

# NEWSLETTER

# ELUPEG

Business Collaboration. Delivered

YOU HAVE BEEN SPOTTED...

- Malcolm Pope, Premier Foods

- ECR

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YOUR COLLABORATIVE STORIES TO

[carentomkins@elupeg.com](mailto:carentomkins@elupeg.com)

## ELUPEG GOES MULTIMODAL

November 2008

PD Ports played host to the ELUPEG meeting on 29th and 30th October 2008. PD Ports is the port operator for Teesport, the UK's 3rd largest port by volume handled. PD Ports as a company is steeped in history but this history does not hold the company back. In fact, ambitious plans are well underway to develop a deep sea container terminal known as the Northern Gateway. This development looks to increase Teesport's capacity from circa 260,000 currently to 1.8 million teu in phased upgrades. This success for Teesport has been underpinned by some serious support from 2 major retailers, Tesco has now followed ASDA in building a 1.2 million square foot distribution centre. ASDA were the first to see the benefit of what is known as port-centric distribution from Teesport when they opened their 360,000 sq ft import centre in 2006.



As a result of this Teesport based import centre, ASDA have estimated savings well in excess of 2 million road miles per year by avoiding the heavily congested Southern English ports.

This was all seen by the ELUPEG Group who had a personally organized tour of Teesport. And the Networking Dinner was as always a great success.

Special points of interest:

- PD Ports is the third largest port operator in UK by volume of tonnage handled across the group
- They have a total turnover of £135 million and employ 1300 people across the UK
- Key economic driver for Northern UK particularly with the heavy industries of oil, steel and chemical sectors

## ELUPEG MARILYN STONE MEMORIAL PRIZE AWARDED TO RODOLFO MENA

ELUPEG has set up a memorial award to commemorate Dr Marilyn Stone who was a founder member of ELUPEG and a senior lecturer at Heriot Watt University. The prize is awarded annually to a postgraduate student on one of the School of Management and Language Logistics MSc courses at Heriot Watt who writes the best dissertation. The prize is £200.

Rodolfo Mena won the prize this year with a dissertation he undertook for Coca-Cola Enterprises involving the issues surrounding the impact for supplier, carrier and customer of further reducing lead times within the soft drinks supply chain. He was presented his award by Professor Alan Waller, ELUPEG Chairman and Bud-dug Williams HBJ Gateley Wareing, Marketing Director of ELUPEG at the recent Group Meeting hosted by PD Ports in Middlesbrough.



**Simon Pearson of ASDA** was the first speaker and demonstrated why ASDA had and continues to support Teesport as an international port.

**Peder Winther, CEO of Samskip and Martin Williams of Bisham Consulting** then shared their thoughts on short sea shipping. The challenges are there but both were supportive of the aim to move traffic from road to sea.

**Gavin Roser from Coastlink Network Ltd** (a transport network that aims to ease the UK's congestion problem through the collaboration of suppliers, shipping lines and shippers) explaining how a competitive Europe needs short sea shipping.

The morning concluded with updates from:

- **Garry Mansell of Trade Extensions** highlighting the benefit and flexibility of using e-procurement throughout the supply chain.
- **Richard Stone** updated on the 'Russian Collaboration Opportunity'.
- **Jordi Jove, LKW Walter** presented on paper the Automotive Update
- AND FINALLY .... **Presentation from Graham Wall of the Northern Gateway Development at Teesport.**

## Collaborative Working Breakout Groups

### Facilitated by Brian Bolam and feed back by Nigel Devenish of DSV

Question - does short sea/Intermodal transport represent a viable alternative to road transport?

If all of the relevant features were present then this could be the case, the feature being shippers leading by example e.g. ASDA, Tesco, the right geography, the right type of business so that speed perhaps is not so relevant. Also depended upon the infrastructure of the hinterland around the port for example, it may not work for food deliveries to retailers.

Finally, it was felt that the 'Green Credentials' gained would not be a sufficient incentive and that legislation would be needed in order to drive modal switch.

### Group 2 – facilitated by Martin Williams, feedback by Malcolm Pope of Premier Foods plc

Question - with a quantum cost reduction can the drawbacks of increased transit

time, loss of flexibility and increased in-transit inventory be mitigated so that short sea becomes a real collaborative alternative? Although there were challenges with loss of flexibility being non negotiable, it was determined that where it is necessary to use sea transport (i.e. island to continent), why could it not be made to work intra continent. However, there may need to be tax breaks which is maybe a carbon tax or some subsidies to stimulate the market.

### Group 3 – facilitated by Gavin Roser, feedback by Richard Iveson of CHEP

Question - does short sea shipping represent a great opportunity for the supply chain community to demonstrate its genuine commitments to collaborative Green Logistics?

At present, there is generally little understanding of what is meant by the benefit (green or otherwise) of short sea shipping. However, if there is no damage to SLA's, no added bureaucracy and generally involves little pain then the benefits can be shown. Legislation was felt to have a limited benefit

by introducing an environmental assessment when setting up transport contracts. It was also felt that financial incentives could play a part - particularly as road transport is currently subsidized and so incentives for short sea would perhaps help 'level the playing field.'



Presentations available on  
[WWW.ELUPEG.COM](http://WWW.ELUPEG.COM)

DIARY DATE : 25/26th FEBRUARY 2009 NEXT ELUPEG GROUP MEETING

IF YOU WANT TO HOST A FUTURE MEETING PLEASE CONTACT

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