

Horizontal Collaboration: A New Logistics Paradigm

TRI = VIZOR
THE WORLD'S FIRST CROSS SUPPLY CHAIN[®] ORCHESTRATOR™

World Forum Lille, October 25th 2013

Sven Verstrepen – TRI-VIZOR N.V.



- ≡ World's First Cross Supply Chain Orchestrator™
- ≡ Since November 2008
- ≡ Neutral and independent
- ≡ Spin-off of the University of Antwerp
- ≡ Strategic Advisory Board with captains of industry



Collaboration
Concepts for
Co-modality

Member of the “CO3 Consortium”



NDL



argus I



KNEPELHOUT
KORTHALS
ADVOCATEN



P&G



TU/e

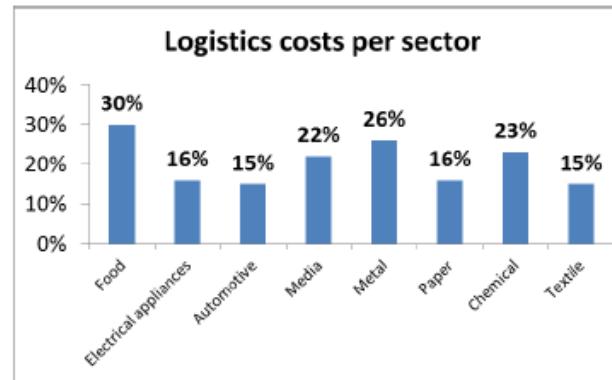
Giventis
International

The CO3 project is financed by the
European Commission



Why should you care about Logistics?

- Logistics industry in Europe → 14% of GDP¹. Six countries out of the global top-10 logistic performers are from the EU in 2012²
- Transportation is responsible for around a quarter of EU greenhouse gas emissions³
- On average, logistics costs account for 10-15% of the final cost of the finished product⁴.



High potential contribution to European competitiveness and sustainability targets (Cost, CO₂ and energy savings)

¹ COM(2007) 607 final. "Freight Transport Logistics Action Plan" European Commission, Brussels, 18.10.2007

² Worldbank.org "Connecting to Compete 2012" http://siteresources.worldbank.org/TRADE/Resources/239070-1336654966193/LPI_2012_final.pdf.

³ http://ec.europa.eu/clima/policies/transport/index_en.htm

⁴ European Logistics Association (2007)



- = **24%** of freight vehicles in the EU are running empty
- = Average loading of the rest is **57%**
- = Overall efficiency: **43% 😞**
- = Flow imbalance can only explain half of this loss

How long can this continue?



- ≡ Regulation
- ≡ Innovation & Technology
- ≡ Multimodality

≡ Horizontal collaboration

- Requires
- ≡ New type of co-operations (co-opetition)
 - ≡ New logistics actors: trustees, orchestrators
 - ≡ New type of multilateral contracts
 - ≡ Trust
 - ≡ Know-how
 - ≡ ICT and technology

Market opportunity and vision

A 10% to 30%  efficiency in EU logistics sector
=
€ 100 – 300 billion cost relief for European industry

Make European industry resilient by a true “people, planet, profit” oriented logistics and supply chain sector.

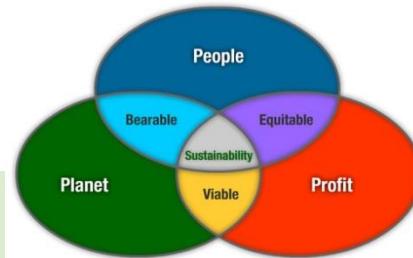
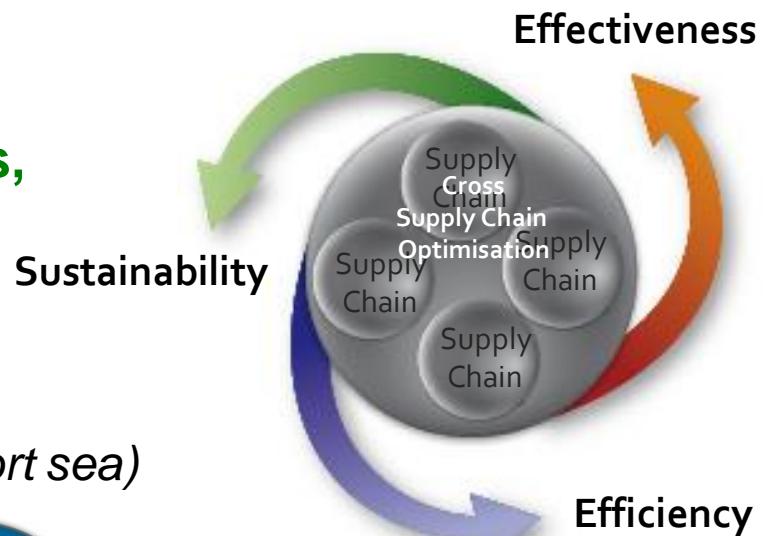
A sector that is economically, environmental and socially sustainable contributing to both industry competitiveness and the EU policy targets

EU Transport Policy Vision (EC 2011):

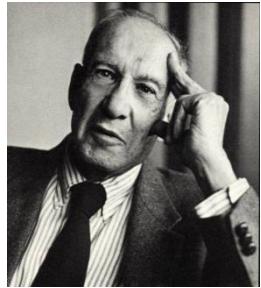
- Reduce Europe's dependence on imported oil
- Cut carbon emissions in transport by 60% by 2050
- Modal shift: 30% off road by 2030 – 50 % by 2050
- Multi-modal: European corridor network (low carbon/green)

What is needed?

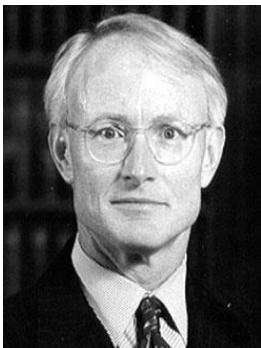
- Improve **efficiency, effectiveness, sustainability simultaneously**
- Consolidate and reduce freight flows
- Scale up for intermodal (rail/barge/short sea)
- Disruptive innovation!



The new logistics paradigm



Peter Drucker:
Cooperation,
Coordination and
Communication
(1993)



Michael Porter:
Clusters and the New
Economics of
Competition
(1998)

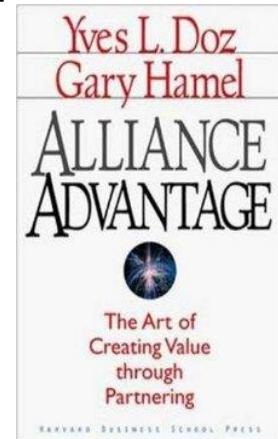
Welcome to the age of « co-opetition » !

- ≡ Vertical collaboration (1980- ...):

- ≡ Between subsequent actors in the *same supply chain*
- ≡ Between suppliers, manufacturers and customers
- ≡ EOQ, outsourcing, VMI
- ≡ Driven by ICT (extended enterprise)

- ≡ Horizontal collaboration (2006 -...):

- ≡ Between companies in the *same market*
- ≡ Alliances, partnerships, clusters, network organisations
- ≡ Collaborate in some markets, compete in others
- ≡ “New frontier” or “paradigm shift”



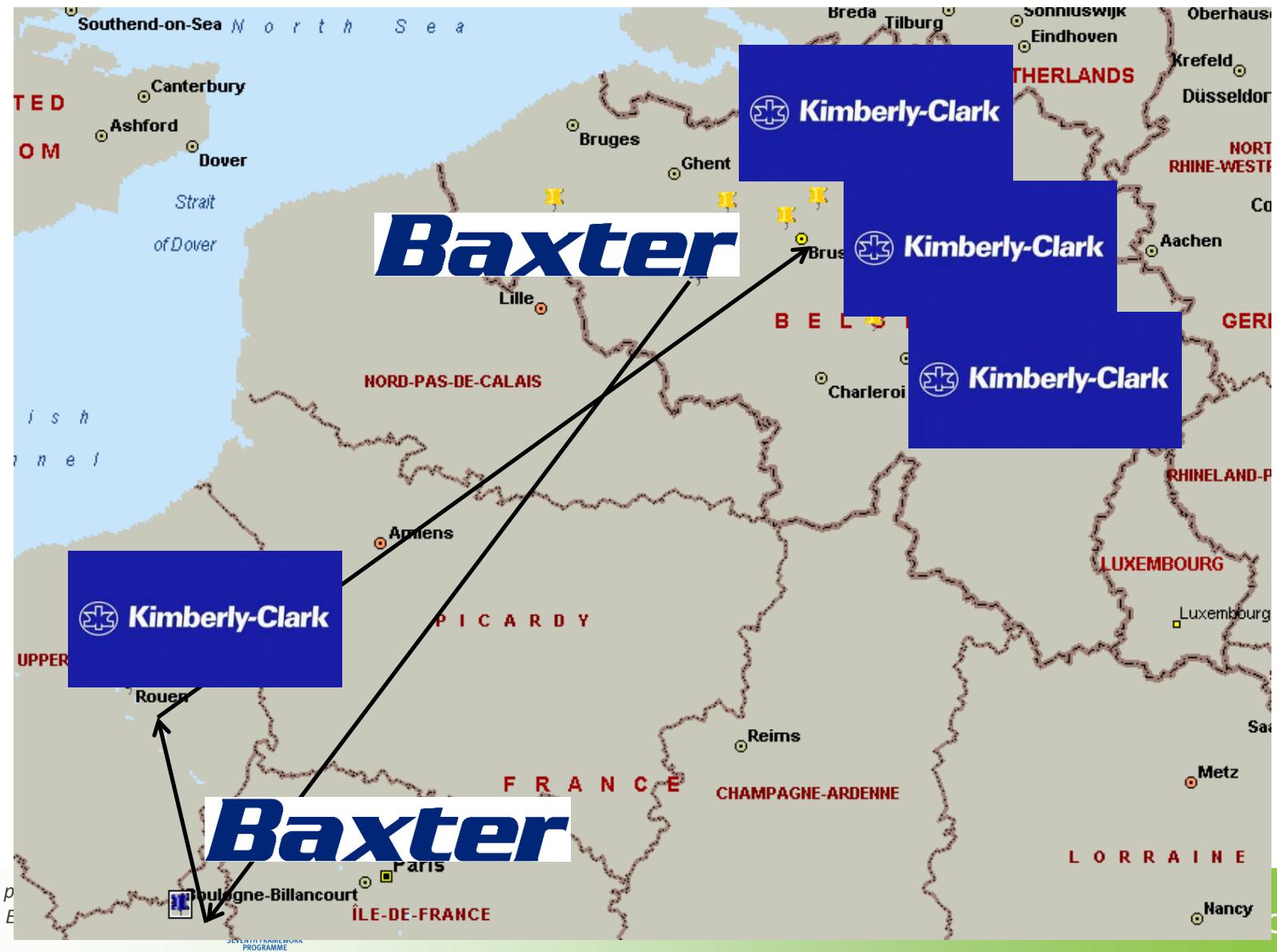
(Gary Hamel,
1998)

Co-loading between JSP – Hammerwerk

Net cost reduction -10% ; carbon footprint -30%

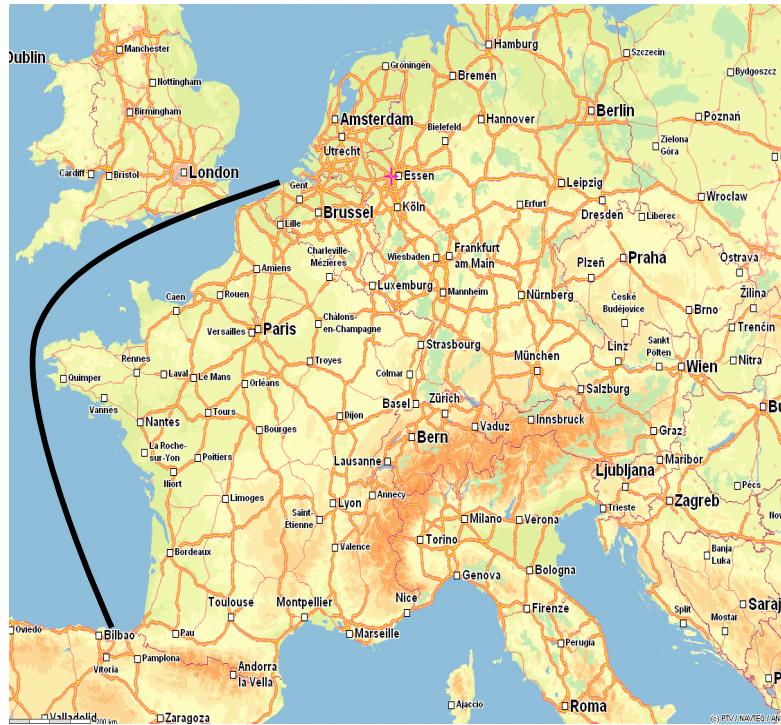


Healthcare – FMCG roundtrips -13% cost reduction

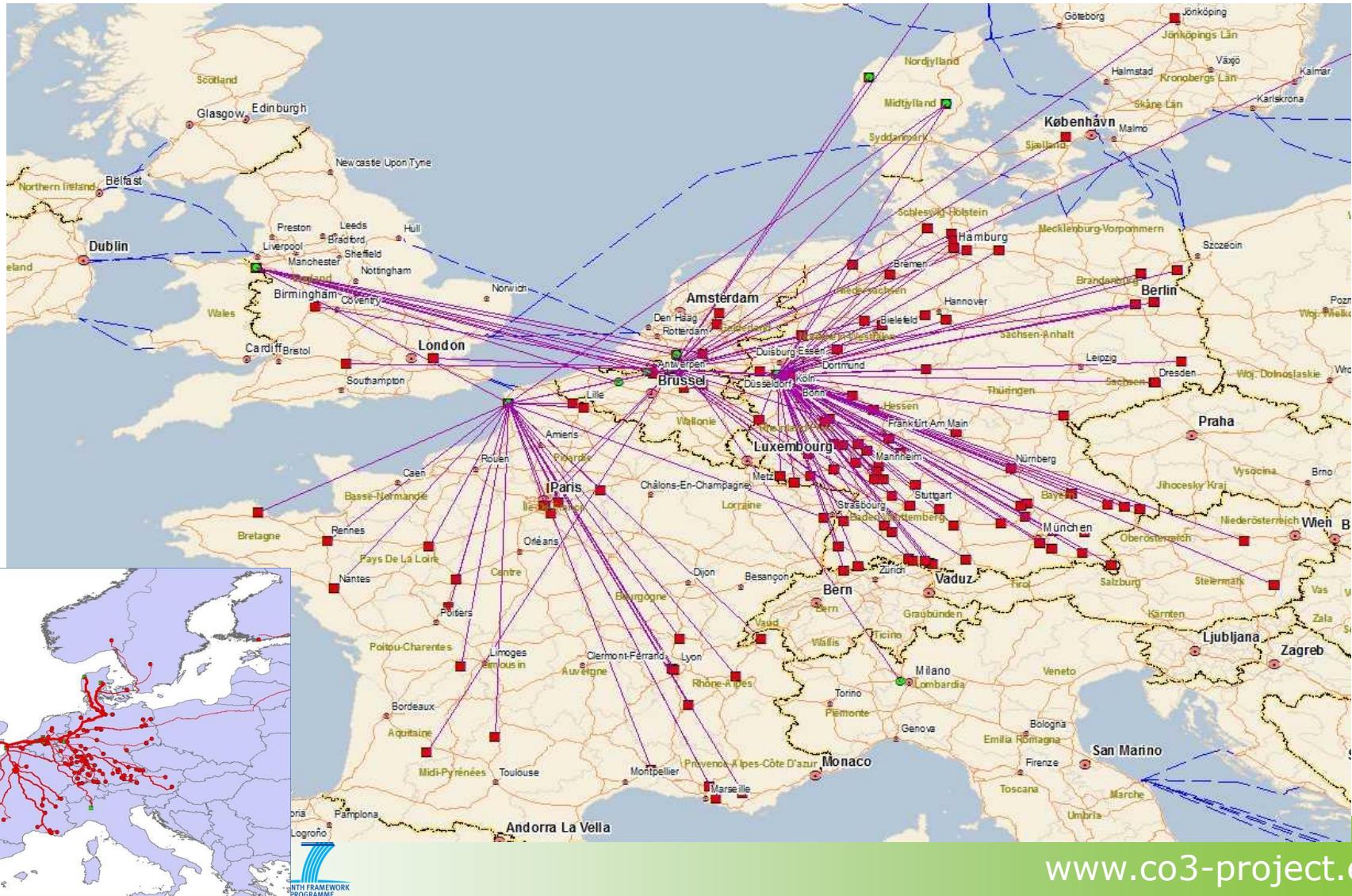


North – South Closed Loops

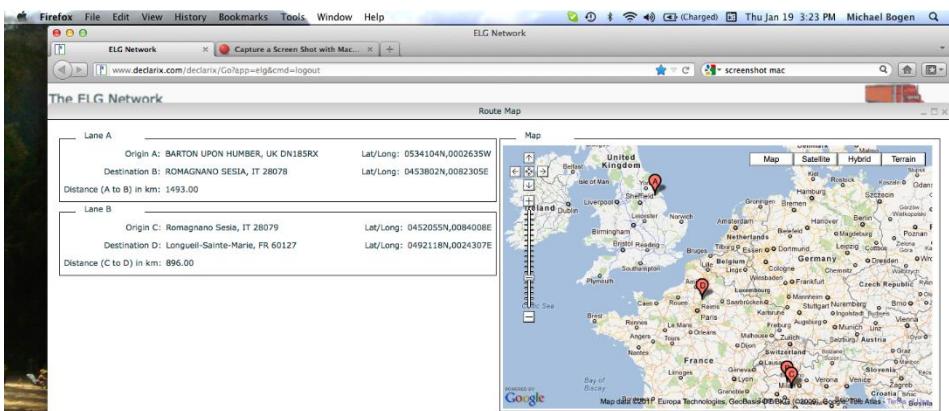
-30% carbon footprint reduction



Critical mass: creating a “universal” freight flow database



Smart Matching tools (“Big Data”)



The ELG Network

Route Map

Lane A

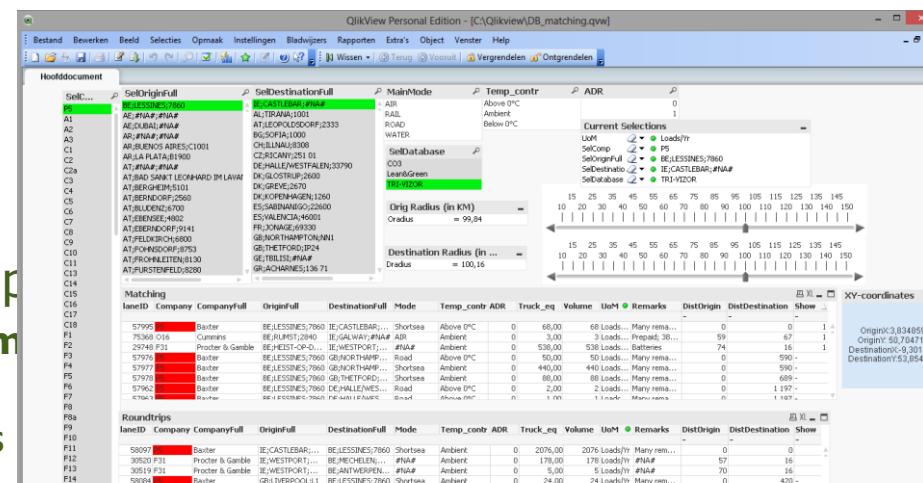
- Origin A: BARTON UPON HUMBER, UK DN185RX Lat/Long: 0534104N,0002635W
- Destination B: ROMAGNANO SESIA, IT 28078 Lat/Long: 0453802N,0082305E
- Distance (A to B) in km: 1493.00

Lane B

- Origin C: Romagnano Sesia, IT 28079 Lat/Long: 0452055N,0084008E
- Destination D: Longueil-Sainte-Marie, FR 60127 Lat/Long: 0492118N,0024307E
- Distance (C to D) in km: 896.00

Map data ©2013 Europa Technologies, GeoBasis-DE 2013, Google, HERE, TomTom, Tele Atlas, Telenav, BGN, Geofabrik, OpenStreetMap contributors and the public domain. Icons by Google

Screenshot © Giventis International BV



QlikView Personal Edition - [C:\Qlikview\DB_matching.qvw]

Bestand Bewerken Beeld Selecties Optmaak Instellingen Bladviziers Rapporten Extra's Object Venster Help

Current Selections

Origins: 2 Loads? ✓ P5 BE-LESSINES;7860

Destinations: 9 Ambient ✓ BE-LESSENSES;7860

Radiuses: 100,16 ✓ TRI-VIZOR

Orig Radius (in KM) = 99,84

Dest Radius (in KM) = 100,16

XY-coordinates

Origins	53408594	0
Destinations	5356541	1
Radiuses	100,16	1

Origin: 53408594
Origin: 5356541
Destination: 9,2017
Destination: 53,6541

Matching

laneID	Company	CompanyFull	Original	DestinationFull	Mode	Temp_contr	ADR	Truck_eq	Volume	UoM	Remarks	DistOrigin	DistDestination	Show
F1	Baxter	BE-LESSINES;7860	IE-CASTLEBAR...	BE-LESSINES;7860	Shortsea	Above 0°C	0	68,00	68 Loads? ✓ Many rem...	0	0	0	1	1
F2	Procter & Gamble	BE-HEIST-OP-D...	IE-WESTPORT...	#NA#	Ambient	0	3,00	3 Loads? Proprietary	59	24	0	1	1	
F3	Baxter	BE-LESSINES;7860	GB-NORTHAMP...	Road	Above 0°C	0	530,00	530 Loads? Batteries	74	16	0	1	1	
F4	Baxter	BE-LESSINES;7860	DE-HALLEINES...	Road	Ambient	0	440,00	440 Loads? Many rem...	0	590	0	1	1	
F5	Baxter	BE-LESSINES;7860	GB-THEFTFORD...	Shortsea	Ambient	0	88,00	88 Loads? Many rem...	0	689	0	1	1	
F6	Baxter	BE-LESSINES;7860	DE-HALLEINES...	Road	Above 0°C	0	2,00	2 Loads? Many rem...	0	1197	0	1	1	
F7	Baxter	BE-LESSINES;7860	DE-WAHLENBERG...	Road	Above 0°C	n	1,00	1 Loads? Many rem...	n	1197	0	1	1	

Roundtrips

laneID	Company	CompanyFull	Original	DestinationFull	Mode	Temp_contr	ADR	Truck_eq	Volume	UoM	Remarks	DistOrigin	DistDestination	Show
F10	Baxter	BE-CASTLEBAR...	BE-LESSINES;7860	Shortsea	Ambient	0	2076,00	2076 Loads? ✓ Many rem...	0	0	0	0	0	1
F11	Baxter	IE-CASTLEBAR...	BE-LESSINES;7860	Shortsea	Ambient	0	179,00	179 Loads? #NA#	57	16	0	1	1	
F12	Procter & Gamble	IE-WESTPORT...	BE-MECHELIN...	#NA#	Ambient	0	5,00	5 Loads? #NA#	70	16	0	1	1	
F13	Procter & Gamble	IE-WESTPORT...	BE-ANTWERPEN...	#NA#	Ambient	0	2,00	2 Loads? #NA#	0	437	0	1	1	
F14	Baxter	BE-ANTWERPEN...	BE-MECHELIN...	Road	Ambient	0	12,00	12 Loads? Many rem...	0	590	0	1	1	
F15	Baxter	BE-ANTWERPEN...	BE-LESSINES;7860	Shortsea	Ambient	0	68,00	68 Loads? Many rem...	0	699	0	1	1	
F16	Baxter	BE-ANTWERPEN...	BE-LESSINES;7860	Road	Above 0°C	0	34,00	34 Loads? Many rem...	0	699	0	1	1	
F18	Baxter	GB-NORTHAMP...	BE-LESSINES;7860	Road	Above 0°C	0	0	0 Loads? Many rem...	0	0	0	0	0	

Disk op F1 voor Help



**Collaboration
Concepts for
Co-modality**

ORDER DATA *Shippers*

XML
e-mail

Booking platform (Transwide,...)

CAPACITY DATA *Carriers / 3PLs*

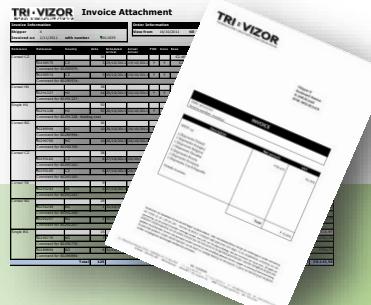
TARIFF DATA *Carriers / 3PLs*



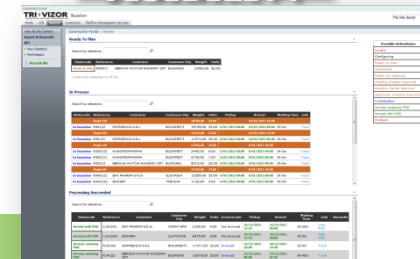
REPORTING



INVOICING



SUPPLY CHAIN VISIBILITY



The CO3 project is co-funded by the
Community Management Meeting
European Commission



www.co3-project.eu

- ≡ The old logistics paradigm is no longer working
- ≡ Horizontal collaboration is the “next big thing”
- ≡ EU law permits competitors to work together
- ≡ But... pay attention to legal aspects (anti-trust)
- ≡ Neutral facilitator/trustee is essential
- ≡ Big data analysis, methodology and ICT are key
- ≡ Start small, then scale up



**JUST
DO IT !**

Thank you QUESTIONS ?

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