

THE LOGISTICS POINT

YEAR 3 | ISSUE 07 | SEPTEMBER 2022

EXCLUSIVE
VIDEO CONTENT
INSIDE

WHAT'S NEXT FOR THE SUPPLY CHAIN

We spoke to Kamala Raman from Gartner about where supply chains are heading to next.

TIME TO MOVE?

**LAST MILE & E-
COM EVENT**

Join us this 22nd November for a deep last mile dive

**LOCKERS'
HIDDEN CO₂**

Are collection point really the most sustainable option?

**PANDORA'S BOX
OF DELIVERY**

How hard is it to deliver from local shops?

THE LOGISTICS POINT'S

LAST MILE & E-COMMERCE CONFERENCE

22ND NOVEMBER
10AM GMT



TOM DAVIES
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PAUL NEEDLER
iParcelBox



PIETER PAUL VAN DEN HOVEN
StoreShippers



DANIEL LEVAN-HARRIS
Mango Logistics Group



JORD BRETHOUWER
Bol.com

REGISTRATION:

Last Mile & E-Com Event

EDITOR'S NOTE

Welcome back!

We hope you had a nice time off and enjoyed the heatwaves (as much as you could!).

We are back with a great edition that looks at the challenges the supply chain and logistics industry has been experiencing.

Where to next?

The big questions still persist. Kamara Raman from Gartner takes a look at the shift in supply chains' locations and what it would mean for the global economy, coupled with high energy costs, the war in Ukraine and more.

Is it really green?

An interesting research conducted by the Aura Innovation Centre at Hull University and iParcelBox, an innovative out-of-home delivery solution, looks at how sustainable deliveries to lockers really are. The results are surprising and the conclusion is ... Depends!

Pandora's Box

A deeper dive into the out-of-store deliveries you can read in an article with StoreShippers too.

More in the edition from Autostore, Descartes, RightHand Robotics but next...



Last Mile & E-Com Online Event

We are happy to bring our Last Mile Online Event for a second year. This year we have a great group of experts from Bloom Developments, Duddle, StoreShippers, iParcelBox, Hull University, Bol.com, Mango Logistics Group and more.

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

In-person Networking

And to top it all up, we are gathering our network for the first time in-person. Come and join us this November to share the projects you work on, the challenges you experience and more. We will announce the news very soon!

Some special guests will share great insights and you can make new professional friends and partners.

Nick Bozhilov
Editor in Chief
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IN THIS EDITION



6

SUPPLY CHAINS SHIFTING IN RESPONSE TO GLOBAL CHALLENGES

Kamala Raman, VP Team Manager,
Supply Chain Research at Gartner Supply Chain Practice

- 13 THE HIDDEN EMISSIONS OF LOCKERS AND PICK-UP LOCATIONS**
Paul Needler
Founder & CEO iParcelBox

- 18 SHIP-FROM-STORE: CONTROLLING THE PANDORA BOX OF Q-COMMERCE**
Pieter Paul van den Hoven, founder
and CEO of StoreShippers

- 21 LABOUR SHORTAGES IN LOGISTICS CONTINUE**
Chris Yarsley from Logistics UK

- 23 LOGISTICS COMBINES FORCE TO ATTRACT MORE NEW TALENT**
Phil Roe, President at Logistics UK

- 26 LIFELONG LEARNING IS KEY FOR SUPPLY CHAIN PRACTITIONERS**
Dr Dauda Hamzat,
Principal Lecturer, School of Supply
Chain and Project Management at
Arden University.

IN THIS EDITION



34 LAST MILE & E-COM ONLINE EVENT

Join us on the 22nd November for this deep dive into the world of last mile and e-commerce

28 **HOW DELIVERY DRIVERS BECAME THE CENTERPIECE OF THE HEATWAVE CRISIS**

By Andrew Tavener, Head of Marketing, Descartes

31 **VIDEO** **HOW AN OPEN REGISTRY IS FIXING SUPPLY CHAIN SILOS**

Katie Shaw, Chief Programme Officer at Open Supply Hub

38 **WEARABLE DEVICES COMBINED WITH DATA FOR PRODUCTIVITY**

James Summers, Founder and CEO of Conker

40 **ONLINE PHARMACIES SHAKE THE FULFILMENT STATUS-QUO**

Vince Martinelli, Head of Product and Marketing, at RightHand Robotics

45 **CO-LOCATION OF HUBS COULD SAVE MEGASTORES FROM DEMISE**

Russell Holmes at Autostore UK & Ireland



**TIME TO
MOVE?**

SUPPLY CHAINS ARE SHIFTING IN RESPONSE TO GLOBAL CHALLENGES

Crisis after crisis seems to be the way the world operates at the moment. It is not surprising that all of these is affecting the way supply chains behave. We spoke with Kamala Raman, VP Team Manager, Supply Chain Research about why supply chains are moving, what it takes to do it well, where they are going and more.

What are the reasons supply chains are diversifying right now?

The 2022 Gartner Globalization Trends in Designing Supply Chain Network Survey shows that 74% of respondents have made changes to the size and number of locations in their global supply chain networks in the last two years.

Unsurprisingly, in a time of inflationary pressures on everything from material costs to labor to transportation costs, reducing operational expenses is one of the top drivers of this network change. Other drivers include increasing regional or local supply bases for better resilience, meeting sustainability objectives and simplifying the network. Resilience and sustainability objectives drove more of the change in European respondents.

APAC respondents focused on cost-efficiency and setting up for future growth. North American respondents prized cost-efficiency and regulatory requirements slightly over other needs.

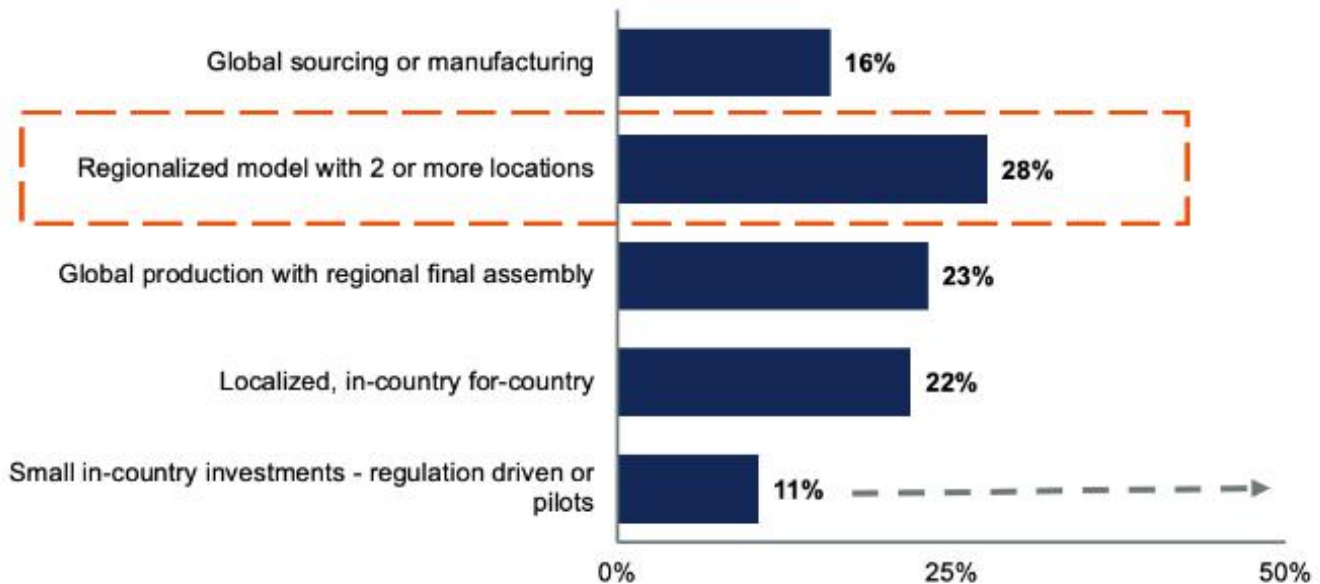
The resulting networks span a variety of operating models. A hybrid regional approach emerges as the most common design. This is closely followed by global models using postponement and local-for-local networks (see Figure 1).



KAMALA RAMAN, VP TEAM MANAGER,
SUPPLY CHAIN RESEARCH

Figure 1: Approaches to Supply Chain Networks

Approaches to Supply Chain Networks



n = 403 All Supply chain professionals

Q. Which do you think applies most closely to your organization's approach to supply chain networks at present?

Source: 2022 Gartner Globalization Trends in Designing Supply Chain Network Survey

775365

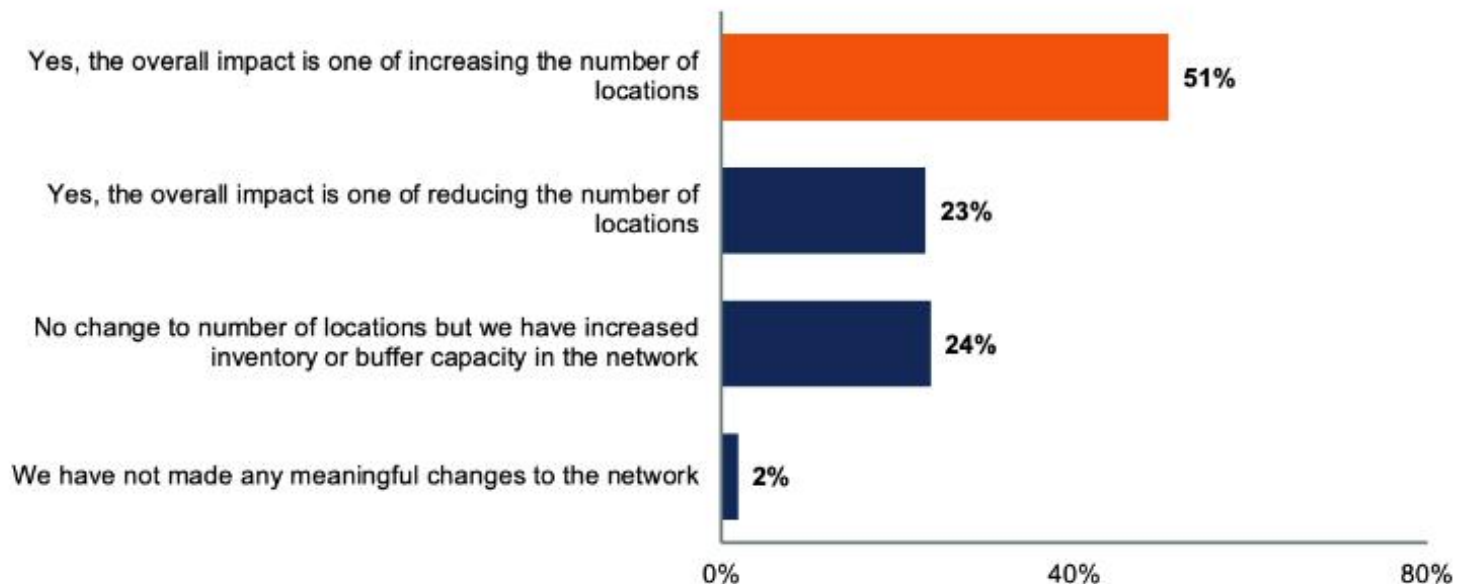
How expensive is the whole process and would costs be sent down the supply chain?

The process can indeed be time and money intensive and impacts not only their own factories but partners up and down the ecosystem. Supply chain leaders have been modifying networks in a number of ways, whether it was their own or contracted locations with expansions, consolidations or the reliance on modifications to buffers, which are more reversible than footprint decisions (see Figure 2).

When questioned on where the largest changes to their supply chains have been over the last two years, increasing buffer capacity was the leader (27%), closely followed by supplier diversification (24%), with 12% modifying the number of contracted locations and only 7% modifying their own production locations. It is indeed far easier to modify capacity or inventory than to add physical factories.

Figure 2: Changes to Supply Chain Network Locations in the Last Two Years

Changes to Supply Chain Network Locations in The Last Two Years



n = 403 All Supply chain professionals

Q. Have you made any changes to the number of or sizes of locations in your overall supply chain network in the last 2 years?

Source: 2022 Gartner Globalization Trends in Designing Supply Chain Network Survey

775365



Survey respondents made it clear that China, as well as the rest of Asia, will continue to be key to their present as well as future networks, particularly as supply bases and future markets.

What products/manufacturing facilities are most likely to be relocated?

Even in the face of a pressing need for resilience, it is extremely difficult to effect dramatic and extensive changes very rapidly in supply chains designed for cost-efficiency. Ongoing constraints in global supply chains may be a strong incentive for localizing or regionalizing sourcing or production networks. However, with economic uncertainty and constraints on labor availability in developed markets, it is not clear that organizations are willing to unravel efficient global supply chains with sophisticated and capable partners around the globe without strong government mandates.

Capex light industries have already made many changes (such as in apparel or shoes or furniture making). Capex heavy industries naturally are looking to utilize existing assets as well as they can while still diversifying for resilience. And highly regulated industries (life sciences, semiconductors etc) will have to move more piecemeal and more slowly. I.e. TSMC may announce one chip factory in Arizona but their broad ecosystem will still lie in Taiwan.

Is Asia the biggest winner? How about locations in Eastern Europe and Latin America?

Survey respondents made it clear that China, as well as the rest of Asia, will continue to be key to their present as well as future networks, particularly as supply bases and future markets. Given that the diversification away from China is happening in small trickles as well as larger moves, many countries in the rest of Asia have been beneficiaries — especially when it comes to scoring net new foreign direct investments.

The emergence of a regionalized Asian network (“in Asia, for Asia”) driven by coordinated industrial policies,



such as the implementation of the RCEP trade deal, showed up in the survey with 60% of the APAC respondents pointing to their home region’s importance not only as a supply base but as an end market (see Figure 4 on the next page).



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WEBINAR

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E-COMMERCE
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BY THE LOGISTICS POINT

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**NOVEMBER 2022
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In supply chains with a presence in China, change is afoot. In total, 95% of survey respondents are evaluating or executing changes to their China sourcing and manufacturing strategy. The survey data does not show strong signs of large-scale nearshoring to developed markets. Rather, diversification to other low-cost regions, a cautious China Plus One approach that leaves most of the China-based network intact and places net new additions in other markets, or a diversification strategy that still holds significant sourcing or manufacturing in China all seem popular.

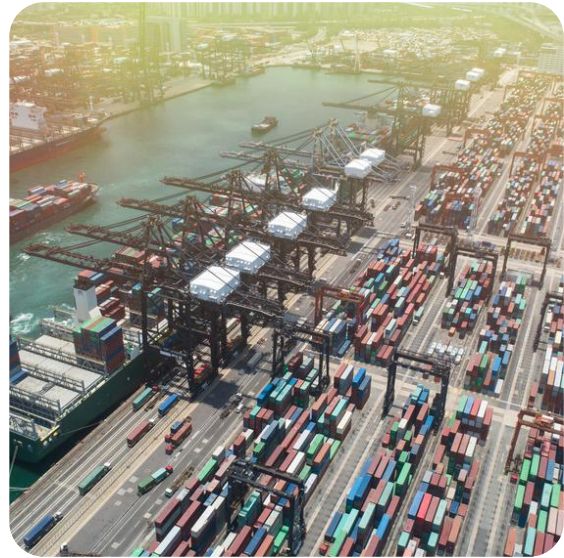
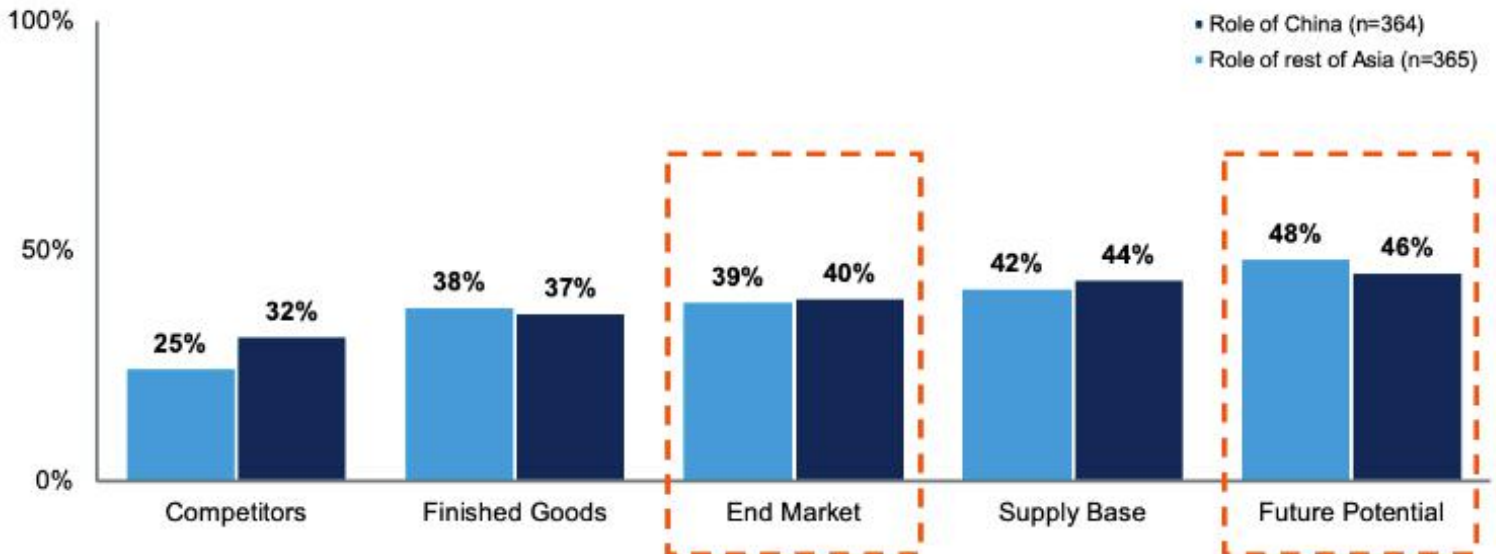


Figure 4: The Role of China and Asia in Business and Supply Chain Strategy

The Role of China and Asia in Business and Supply Chain Strategy Multiple Responses



All Supply chain professionals with some knowledge about organization's operations in Asia, excluding Don't Know/Not sure/ None of these

Q. What role does China play in your organization's business and supply chain strategy?

Q. Now let us leave China out and consider the role the rest of Asia plays in your organization's business and supply chain strategy.

Source: 2022 Gartner Globalization Trends in Designing Supply Chain Network Survey

775365

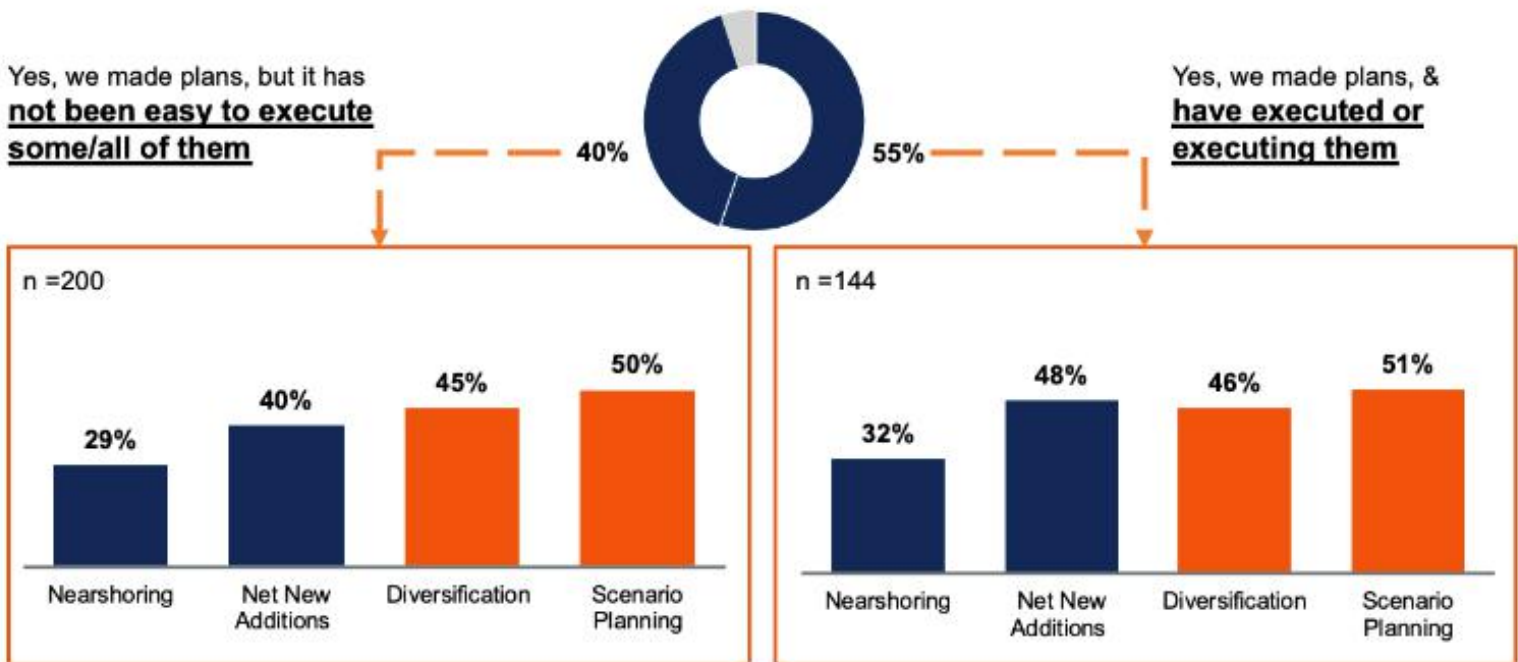
Additionally, roughly 40% of those respondents who have made plans to change their China sourcing and manufacturing strategy indicated that it has not been easy to execute some of the planned changes (see Figure 5).

The survey also points to the difficulty of making long-term capital investments for small or midsize firms that vastly prefer reversible inventory buffers or supplier diversification to establishing their own footprint in more expensive locations. The signs are clear that in a fragmented world, global firms have begun making inroads into their heavily cost-optimized,

one-size-fits-all networks with a mix of global, regional or local elements utilized. Investments into other parts of Asia (outside of China) coexist with expanded investments into developed markets as organizations take advantage of generous national/trade-bloc-level trade incentives in the name of national security. We will be watching for whether these changes will gather steam or fizzle out as global economies show signs of slowing down. *

Figure 5 | Key Changes to Sourcing or Manufacturing Strategy in China

Key Changes to Sourcing or Manufacturing Strategy in China



n = 362 Supply chain professionals with some knowledge about organization's operations in Asia, excluding Don't Know/Not sure Q. In the last 2 years, has your organization made any changes to their sourcing or manufacturing strategy in China?

n = 344 Supply chain organization has made changes to their sourcing or manufacturing strategy in China, excluding Don't Know/Not sure Q15. What are the key changes to your China sourcing or manufacturing strategy that have been executed/are under execution?*Multiple Responses



THE HIDDEN EMISSIONS OF LOCKERS AND PICK-UP LOCATIONS

Lockers are often considered the best solution for lowering emissions. They are convenient and vans do not need to drive miles to get to each house. But what is the catch? According to new research by Aura Innovation Centre (AIC), part of University of Hull, and iParcelBox, a company providing at-home smart parcel lockers, emissions can be sometimes reduced by opting for home deliveries. We spoke to Paul Needler, founder of iParcelBox about the results of the research and why pick-up locations are not always the best solution for the environment.

What was the idea behind the research and the problem you tried to explore?

One of the things over the last couple of years that I have noticed in the logistics industry, is the growth of the notion that Out-of-Home Deliveries are absolutely sustainable. In practice, however, previous research has not looked at the full picture. What they usually say is that encouraging consumers to collect their parcels reduces courier emissions. Of course, that is true because the courier is not delivering the parcel themselves. But not many take into account the way the consumer collects the parcel.

That begs the question whether for the environment as a whole Out-of-Home Delivery is actually better. We also have to recognise that Home Delivery is not always the right scenario but there would be a blend of solutions.

The research with AIC aims at giving people facts that would allow them to make their own fact-based decision. We focus on the last mile and how parcels get to the consumer. Very quickly we realised that the results on how sustainable it is depends on how the consumer collects their orders. Yes, when a courier drops off a large volume of orders at a locker, their emissions drop down. If the consumer can walk and collect it from the locker, there are no added emissions. But we know that lockers are not always within walking distance.



PAUL NEEDLER
FOUNDER & CEO IPARCELBOX

Aura Innovation Centre

Aura Innovation Centre (AIC) is led by the University of Hull and supports ideas and innovative solutions to accelerate low-carbon projects, drive green innovation and deliver clean business growth. Based on an initial concept from iParcelBox, Aura funded academic research by the University that showcased the difference in emissions between home deliveries and Out-of-Home deliveries, once the hidden emissions of the customer collection are taken into account. Aura works with NGOs, commercial companies, governments and other stakeholders to deliver results in key areas of interest. You can read the research about Out-of-Home Deliveries and the benefits of Home Delivery [here](#).

What is the role of consumers' behaviour when it comes to collecting from a locker then?

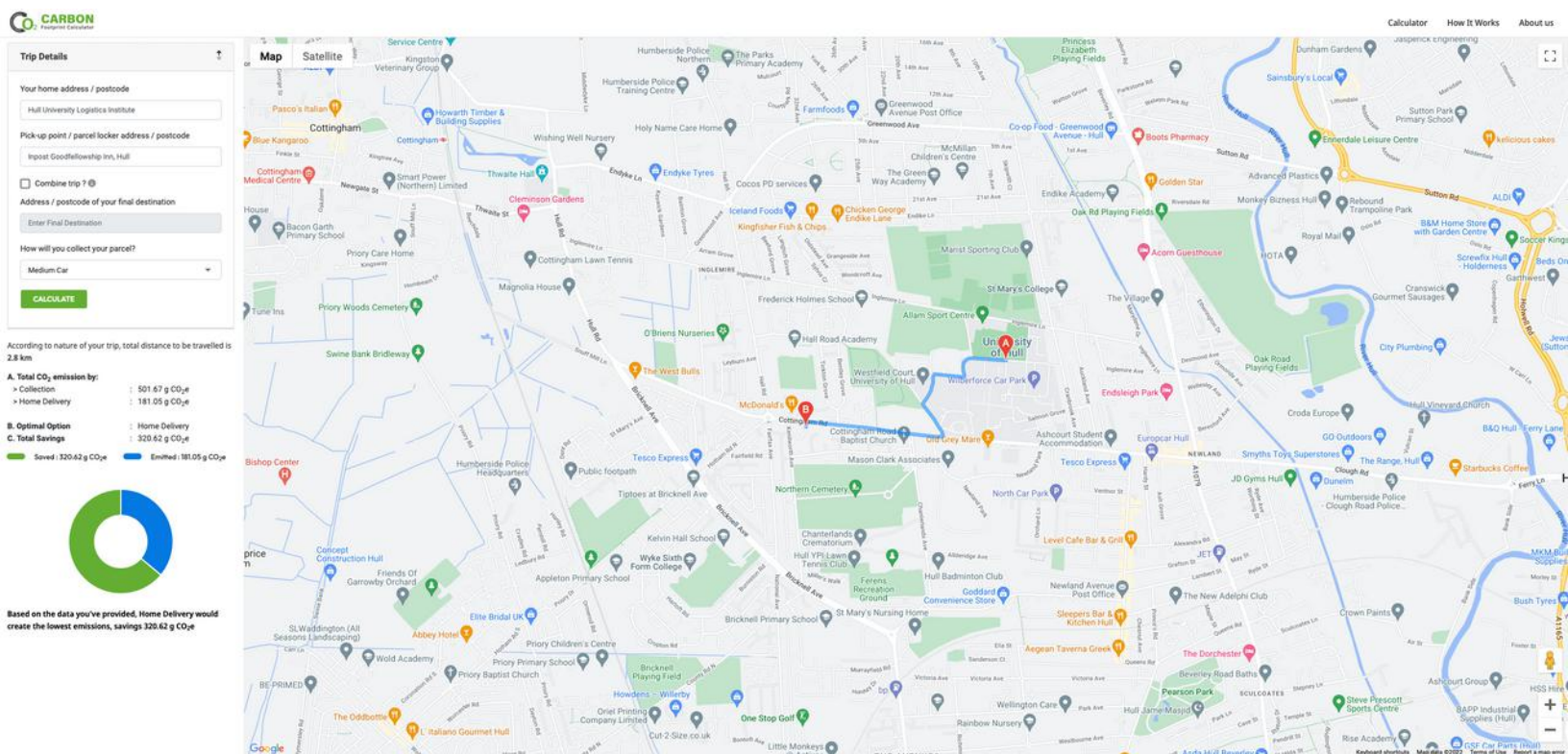
Different people have different behaviour. Some would go and collect their parcel when they have more things to do near the pick up location but others would just drive there to get their order. What our research shows is that it is down to the consumers' individual situation to determine what is the right and most sustainable solution for them. There is not a one-fits-all solution. If you drive to pick up your parcel from a locker that is not more sustainable. Of course, many people live within a few metres of a corner shop where they can collect parcels.

You have also created a Carbon Calculator Tool to help people see their real emissions. How does it work?

The Carbon Calculator is available to everyone and is very simple. Consumers can input their home address and the address of their local pick up points.

The calculator will then ask people if they are combining the collection with another trip or if they are going just to collect the order. People also can choose the way they will collect the parcel: by foot, by car, etc.

The tool takes into account all of the information and gives a result that shows what the combined emissions are. In addition, it can compare different options. For some of them it will be more sustainable to have it delivered at home. Of course, combining it with another journey is better but not all people do this trip-chaining. (The CO2 tool below)



And who is the tool for?

It is primarily for consumers and those people who are increasingly interested with the emissions associated with their orders. The tool allows them to make better decisions and contribute to the overall sustainability effort. We would also like to encourage retailers and other large companies to use tools like this one. Often companies make consumers choose a pick-up option and market it as sustainable but as we have seen, that might not be the case.

If you are in Central London and can walk a couple of hundred meters to the local collection point then collecting is going to be the best solution, but in a rural area a delivery might be the more sustainable option.

How does the type of vehicle affect the results?

Depending on the mode of transport being used, overall emissions increase or decrease, of course. For different types of vehicles the difference might be marginal. In general, and this comes as no surprise at all, walking is the best choice. For longer trips that is not really the realistic option, however.

Isn't it obvious by now that one-size-fits-all is not the right solution?

It is intuitively true but many reports and organisations ignore it. Often blank statements are made about the benefits of Out-of-Home with no reference to how orders are being collected by consumers. We hope to raise that issue and suggest different options.



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THE LOGISTICS POINT



Does this mean we need more drop-off locations?

If lockers are closer to people's homes, of course, they will be more likely to use them. The capital investment associated with that will be enormous. Lockers are not always close to people and they have no other option but to drive. In Central London the answer is very different but not in rural areas.

In order for lockers to always be more sustainable, the density has to be very high. Also, you can't have every parcel delivered to every location. The research with the University of Hull provides a look into this.

What is the place of iParcelBox in this?

We recognise that for many locations getting your parcel at home will actually be the most sustainable. This only works if you are able to guarantee a first time delivery. When this is not the case, emissions for parcels shoot up very quickly.

For us, in locations where at-home delivery is the most sustainable, consumers have to do their bit to enable the first-time delivery. This is where solutions like iParcelBox fit. *

Paul Needler, Founder of iParcelBox
will be part of our **Last Mile & E-Com Online Event** on the
22nd November. Don't miss him talking about
Out-of-Home Delivery Misconceptions.
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SHIP-FROM-STORE: CONTROLLING THE PANDORA BOX OF Q- COMMERCE

In the last few years 'sustainability' and 'last mile' are often put together but there are many who question how things work in practice. The ever growing need of e-commerce and retail to be faster and cheaper clearly clashes with some of the key objectives of sustainability. Ship-from-store however is championed by many as the way to combine both worlds. We spoke to Pieter Paul van den Hoven, founder and CEO of StoreShippers about how Ship-from-Store can be really made sustainable.

'We have all seen that if you want to ship fast, you need to source locally,' begins Pieter Paul van den Hoven. Small and large retailers, both from the e-com market and brick-and-mortar, have found out how important proximity to consumers is. 'The difference between covering a couple of hundred metres compared to a couple of hundred kilometres is what could make the last mile truly sustainable,' van den Hoven reckons.

Making it big

The challenge comes for smaller companies that do not have the capabilities of organisations like Amazon. Just putting a large number of distribution centres close to people is not an easy task. In the USA Target was one of the first to

recognise the potential of its stores as distribution hubs for last mile deliveries. Van den Hoven believes that the role of the stores should be rethought and sought not only to sell offline but also to support the online omnichannel side of the business.

'The logistical challenge comes when we think about how stores are replenished and how logistics serves them,' van den Hoven continues. There is a clear difference between an online logistics operation and one for brick-and-mortar. Building a logistical solution that looks outward from the store to the consumer did not exist up until recently. Van den Hoven says large courier companies are not the right fit for these kinds of operations due to the fact that they prefer larger orders and their networks are mostly situated to serve central out-of-cities hubs.

Going local

Local delivery companies can serve that niche market well by optimising their local knowledge. The benefits are multiple, according to van den Hoven, and include speed and the ability to use unique sustainable transportation solutions: cargo bikes, electric vans and by foot. van den Hoven's company connects retailers who want to ship-from-store to a network of courier companies in the local area who have the capacity to operate the last mile in 15 countries.



PIETER PAUL VAN DEN HOVEN, FOUNDER
AND CEO OF STORESHIPPERS

van den Hoven acknowledges that same-day deliveries or even 15-minutes deliveries are not always needed. At the same time, both consumers and retailers have accepted that the option exists and it is unlikely for anyone to change the way they think. 'Generally, retail products do not need a 15-minutes delivery,' van den Hoven explains. but the customer experience of a same-day delivery is amazing and can be made efficient with routes and if products are sourced locally.'

The trend of fast delivery is like opening Pandora's Box and it is very hard to change consumers' behaviour back to something which was not as good.

Working together

van den Hoven's company collects orders between 4-5pm and delivers them from 6pm onwards. With this it is able to also create routes and more clients. 'We are offering a very competitive product as we increase volumes and lower costs,' he explains. For stores the benefit is that they can use assets they already have. Labour costs in the DC can also be lowered as retailers do not need additional people.

Consumers' experience and retail efficiencies are the main drivers for Ship-from-Store. 'Selling online from an offline channel means overall stock keeping can be lowered,' van den Hoven goes on. This on the other hand means better inventory management is needed. With the network that van den Hoven's company has built they can also support national shipping. Local couriers collect all orders from a store and then transport them to a location where the national orders can be picked up by other couriers in the network. The system highly benefits countries with stricter customs procedures. In addition, it gives both retailers and consumers different options to choose from.



Pandora's Box Controlled

'The trend of fast delivery is like opening Pandora's Box and it is very hard to change consumers' behaviour back to something which was not as good,' van den Hoven comments on the rise of quick grocery. The question of course is how to make the operations profitable. van den Hoven says that offering groceries through your own channels and operating a q-commerce model is more challenging than what his company does. 'What I wonder is how these companies will compete with the large retailers who are also opening up for quick commerce. If delivery is not the decisive factor then we need to talk about margins. The current volumes of large retailers probably mean they would have better margins.' *

Pieter Paul van den Hoven, founder and CEO of StoreShippers,
will be part of our **Last Mile & E-Com Online Event** on the
22nd November. Don't miss him talking about
Last Mile in the Era of Quick Commerce.
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LABOUR SHORTAGES IN LOGISTICS CONTINUE

Driver shortages might have eased but at the same time other parts of the logistics industry are suffering. The call for drivers helped but many people who were previously working in warehouses, for example, have now changed their jobs. 'When there is a shift from one to the other, because we are dealing with a limited number of people, there is still a need to look for more,' explains Chris Yarsley from Logistics UK. We are finding there are now problems not only in warehouses but also in areas like technicians. These people hold a drivers' licence and decided to take on the job.'

The UK government's announcement of a call for evidence on opportunities for changes to the driver licensing regime is something that will be discussed amongst the members of Logistics UK. Currently there is no official position on the topic and one is expected in October. For now the industry seems to be divided: some are for it and some are against it.

"The proposal to permit a Category C licence holder (held for two years) to drive public service vehicles (PSVs) for maintenance and repair will ease pressures on operators. Logistics UK will review proposals that seek to improve standards in training by creating a formal register of instructors and publishing pass rates; initiatives that increase road safety are welcome, however must not place additional burden on industry,' Yarsley commented.

Logistics UK will review proposals that seek to improve standards in training by creating a formal register of instructors and publishing pass rates; initiatives that increase road safety are welcome, however must not place additional burden on industry.

Other targets

Yarsley looks at other things that need to change to make driving a lorry more attractive. Facilities are notoriously bad and planning permissions are not helping. Currently better sites cannot really be built. 'Often even if someone is happy to have their land be turned into an overnight facility for lorries, local populations are against it,' Yarsley explains. These issues are connected to the overall misfortunes of the logistics industry at the moment in the UK.

Logistics UK is working on a new campaign, together with leading organisations from the sector and the UK government to make the industry more attractive. We spoke with Phil Roe, President at Logistics UK, about Generation Logistics, a 12 month campaign aimed at making the industry more visible and interesting. You can read the story on page 23.

Yarsley is also hoping the campaign will be able to take a holistic approach on how people work, where jobs are and what the conditions are. Companies will finally be able to showcase interesting carriers in the sector. 'Hopefully, all of these will improve the quality of work and the attractiveness. We need to bring people to the sector,' Yarsley explains.

Fresh blood

Current legislations only permit logistics organisations to employ people who are already entitled to work in the UK. The visas for skilled workers are available to jobs that meet certain criteria like qualification levels. Driving is Level 2 whereas the minimum required is Level 3.

Currently South-West England is harder for organisations to find employees just because of geographical specifics. As a whole all parts of the UK are experiencing similar issues. *



LOGISTICS COMBINES FORCE TO ATTRACT MORE NEW TALENT

We have before spoken about the problem the logistics industry has with bringing young and talented people in. Many organisations have tried to solve it on their own but now Logistics UK, CILT, the UK Government, private logistics organisations and trade bodies are uniting to make it happen on a national level. We spoke with Phil Roe, President at Logistics UK, about Generation Logistics, a 12 month campaign aimed at making the industry more visible and interesting.

'The campaign has come from the desire to raise awareness about the great careers and job opportunities within the logistics industry,' begins Phil Roe, President at Logistics UK, one of the UK's largest organisations, supporting logistics.

First Campaign

Generation Logistics will start with a 12 month campaign aimed at bringing the focus of young people and those seeking new job opportunities to the logistics market. The campaign will begin by focusing on people between the ages of 16 and 25, but later on will also bring onboard everyone who is either interested or seeking a new challenge.

'During the pandemic the profile of the industry started to increase,' comments Roe but there is still a lot of work that needs to be done. This really comes to light after watching some of the short videos the campaign has published on its website interviewing people about what logistics is. Many are unable to answer or just have the wrong concept.

Roe acknowledges the challenges and the lack of understanding. According to a research by Logistics UK 12% of people would really want to work in the industry. Another 12% said they would never work in logistics. This leaves a huge pool of people who are either not aware of what the sector has to offer or have never thought about it.

The campaign has come from the desire to raise awareness about the great careers and job opportunities within the logistics industry.

The Goal

Roe believes that through bringing logistics professionals' stories to the front, the campaign will be able to achieve its main objective. By the end of the 12 months Generation Logistics hopes to have achieved 600 000 visits on its website and a better understanding of what logistics is and the careers it offers.



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

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ULTRA-URBAN WAREHOUSES

**Store
Shippers**

The campaign has attracted the attention of large organisations like Amazon and National Highways, as well as other large players on the logistics market including DHL, Wincanton and more. In total 26 companies and 15 trade bodies are coming together to ease the pressure they all feel when it comes to finding workers. The UK government is also involved by sponsoring the campaign.

'We will be targeting people directly through social media,' Roe explains when asked about how campaigns will be executed. 'We do not believe this has really been done before in a collaborative way across the industry.' The website for the campaign is described as a '360° Curiosity'. Visitors are able to learn more about the sector as a whole and about leading organisations in it. Included is also information about job opportunities. Through a game visitors can find what is the most suitable area in the industry for them.

Next Campaigns

In early 2023 Generation Logistics will move its focus to job changers and people who want a new career.

The campaign is looking specifically outwards but Roe also points at the work logistics organisations have done inwards to improve conditions. 'Logistics has many organisations with different shapes and sizes within it,' he goes on. 'We do not seek to dictate the agenda within individual organisations. We are interested in attracting people who do not work in logistics.'



PHIL ROE, PRESIDENT AT LOGISTICS UK

Roe underlines Generation Logistics is not a recruitment agency or website. The main goal is to bring the sector in front of people and showcase what jobs and careers it can offer to both graduates and well-experienced people. 'All areas we are looking at will need talent as we go forward,' Roe continues. 'Some areas of the country are better than others but there is a lot of work to get to the levels the industry needs.'

'If you look at our Job Board there are many jobs in transportation but there are many more in Sales, Account Management, Finance and more,' Roe finishes. *



LIFELONG LEARNING IS KEY FOR SUPPLY CHAIN PRACTITIONERS

DR DAUDA HAMZAT, PRINCIPAL LECTURER, SCHOOL OF SUPPLY CHAIN AND PROJECT MANAGEMENT AT ARDEN UNIVERSITY.

Lifelong learning is propelled by several factors, but the dynamic nature of life and business operations is undoubtedly a major driver. Changes within a company's operations often force workers to acquire skills and adopt novel approaches to suit new or emerging challenges.

For supply chain practitioners, the continuous twists and turns of our sector have always ensured skills development is high on the agenda. Supply chain is a practice where things don't run on fixed templates, at least never for long, if at all. This is because frequent changes occur – new supply routes need to be learnt or new supply terms and conditions demand new knowledge and application. Sometimes larger overhauls such as business restructures can impact on supply chain infrastructure and operations.

Scenarios of this nature have traditionally made lifelong learning an integral part of working in a supply chain role. Supply chain has steadily grown to play a major part in the growth of businesses in a whole host of sectors over the last four decades.

Recent statistics indicate that supply chain accounts for around 40% of the value of many corporations' operations costs. This puts supply chain management at the forefront.

It is therefore often an expectation that supply chain practitioners possess skills that will enhance their individual self-development, general management and operational know how. This must include a good understanding of modern equipment, supply chain ERPs and software applications. They must also demonstrate an excellent level of commercial awareness and people management, both when it comes to internal colleagues and external suppliers or regulators.

Some organisations upskill their workforce by granting study time, while others organise training in house. It is also common to see employers sponsor the education of their supply chain personnel via third party short courses as well as standard undergraduate and post-graduate studies.

There are also an increasing number of micro-credential training programs and quality undergraduate and post-graduate studies that mould professionals of varying levels of experience, so they are fit and ready to take on the modern-day challenges of the profession.



DR DAUDA HAMZAT,
PRINCIPAL LECTURER, SCHOOL OF
SUPPLY CHAIN AND PROJECT
MANAGEMENT AT ARDEN UNIVERSITY.

For those studying via an apprenticeship route, students should expect to be practically seeking solutions to real live problems in their organisations. Regular undergraduate or post-graduate students, meanwhile, will be focusing on real-world examples through case studies and analysis of contemporary supply chain, logistics and procurement subjects so that the graduates will be value-adding practitioners.

It is a known fact that competition has become less about quality or price. Rather, the main competitive edge now lies in the supply chain which is far reaching in its impact on quality, pricing and market availability.

The most successful businesses will be those who get to the market first and consistently remain visible and accessible. This puts those organisations that invest in lifelong learning of their supply chain workforce in pole position to succeed. *



HOW DELIVERY DRIVERS BECAME THE CENTERPIECE OF THE HEATWAVE CRISIS

BY ANDREW TAVENER, HEAD OF MARKETING, DESCARTES

This year, the UK has become subject to heatwaves of record-breaking temperatures, widely attributed to climate change. Parts of the UK saw days with record temperatures in the 30s. This is calling for a rethink of the way those working in the transportation industry conduct their job.

However, for some there is no choice but to endure the heat, despite official warnings and the last few weeks have not been kind to last mile logistics, with some reports of negligence amongst retailers and their lack of air conditioning in vehicles, down to reasons seemingly as illegitimate as weight issues. During last month's heatwave, one last mile delivery driver actually collapsed after enduring unbearable conditions.

Heatwaves in the UK are here to stay, so it's time we looked at how we can adapt fleet management practices, and take better care of our drivers.

Alongside factoring in the setbacks caused by such heat, including less productivity and the risks to health, the major players in retail need to be able to understand such complexities before they know how to address them.

A duty of care

Despite a reluctance to implement solutions such as air conditioning in home delivery vans, retailers still have a duty of care when it comes to their workers. From an HR and legal perspective, this becomes even more concerning when there's a driver shortage.

If they think they're being driven hard in extreme conditions, workers may be forced to leave their current company and seek employment elsewhere. These businesses therefore should look to retain their employees in any way possible and prevent them from adding detriment to their health when it could be easily avoided.

On top of this, vehicles are more susceptible to issues in extreme weather; drivers have been warned of fires or exploding tyres, so vehicle safety checks need to be up to scratch. This includes checking the vehicle fluids and ensuring they are getting service checks regularly or if the driver suspects that something is wrong.



Embracing the night shift

Even during the peak of summer in the UK, most delivery drivers are expected to work during daylight hours – just as they would during any other month of the year. By comparison, in Spain it's common for people to work after 4pm because of the temperatures. Perhaps one fleet management solution could be a complete reshuffle of what's expected in the UK when we're encroaching on a heatwave; if delivery drivers were enabled to work during the cooler hours of the day and into the evening, the domino-effect would include an easier, cooler environment alongside less congested roads and improved environmental impact.

Since the pandemic, working habits have changed substantially, with many people still working from home or having access to flexible timetables or working hours. On the road, we live in an increasingly congested environment, where the working days could do with a complete overhaul.



Not only does this make things easier for delivery drivers, but for each and everybody on the road. Less traffic means less pollution and accidents; and happier workers.

The intervention of innovations in crisis

Some retailers are still behind when it comes to extreme temperatures. If air conditioning isn't a viable solution in a delivery van then perhaps there are other

ways to reduce the struggle for delivery drivers working in these recent hot temperatures.

Alongside factoring in the setbacks caused by such heat, including less productivity and the risks to health, these major players in retail need to be able to understand such complexities before they know how to address them. For example, self-scheduling technologies have been used to improve parts of the process like route density and delivery productivity.

With access to more transport intelligence such as inventory, information, and assets that enable driver efficiency, companies will be able to respond to rapidly changing environmental factors as well as changing market and regulatory conditions, in turn adequately supporting their employees and better serve customers. *

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On the road, we live in an increasingly congested environment, where the working days could do with a complete overhaul.



DATA

VIDEO

HOW AN OPEN REGISTRY IS FIXING SUPPLY CHAIN SILOS

Data is the Holy Grail in the supply chain nowadays. However, gathering it and making sure it's reliable and accessible is a huge problem for the industry. Could an open registry be the answer? We spoke to Katie Shaw, Chief Programme Officer at Open Supply Hub, about how opening up supply chain data that is typically siloed can encourage more effective and efficient collaboration across entire sectors

What is Open Supply Hub and who is it going to benefit from it?

Open Supply Hub will exist to open up global supply chain data for the benefit of all, and it will serve entire sectors. That means that all stakeholders within a sector will be able make use of the tool and its data, whether they're a major global company or retailer, a civil society organisation, a factory group, a certification or another supply chain stakeholder.

Our particular focus is on the electronics, consumer packaged goods, sporting goods, beauty, furniture and apparel sectors.

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We will be mapping facilities in those sectors around the world and allocating a unique ID to each. By opening up this data, which has historically been locked away, we'll enable improved insights about production facilities. Any organisation that is looking to work collaboratively within global supply chains will be able to make use of that data so that they can more efficiently and effectively collaborate across a range of different initiatives. For example, companies can disclose their supplier lists and in doing so, showcase their commitment to transparency and simultaneously they can improve insights about facilities in their supply chains.

What type of data are you going to collect? At a basic level, what we need in order to create an entity within Open Supply Hub is the name and the address of a facility. Supply chain data is complex and messy and even data as basic as name and address information is notoriously poor across global supply chains. Every single line of data in the platform will be run through our duplication algorithm, Dedupe, to eliminate duplicate entries within the database and, over time, improve the quality of the data

There are additional data points that can be contributed to each facility in the database, such as the parent company for that facility, number of workers, type of product, type of processing and type of facility. However, these are optional – the only mandatory information we need to be able to create an entry in the database is the name and address of a facility



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Are you going to rely on the facilities themselves or collect the data from third parties?

Data will come into the tool via contributions from organisations across the various different sectors mentioned above. What that looks like in practice is companies and retailers, certification schemes, multi-stakeholder initiatives and the factory groups themselves contributing data about their supply chains into this open data and open source hub.

A user will then be able to see who the contributor of data is for each facility. That will enable a better understanding of which organisations are connected to different facilities around the world, which helps organisations collaborate more effectively and efficiently on programmes at the facility level, whether that's social or environmental improvement initiatives.

How do you ensure that what you receive is actually true and is up to date?

Given the sheer number of production facilities around the world, a door-to-door, in person verification process for a facility that comes into the registry would be an enormous task to undertake and virtually impossible to deliver at scale in a timely manner. Instead, we use an open disclosure mechanism.

Through multiple contributions of these different facilities, which are processed and matched by our deduplication algorithm, the quality of data will improve over time. In turn, users can make use of the data in the tool to inform their own supply chain mapping exercises. The potential to work with this data is huge – improved ESG reporting, identifying risks in the supply chain – the possibilities are endless. *



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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.

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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.



WEARABLE DEVICES COMBINED WITH DATA FOR PRODUCTIVITY

The pressure on the logistics industry to perform well is greater than ever. Labour shortages and increased costs are affecting the economy and supply chain issues all affect how logistics is doing. Despite the challenges however, there are many opportunities for growth. Automation, AI, different types of picking solutions and digital solutions as a whole are driving a real change in the industry.

We spoke to James Summers, Founder and CEO of Conker about the opportunities wearable devices offer and how to make the best choices.

'Although they're broadly speaking, often a computer of sorts, they're not really bought in the same way as a computer because they're not on someone's desk. But where people start is does it have the function that we need? Does it have the specifications we want and will it work in the environment we operate in?' Summers explains.

Making it work

A proper trial is something that devices need. No matter how smart a machine is, people need to test it and learn how to make the most out of it. it's a really big

step, not just because you're trialling the device's functionality, but because of the user adoption piece.

'Great processes that aren't used aren't good processes and great devices or great software that aren't used aren't really good devices and software,' Summers underlines.

The way companies purchase such devices has also changed and nowadays they have the option to pay as a monthly subscription. Companies are always advised to have a support system in place and ask the hard questions during the trial period.

Getting the right data

KPIs are another important element of utilising devices to their fullest. What happens behind the scenes can be monitored by software.

'The software should hopefully give them that data. If it doesn't, then it's very tricky,' Summers continues. 'A human can also impact productivity by working hard or not and it is important to know how much of this is up to the device itself.'

So what does the future hold for hand-held devices? According to Summers data will be the king.



JAMES SUMMERS, FOUNDER AND CEO
OF CONKER

'Going forwards there will be a rising tide of better use of data,' he explains. 'Smaller companies will now have a Head of Data. If before it was reserved for, let's say, a £50 million business, now it will be £10 million.'

Specifically looking at the area Summers is involved in he predicts: 'The major change that we're seeing is moving either to much smaller devices and then ultimately into wearables.'

Wearables have been around for some time but it seems as if really this past 12 months has seen this big spike in interest in moving devices onto the hand, onto the wrist, onto a peaking trolley, and onto multiple, multiple places where it's more accessible, sometimes even headsets. *



ONLINE PHARMACIES SHAKE THE FULFILMENT STATUS-QUO

The way we purchase everything has changed dramatically. At the same time, the way orders are being fulfilled has also changed. Only pharmacies are becoming a part of consumers' lives and they bring many innovative solutions to the logistics product. We spoke to Vince Martinelli, Head of Product and Marketing, at RightHand Robotics, about the way online pharmacies reshape the status-quo and more about general automation.

How are online pharmacies fulfilling orders and what are the trends in the sector?

In Europe there are several trends in this area. Online pharmacies have shown there is a growing demand from consumers to get both over the counter and prescription medications online. I believe that e-commerce is seeing electronic prescriptions in the EU as a big deal and a big opportunity. Prescriptions now can follow the patient no matter where they are across the continent. In the USA it is much easier as we can get medications wherever we are.

Nowadays online pharmacies can fulfil orders using many different technologies that didn't exist just ten years ago.

Solutions are more affordable and easy to implement with multiple partners that can help. Picking robots can be combined with other solutions that let companies scale up very quickly. Throughput is very tightly controlled and there is no need to teach new robots how to do the job as well as the old ones.

Autonomous picking robots are still at a relatively early stage of adoption but more and more companies are turning to them, given all the current challenges finding labour to do essential, but repetitive and dull tasks. One of our clients processes the same order volume with around 20 people which would generally be done with 200 or more in a manual operation. In some cases, the labour that is needed is very highly qualified pharmacists, but those people are not necessarily interested in working in a warehouse. Also, there is a very high traceability with our robotic system, which is critical since each product needs to have its information captured, scanned and photographed.

Online pharmacies have shown there is a growing demand from consumers to get both over the counter and prescription medications online. I believe that e-commerce is seeing electronic prescriptions in the EU as a big deal and a big opportunity.



VINCE MARTINELLI, HEAD OF PRODUCT AND MARKETING, AT RIGHTHAND ROBOTICS

What is the state of the general e-commerce sector at the moment?

Certainly there was a sudden jump and it moved ahead by five to 10 years versus the projected growth rate with the pandemic. Things have settled down a little bit but numbers are still positive, and a bit above the prior trend. So, the growth curve we were seeing earlier is continuing. People are going back to the stores but many stayed with e-com, for general merchandise, pharmacy and drugstore items, even grocery. There is a natural growth of e-commerce which is here to stay, based on higher convenience.

I believe the willingness of young people today to go to a store is much lower, especially when you can buy everything you need from your phone or even a smartwatch. There is another group of people who still do their grocery shopping at a store but also order many of the things they need online.

A lot of the pressure we see on logistics is due to the rise of smartphones and apps. Years ago orders, even online, would come at a specific time of the day. Today there is no such thing and companies receive them all the time. It is hard to predict things but I do not see any drop in e-commerce.

In fact, a better way to think about it as a retailer is to think about how you can get your products from the fulfilment centre to the customer's doorstep as cost-effectively as you got them from a distribution centre to the store shelf. That's the holy grail, in my mind, if you really want to win big over time, and it absolutely calls for intelligent use of automation.

Should we then rethink the place of the store and where automation goes?

There are many organisations experimenting with different models all the time. One of them is to keep limited inventory in the store and use it more as a showroom. In the USA Amazon is working with stores where you can just grab your items and leave.



Other big companies are also testing things with many retailers jumping in and looking for ways to build the most effective networks for how modern consumers prefer to shop now, and will want to shop in the near future. It is unclear what the exact model will be but overall it is forcing us to figure out where stores fit in the retail space. Just focusing on brick-and-mortar is not going to be beneficial but there is still a place for it.

There is a lot of talk about personalising customers' experience in retail. I can say from my personal experience, that when I choose to go to the store versus buying online, one factor is the expertise and help I get from the staff. We buy our running shoes from a small chain where every person working there is an avid runner and has been trained on the latest products and how to help customers get the right shoe and fit. That formula is one that is important for physical stores doing specialty retail, in my view.

For pharmacies, similar experimentation is ongoing with pure online models, central fill prescription operations to augment in store pharmacies, and physical drugstores adding more health services in addition to the traditional mix of prescriptions, over the counter medications and other general merchandise.

Everyone in the space is trying to map to the right mix of product and service offerings at this dynamic time for the healthcare industry.

While I can't predict the specific winners and losers between these approaches, it's clear that automation needs to play an increasing role to achieve the flexibility and scale with a low cost operational model. That's the trifecta for profitability and growth.

What technologies are going to shape the sector?

We see an uptake in the installation of automated order solutions of all types, especially in Europe. Firms in the USA are also moving in this direction, but the geographic scale and lower costs for warehouse space make it a different market environment to a degree. Even so, deployments are accelerating.

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There is a lot of talk about personalising customers' experience in retail. For pharmacies, similar experimentation is ongoing with pure online models, central fill prescription operations to augment in store pharmacies, and physical drugstores adding more health services in addition to the traditional mix of prescriptions, over the counter medications and other general merchandise.

Companies that felt automation was out of their reach financially are now converting, given the shifting labour market, but also due to progress with the technologies and a very competitive market amongst existing and upstart system providers. The systems are also increasingly easy to integrate and operate, making the return on investment better as other costs rise.

My opinion is that the trend toward using more robotic automation has quickly gone from important to inevitable. There is a huge gap, as reported in national labour statistics for the US alone, of a couple of million jobs in manufacturing and supply chain that are just not being filled at all. What do you do? Businesses can choose to accept losing some revenue because they cannot service demand or they will choose to automate as much as they can. In e-commerce, whether it is pharma or general merchandise, without automation sales will reach a limit where the distribution system tops out. No one wants to be in that position and turn customers away to a competitor.

We think we are in a golden age of robots - not just picking robots, but many types - that will help the pharma and healthcare industries keep up with the shifting consumer preferences and increased demand for on demand availability of all products. The robots, happily taking on the least favourite jobs, are a force multiplier for their human peers as retailers focus on the future. *





CO-LOCATION OF HUBS COULD SAVE MEGASTORES FROM DEMISE

The role stores are playing has changed dramatically and retail is rethinking the way it looks at them. Logistics needs to stay on top of the changes and be aware that soon stores will become local distribution hubs. We spoke with Russell Holmes from Autostore about co-location and how stores are being transformed into automated hubs, the push toward onshoring and more.

What is the state of onshoring at the moment according to what you see happening on the market?

We have been seeing onshoring occur in strategically chosen verticals like in the medical and technology sectors where there has been overdependence on supplies coming from a single country. It has more to do with it being government driven and with a focus on R&D in the UK in those sectors.

Onshoring in general has been accelerated by the realisation there is an overdependence on globalised supply chains. Covid also played its part. For example, the fashion industry in the UK has an 22% import rate from China but at the same time China's exports' rate dropped by 33% in the course of three-month period at the start of the pandemic.

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We have been seeing onshoring occur in strategically chosen verticals like in the medical and technology sectors where there has been overdependence on supplies coming from a single country.

This has had a big impact on local shops in the UK and the e-commerce market.

Supply chains, specifically in the UK, have also been shifting pre-Covid with the UK's strategy for bringing production back. Brexit is also having an impact on the way UK supply chains behave and what the costs of handling cross border orders means.

Some companies are completely onshoring to the UK but there is also a trend of near shoring. Eastern Europe is picking up many of them. The apparel sector, in particular, has been taking advantage of localised clusters where there is already existing infrastructure. Labour costs have equalised around different locations too and this makes the decision easier to nearshore and/or onshore completely.

Would there be enough capacity for companies who want to bring their production to the UK?

We have absorbed quite a lot of the local labour already. We are also running out of space in general.

So if companies decide to bring operations to the UK they first need to know where they will put them and how they will operate them. Would it be attractive to build a new warehouse, if you can find the space for it, and can you operate without any kind of automation? There is a very strong competition for labour and we are seeing high signing bonuses.



Automation is able to support this and gives companies the ability to go to a smaller, already built, facility. Technology like Autostore's offers around 75% reduction in footprint. This means that companies would be able to be closer to their customers and are not just stuck at a large industrial estate outside the city. In addition, organisations can run their operations from facilities that they already have but would not have been previously attractive.

The physical distance is also being reduced and the environmental impact is being lowered through shorter 'last mile' operations. Operating smaller facilities reduces operational costs.

Wouldn't having smaller and more facilities be more expensive than a single hub?

Large facilities have a few challenges. All problems are focused in one single place and the business is absorbing the available labour in the local area. The benefit of breaking it down into smaller hubs certainly outweighs costs. Centralised hubs would still be needed. – As the main cross dock centre.

How are automated systems evolving

Russell Holmes explains how the Autostore solution has developed during the years. 'Up until recently it was built to handle smaller, slow moving products like spare parts. Our Router software has enabled us to operate a lot quicker and the size of our grids have expanded.' In the UK, Autostore is implementing large scale facilities within the apparel sector. A Swedish client, Boozt, is able to operate over 700 robots and can handle around 25 thousand products per hour, across a 1million tote location storage grid. Holmes expects that the company will be able to service smaller and shallower buildings and respond quickly to season changes. In addition, future facilities will be a complete ecosystem of automation where tech like Autostore's will be only a single part.

Where would smaller facilities be located?

We are seeing a trend in fashion and grocery where facilities are closer to the consumers. Traditionally they would have been an out-of-town hub. Our solution goes into stores with the correct requirements. There is a trend of co-location. Mega stores have experienced lower footfall in the last few years and higher e-commerce rates. The need to have a massive store is no longer there and these facilities are being underutilised. At the same time there isn't enough room for stock because stores are not designed for it.

Some of our clients are making their mega stores smaller with fewer items on the shopfloor. In the newly available part of the store, companies can operate an Autostore-type solution. It is so space efficient that shops can actually hold more inventory - This way, there is more opportunity for more SKUs. There is no need for complicated preparations and changes either. Also, stores are replenished faster and the local Click&Collect and Home Delivery service is improved. Robots are energy efficient and do not require a special power facility, 10 robots using the same power as a vacuum cleaner. *



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