



Newsletter Issue 7

November 2017

Welcome to the 7th NexTrust Newsletter. We are rapidly approaching the last phase of the project with exciting results emerging. We are busy planning workshops for 2018 to share all the results and lessons learnt and will be publishing the dates and locations very soon. Keep an eye on the website for updates.

www.nextrust-project.eu

"Cool Running Collaboration"



Cool Running is a NexTrust pilot project with a vision to drastically reduce emissions and congestion in the City of London through consolidation of chilled products from more than 500 suppliers for delivery to approximately 17,000 retail and catering outlets using full electric trucks. London is one of the most polluted cities and if successful this can be set up in other UK and European cities

The objective is to consolidate LTL deliveries into "right sized" full electric delivery vehicles and optimise delivery productivity. This should reduce the total number of journeys and associated congestion by at least 30% and emissions from the electric fleet by approaching 100%

This pilot will follow the convention already established within NexTrust (the three-stage process) of data gathering, analysis and operations. Project management and data management will be undertaken by ELUPEG supported by Giventis International.

The pilot will operate in December 2017 starting with live operations of a pilot consolidation Centre in East London (Crayford) feeding Central London with consolidated deliveries of temperature controlled food products from multiple suppliers. The results will be published on our website.

Collaboration Survey

The objective of the NexTrust project is to increase efficiency and sustainability in logistics by developing interconnected trusted collaborative networks along the entire supply chain. The results from over 30 pilot cases, governed by the strict EU-antitrust-framework, show that the expectations in horizontal and vertical collaborations in trusted networks could be fulfilled.

Within the framework of the European research project NexTrust, GS1 Germany as a member of the consortium is conducting a study of the experience and the willingness to cooperate in supply chain networks.

The aim of the survey is to analyze the current situation as well as the future willingness to cooperate between companies along the supply chain. The data is recorded anonymously.

We would really appreciate it if you have time to complete the survey for us and we will share the results with you. Here is the link and it is open until the end of 2017.
Thank you for your support

<https://www.surveymonkey.de/r/NexTrust>

Win, Win, Win

"Collaboration is a necessary ingredient to solving many of the issues in European supply chains. Collaboration is a 'Win Win Win' situation which companies are finally realising and getting involved in by developing sustainable, mutually rewarding supply chain relationships. Collaboration is primarily driven by cost and customer service with retailers wanting more frequent deliveries and manufacturers wanting lower supply chain costs in achieving this. The environment and the economic situation are also key factors. LSPs are now becoming more proactive and embracing the opportunities for collaboration by providing innovative ideas and solutions."

Quote from Professor Alan Waller, OBE, ELUPEG Chairman

‘Collaboration in logistics is achieving breakthrough’

“When I joined the NexTrust project in January 2016, I believed it was the time to break the ice and knock down the barriers hindering effective collaboration. Now after having worked in multiple pilot cases successfully, I feel we are now on the edge to achieve an exciting breakthrough in logistics” says Zoltan Balogh from Mondelez International.

Mondelēz International, the snacking company with brands such as Oreo, Cadbury and Milka chocolate joined the NexTrust project to collaborate with other EU shippers and carriers with the goal to significantly reduce its carbon footprint in transportation.

Road traffic makes up one-fifth of the EU's total emissions of carbon dioxide while at the same time about one in five trucks on European roads is running empty. In a

quest for a more efficient use of our roads, supply chain experts are piloting collaborative networks to connect producers, retailers and carriers in order to reduce emissions, fuel waste and costs, as well as traffic congestion.

“The ever increasing volume of empty trucks on the road is starting to have a real impact in terms of traffic congestion and environmental impact. It’s becoming clear that collaboration and co-operation between businesses is going to be the only way efficient and sustainable transport systems can be maintained.” says Mark Griffiths, from 2degrees, leading collaboration platform for sustainable business.

Results with full-truck-load (FTL) collaborations are beginning to demonstrate market breakthrough



Over 2016 and 2017, the NexTrust project has conducted more than 40 pilot cases. The initial achievement was that for the first time ever in European logistic history, parties were pro-actively cooperating on a large scale to reduce the environmental impact of transport and create logistics efficiency gains, without falling foul of EU competition regulations. Mondelez has been successfully collaborating with other shippers such as Unilever, Sony, Panasonic, Beiersdorf, Kimberly Clark, YSCO, Greenyard, Iglo-Nomad, Danone Waters and Diageo in multiple pilot cases across Europe. These pilot cases involve working closely with numerous carriers to

synchronize the new efficient freight networks and extend the collaboration to the asset owner.

In the first round of FTL pilot cases, around 20,000 annual truck shipments were bundled to 60 efficient freight lanes across Europe. In a second round currently ongoing, the results look set to exceed initial expectations as additional optimization scenarios have been identified. Around 100,000 annual truck shipments were bundled to 575 more efficient European freight lanes.

Following the GLEC (Global Logistics Emissions Council) calculations, results show that up to 40% of greenhouse gas emissions (GHG) and up to 46% of empty vehicle kilometers can be saved on single freight lanes

The newly designed FTL network in NexTrust is having a tremendous impact in terms of reducing the carbon footprint and congestion of transportation. Following implementation, it will be potentially capable of removing 38 million annual empty vehicle kilometers from the road – the equivalent of driving around the circumference of the Earth 940 times. Put another way, it would require around 1 million new trees, with a ten year growth time frame to remove the same amount of pollution from the roads as this new FTL network.

“The concept of collaboration has existed for over a decade, but so far only small pilot cases have demonstrated the real potential. Today, we can see that pilot cases on a large scale are having a real impact across Europe, and this collaboration can finally become standard practice in the transportation industry to achieve sustainability”,

says Mike Bogen from Giventis International working as neutral trustee to manage the FTL collaboration.

“Mental shift” towards a new era of working together

The fundamental breakthrough for this success has come from the willingness of the industry to cooperate over the last two years, and identify the most efficient way of working together. Thanks to the EU Horizon 2020 fund, the partners were able to build a consortium and dedicate the time and resources necessary to develop and validate a concept relatively new in the logistic market.

Crucial for this success was the NexTrust partners’ commitment to follow the NexTrust protocol, a conceptual collaboration framework intended to build “trusted

transportation networks” with like-minded partners, even competitors, in a legally compliant environment. The shippers and carriers share the same values in terms of innovation and cooperation and this allows them to follow the NexTrust business model.

Fundamental change in the management of transportation sourcing and operations requires shippers, with the support of carriers, to make an actual “mental shift” decoupling from their own networks first and then agreeing to re-connect with other shipper network flows designed to drive increased efficiencies.

NexTrust Partners



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“Building sustainable logistics through trusted collaborative networks across the entire supply chain”



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