

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

Member of the “CO₃ Consortium”

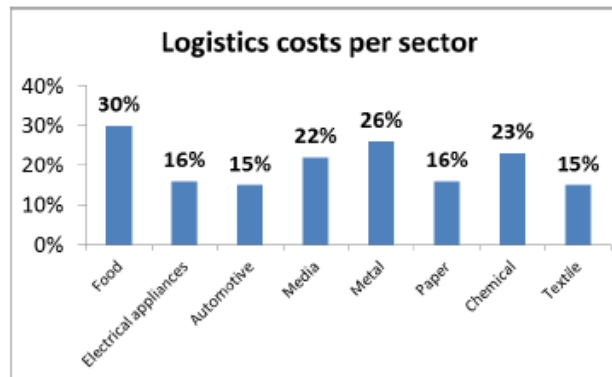


NDL



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

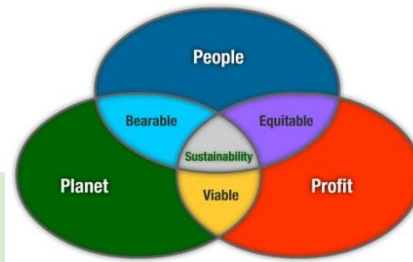
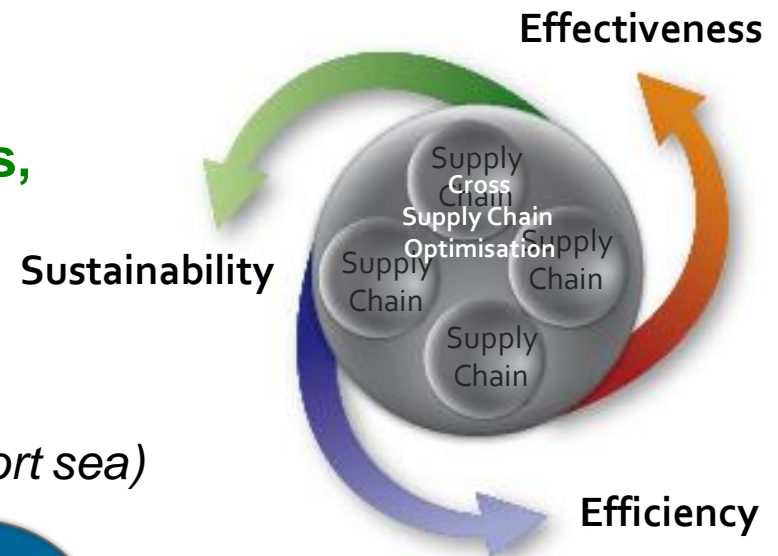
EU Transport Policy Vision (EC 2011):

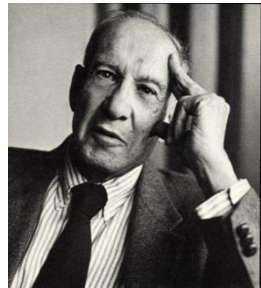
- Reduce Europe's dependence on imported oil
- Cut carbon emissions in transport by 60% by 2050
- Modal shift: 30% off road by 2030 – 50 % by 2050
- Multi-modal: European corridor network (low carbon/green)

What is needed?

- Improve **efficiency, effectiveness, sustainability** simultaneously

- *Consolidate and reduce freight flows*
- *Scale up for intermodal (rail/barge/short sea)*
- *Disruptive innovation!*



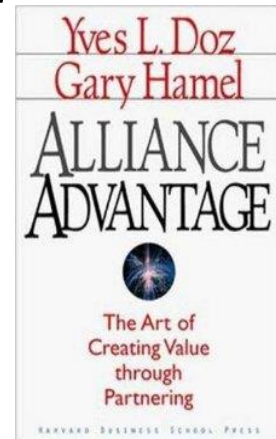


Peter Drucker:
Cooperation,
Coordination and
Communication
(1993)

Welcome to the age of « co-opetition » !

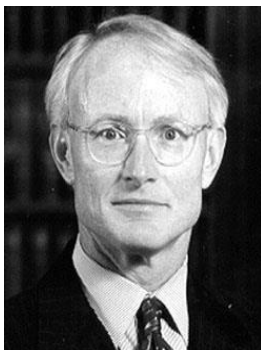
≡ Vertical collaboration (1980- ...):

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

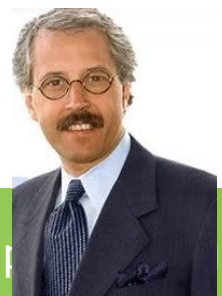


≡ Horizontal collaboration (2006 -...):

- ≡ Between companies in the *same market*
- ≡ Alliances, partnerships, clusters, network organisations (Gary Hamel, 1998)
- ≡ Collaborate in some markets, compete in others
- ≡ “New frontier” or “paradigm shift”



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



Co-loading between JSP – Hammerwerk

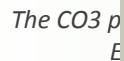
Net cost reduction -10% ; carbon footprint -30%



The CO3 project is financed by the
European Commission



www.co3-project.eu

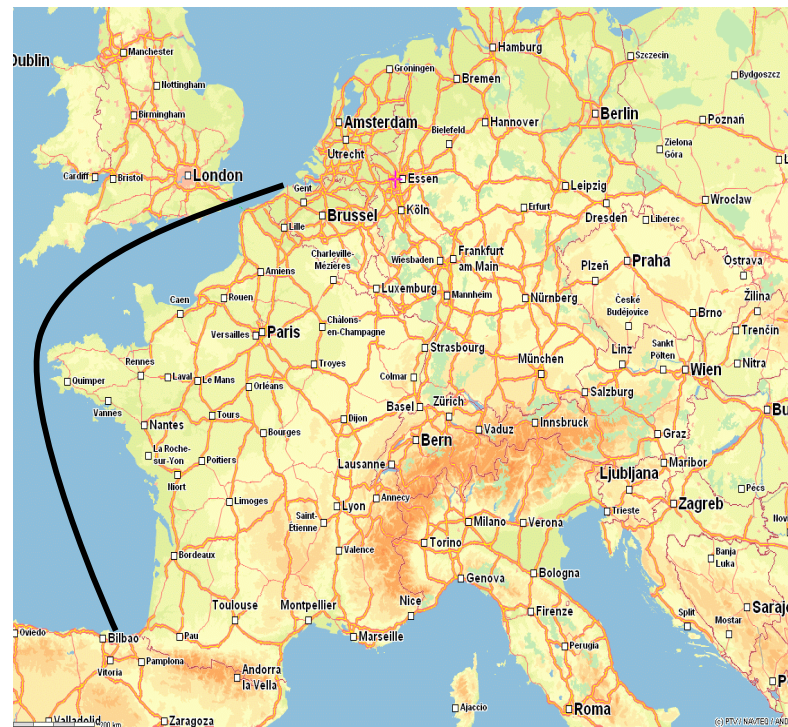
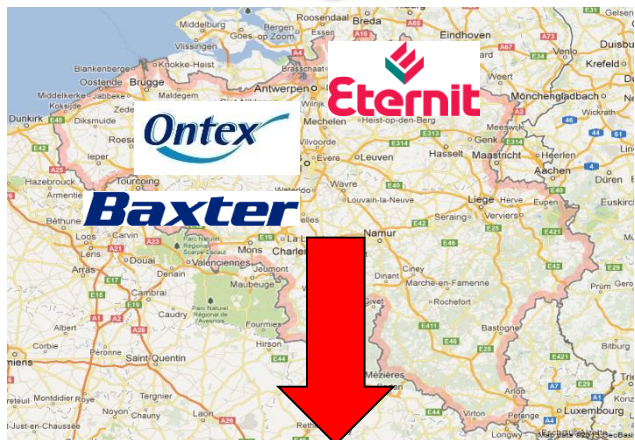




Collaboration
Concepts for
Co-modality

North – South Closed Loops

-30% carbon footprint reduction



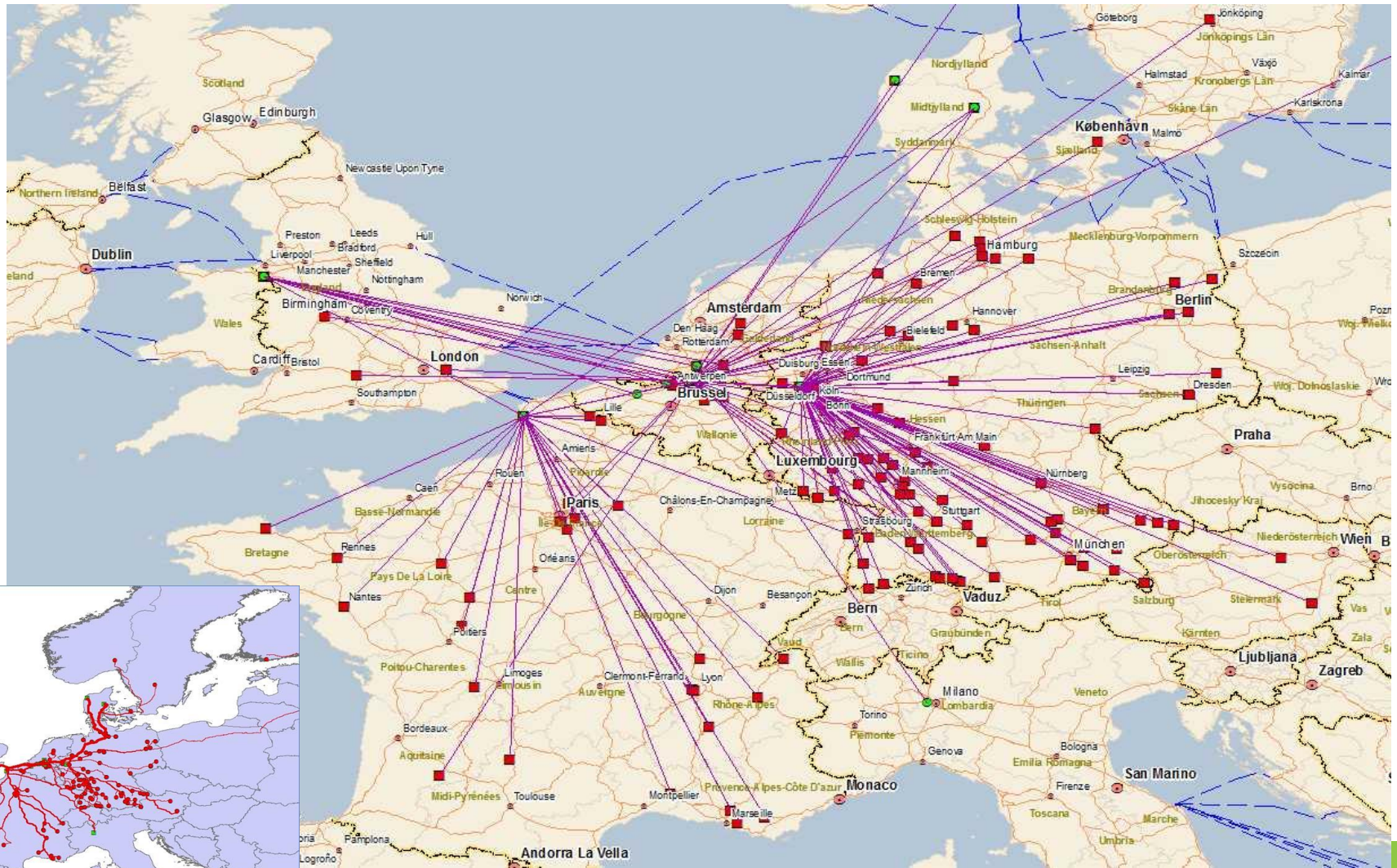
The CO₂

European Commission

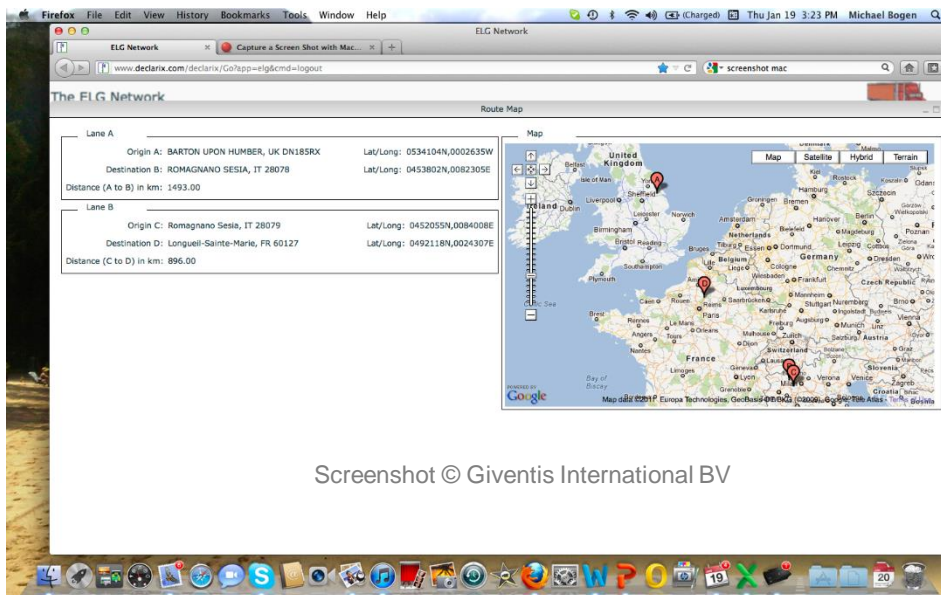


www.co3-project.eu

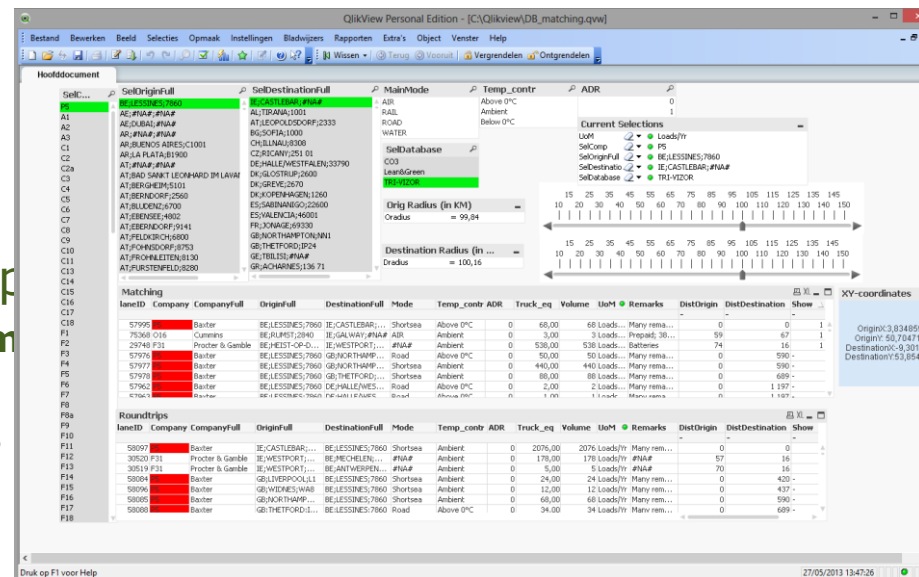
Critical mass: creating a “universal” freight flow database

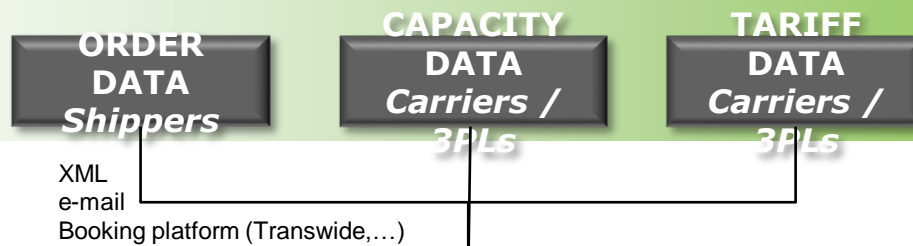


Identification Smart Matching tools ("Big Data")



Screenshot © Giventis International BV

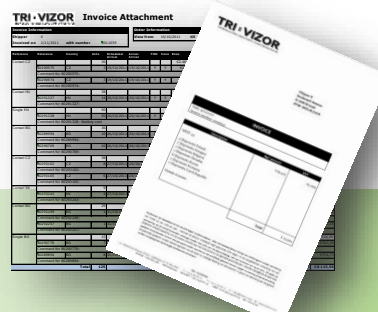




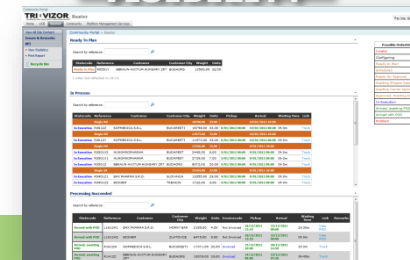
REPORTING



INVOICING



SUPPLY CHAIN VISIBILITY



- ≡ 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 ?

SVEN.VERSTREPEN@TRIVIZOR.COM

MBOGEN@GIVENTIS-ELG.COM

WWW.CO3-PROJECT.EU

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