGER

We should always be considering what matters most to our industry, for example if you are in the food sector, risks to your company will be different than if you are in manufacturing.'\*

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## **GEN Z TRANSFORMS THE SUSTAINABILITY NARRATIVE**

As Gen Z enters the workforce and becomes a significantly active economic group, organisations all around the world are looking carefully at what they need to change in their operations. Sustainability and true green initiatives are carefully scrutinised and expectations are shared openly. We spoke to John Gillan, General Manager of Stuart UK, about a recent research Stuart did on expectations for delivery services and e-com.

**John, Stuart recently published a research showing an expectation for growth in delivery services. Can you summarise what you found most intriguing about the results?**

The most interesting aspect for me was the definitive age split in the data. Young people overwhelmingly order more online, and say they plan to continue this practice – and in some cases that they intend to increase their delivery rate.

As Generation Z begin to enter the workforce and, as a result, become one of the most significant consumer groups, they are fundamentally altering the way that the economy works. This is reflected in the shifting expectations.





Sustainability and faster customer service are set to become more and more important as young people become increasingly selective about which services they use.

**What challenges will companies face now, as consumers demand more? How to overcome them?**

The most difficult hurdle for companies will be to take the leap and invest in more sustainable solutions. As consumer expectations shift, it is clear that businesses need to build a sustainable business model that is resilient in the face of climate change, rising inflation and the ever-growing cost of fuel.

Here at Stuart, sustainability is at the heart of what we do. We are building fleets of electric vehicles in our Hub to Home model, while rethinking delivery processes so as to make each trip as efficient as possible. Making these system changes can present a challenge to companies initially, but the positive business impact outweighs this in the long run.

**Sustainability seems to be at the forefront but are consumers really interested? What does it mean for the business model?**

The short answer is yes - consumers are interested in sustainability. This has been a talking point for decades, and it will continue to be so long into the future.

When people have the opportunity to choose a more sustainable brand or option, they will do so. In this YouGov survey, sustainability is listed as one of the more significant expectations that consumers have of organisations – and businesses are looking for ways to deliver.

For logistics companies, this means remaining future-focused and finding innovative ways to build a more sustainable system for deliveries. At Stuart, we have always held sustainability at the very core of our business model, and are continually looking for ways to learn, grow and improve. \*





# REDESIGNING THE SUPPLY CHAIN: HOW ESG FORCES A NEW OUTLOOK

The supply chain is massive and with this come many complexities. There is no doubt that the last couple of years have brought huge changes and managers are actively exploring redesigning their operations. We spoke to Skyler Chi, Head of Enterprise Accounts, Exiger, about which parts of the supply chain are in need of change, why and most important, how.

**When we are talking about redesigning the supply chain on a global level, who are the actors who will lead that process: governments, international companies?**

Supply chain interconnectivity is incredibly complex and – as we all know – there are many individuals, companies, governments, and companies that all have material parts.

To be as fully prepared as possible, nearly all actors will need to participate in open forum – from governments to private sector companies. Initially, governments will need to play a crucial role – as they have been – in creating policies and regulations that will facilitate the edge of the wedge transformation of global supply chains.



Most recently, we have seen these types of pressures with global modern slavery regulations that place nearly all liability to trace materials and inputs on the manufacturers to ensure they are not inadvertently supporting global slave abuses. At the same time, international companies can leverage their expertise, vast amounts of resources, and purchasing networks to drive innovation and implement sustainable practices across their value chains.

Backstopping these efforts are firms like Exiger, who are innovating in very novel ways to create automated, artificial intelligence driven methods for automatically tracking and tracing supply chains while also providing supply chain management tools to ensure proper inventory tracking, warehousing controls, and stock monitoring. Continued collaboration between these actors will be essential to ensure the redesign (much of which is currently ongoing) is effective and sustainable.



SKYLER CHI, HEAD OF ENTERPRISE  
ACCOUNTS, EXIGER

### **What areas need redesigning? Why?**

Several areas of the global supply chain require redesigning and all the above participants are widely aware of these needs. Today, the areas that are receiving the greatest amount of visibility including tracking systems (inventory and stock management), ESG practices, and overall transparency. The current supply chain lacks transparency, which creates challenges in tracking products, ensuring ethical sourcing, and identifying sustainability issues. By redesigning these areas, we can create a more resilient, sustainable, and equitable global supply chain.

Redesigning a complex, global system like the world's supply chain requires breaking it down into smaller parts and addressing them each systematically. The best way to eat a supply chain transformation elephant is one bite at a time.

### **How do we even define 'redesigning' of such a complex system?**

Redesigning a complex, global system like the world's supply chain requires breaking it down into smaller parts and addressing them each systematically. The best way to eat a supply chain transformation elephant is one bite at a time. A step-by-step approach can help identify key areas that need improvement, set achievable goals, and track progress. Governments can play a critical role in defining the scope of the redesign, setting benchmarks and timelines, and creating incentives for private sector companies to participate – we see this with the UK Modern Slavery Act, NDAA 889, and the UFLPA to name a few.

### **What are the risks associated with this? How can we mitigate them?**

There are several risks associated with

redesigning the global supply chain, including disruption to existing supply chains, increased costs, and lack of stakeholder engagement (particularly in the private sector as they are very averse to fundamental change). To mitigate these risks, proper funding needs to be allocated to support the redesign efforts. Such funding may include government subsidies as a “carrot” or regulatory fines as a “stick”. Collaboration between stakeholders is also critical to ensure that the redesign is inclusive and addresses the concerns of all parties involved. First-mover companies, for example, that are committed to implementing sustainable practices can also help mitigate risks by sharing their expertise and experiences while receiving the benefits of government assistance with a common goal in mind. \*

**Delivering Green:**  
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## **UK'S EV & HYDROGEN INFRASTRUCTURE: THE RACE IS ON**

The UK is committed to reaching NetZero in a very short period of time. Could we really do this? What steps need to be taken? Logistics businesses need more clarity and clear directions but there are areas where the government is being too slow to respond. We spoke to Kate Jennings, Policy Director at Logistics UK about EV's infrastructure and alternative fuels. Kate also spoke to us about the [new CPTPP deal on page 35.](#)

'There has been a good progress,' Kate begins when asked if UK's businesses and government are on the same page when it comes to EV's and alternative fuels' infrastructure. The government has committed to roll out charging points and the Future of Freight plan was also a positive step. A lot remains to be done.

Public charge points need to work for commercial vehicles too. HGV drivers might be able to charge at the depot but not always.

Vans would particularly struggle with that as they might take the vehicle home. 'We do not always see enough focus on this particular area,' Kate comments.

In addition, targets are not that far away and actions need to be taken very quickly. In order to entice organisations for their next purchase of vans and HGVs, the government would need to make sure they have access to charging points and alternative fuel stations. Logistics UK's members were hoping to hear that trials for EV's and hydrogen fuels will be announced before Christmas 2022. Unfortunately, that did not happen and the industry is still waiting. 'When the targets are 2030, every week delay is not helpful,' Kate explains. 'The government is planning a Low Carbon Fuel Strategy and we very much welcome this. We would like, however, to see it sooner rather than later.'

The Low Carbon Fuel Strategy is important as traditional fuel vehicles will be on the roads for many years, even after 2030 and the industry would need to be able to meet the targets with the fleets of today. Tax incentives would also need to be updated. Due to the energy crisis from last year, sometimes traditional fuels were much cheaper than low carbon ones.

Kate says that businesses are not staying idle and just waiting on the government but they have limited abilities. 'They are upgrading power supply to depots, for example,' she points out. All of the alternative fuels would need wider infrastructure which is not something businesses can plan and execute. 'Private businesses also need to know they will get a return on their investment.'



KATE JENNINGS, POLICY DIRECTOR AT  
LOGISTICS UK

It is much harder to make the business case, if you do not know whether you will be able to charge the EV van or whether the hydrogen station exists.'

In addition, if the industry does not have the right people, it could quickly impact the whole economy. Last year with the shortage of drivers, many supermarkets experienced delivery problems. Without well-trained professionals who know how to operate and maintain hydrogen and EV fleets, targets will not be met. Logistics UK is promoting the industry with its Generation Logistics program. The skillset the industry needs has changed dramatically. 'We are seeing shortages of mechanics and technicians who can deal with these different technologies,' Kate explains.

Kate also spoke to us about the new CPTPP deal and how it will impact the UK's logistics sector. [You can read the interview with her on page 35.](#) \*



## **DON'T BREAK THE CHAIN – DIGITAL TECHNOLOGY CREATING A MORE RESILIENT FOOD SUPPLY CHAIN**

Empty shelves replaced colourful fruit and vegetable isles earlier this month, with shortages leading even the UK's largest supermarket chains to introduce limits for shoppers on several fresh produce lines, such as tomatoes and lettuce. Strains across the food supply chain impacted customers and retailers up and down the country, and not for the first time. Edward Porter, Director of IoT Solutions at IMS Evolve, takes a look.

Fortunately, it didn't take long for the supply of these foods to bounce back to all but normal levels, with the likes of Aldi and Asda announcing that they were removing all purchasing restrictions on fresh fruit and veg lines only a few weeks after they were introduced.

However, this is not likely to be the last event of its kind for UK retailers. Britain imports more than 45 percent of its food overall (95% of its tomatoes and 90% of lettuce from December to March specifically) and is therefore massively affected by external pressures on the supply chain. Currently, these challenges include the energy crisis, poor weather, and hangover problems from the pandemic, and at least two of these issues aren't going away any time soon.



Food experts have further warned that shortages could become the norm in the UK due to the climate crisis, as the world can expect to see more extreme floods, frosts, droughts, and heatwaves that will all have an adverse impact on production, supply, and transportation.

So, with the list of external pressures continually evolving, can retailers and supply chain organisations implement their own measures to mitigate the impacts of the challenges that arise because of disruptions in the supply chain?

In short – yes, they can. Advanced technologies are available with low barrier, low-capital approaches to increase visibility and efficiency across the supply chain while reducing avoidable food waste.

### **Building A Collaborative Chain**

Although it is difficult to summarise the issues that the food supply chain is currently facing, inadequate visibility over demand is without doubt a problem part of it.

The fast-paced nature and fluctuations in consumer demand means that supply and demand often become misaligned leading to huge amounts of both food and financial waste due to over or under production. Too much and food will go to waste.

Too little and shelves will be empty, and customers dissatisfied, and in both these scenarios, the business will lose money.

The supply chain is made up of many siloed stages that, traditionally, act as separate entities from farm to food aisle.



## **A MAGIC WAND**

While technological solutions can't wave a magic wand and solve every issue impacting the production and distribution of food, by deploying IoT technologies, a more robust and resilient supply chain with improved efficiency, visibility, productivity and communication can be enabled, and food waste can be reduced to ensure that safe, quality produce makes its way to supermarket shelves.

Now however, digital transformation across the chain can ensure continuity and improve supply flexibility by enabling greater transparency and effective communication between the separate organisations.

This enhanced collaboration and shared visibility into demand and inventory can not only streamline supply chain operations but can mitigate the Bullwhip effect. The Bullwhip effect is when small changes in demand at the retail end of the supply chain become amplified and are distorted as they move up the chain and cause disruption, to the extent that farmers could be growing up to 50% more food than what is required by stores, causing huge amounts of food waste, increased costs, and reduced profits. Closing this gap on demand and supply and instilling greater collaboration across the different organisations will serve as the building block to a more stable and resilient supply chain.

### **Drastically Improving the Safety and Quality of Food**

Cost, time and resource across the supply chain and its operations – from farming to production and transportation – are exponential. When produce finally hits the shelves of a supermarket, it is imperative it is safe to consume, of high quality, and has the best possible shelf life to maximise availability for consumers while protecting and increasing profit margins for supply chain organisations. Sounds simple, but this is a big ask, with research finding that 8 million tonnes of food are wasted in the UK supply chain every year.

It is estimated that increasing the shelf-life of a product by just one day could result in avoidable waste being reduced by 5 per cent. Although various factors contribute to the shelf life of a product, temperate during storage and transport is core to the integrity and longevity of food.

**Digital transformation across the chain can ensure continuity and improve supply flexibility by enabling greater transparency and effective communication between the separate organisations.**

From chilled meats to frozen ready meals, it is vital that the health and performance of refrigeration assets are monitored and managed to maintain optimum settings and to verify temperatures to protect the produce inside. This control is important across the entire supply chain to enable effective cooling and enhance food safety all the way from farm to fork. For example, if a fridge is running just one degree off, it can reduce a products shelf life by up to two days, whilst also consuming unnecessary excess energy and associated costs.

Implementation of IoT technology is enabling this dynamic management of assets and effective cooling across the supply chain and is drastically improving the safety, quality, and shelf life of food. Through the enhanced visibility and control over asset health, performance, and inventory that these solutions can provide, the positive knock-on effect of better and safer produce is a significant reduction in stock loss. Food that is unsafe to eat, has had its quality diminished or its shelf life is too short would inevitably end up in a food waste statistic. Reducing the volume of food being unnecessarily discarded will not only improve sustainability, but also increase profit margins and protect bottom line to build a more robust supply chain.



EDWARD PORTER, DIRECTOR OF IOT  
SOLUTIONS AT IMS EVOLVE

### **From A Reactive Chain to A Predictive Chain**

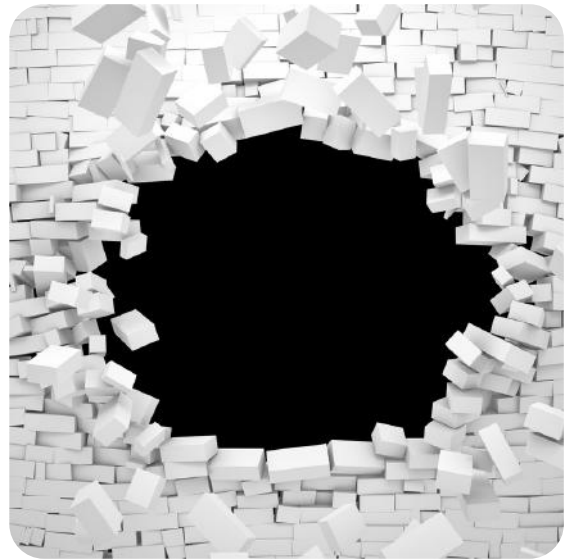
The same technology that is being leveraged to safeguard produce can further be utilised to drive more efficient and effective maintenance of critical assets and equipment across the cold chain, such as refrigeration, heating, ventilation, air-conditioning and lighting.

By layering this IoT technology over the top of existing equipment across all organisations in the supply chain, second-by-second data about health, energy and performance can be collected, monitored, and analysed. Such solutions limit the need for human intervention, as they continuously analyse the real-time data to identify inefficiencies and anomalies



in asset behaviour and machine performance to detect early signs of failure or diagnose ongoing problems, such as improper temperature control or excessive energy use, which if left unattended would lead to machine breakdown and spoiled products. This data is then used to correct actions to avoid unnecessary engineer visits, escalating costs or asset downtime.

Leveraging technology in this way will enable supply chain organisations to transition from costly reactive maintenance practices to predictive and preventative maintenance regimes. Not only will this prevent faults and improve machine availability, performance and lifespan, it will also minimize catastrophic machine failures that result in stock loss.



Ultimately, streamlined, optimised and proactive maintenance reduces the cost of asset ownership and protects the infrastructural investments within the supply chain while further safeguarding the produce.\*

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