



**NexTrust Workshop
April 26th 2018
Wiesbaden**

The first NexTrust workshop to share the results from the project was held on Thursday April 26th in Wiesbaden at the Panasonic Marketing Offices. It started with an excellent networking dinner on the previous evening and was very well attended by people from different sectors and companies from all over Europe who enjoyed interesting, informative presentations and lively discussions.

The next workshop is on May 24th in Niel, Belgium, covering 2 of our pilot case studies – “Setup of a Multi Supplier-Multi Retailer platform in Belgium” and “Collaboration of fresh and frozen food shippers across Europe”.



NexTrust FTL Road; Sustainability in practice: Building demand side horizontal collaboration with Pilot examples

Dr Oliver Philipp, Director Strategy & Solutions European Supply Chain Group for Panasonic, started proceedings by welcoming everyone to Panasonic and briefly describing their history and diversity of products

Panasonic has been working on pilot cases to redesign their full truck load road network with Mondelez and other partners.

In the first round a network of 20,000 annual FTL movements were bundled into 60 efficient freight lanes producing 6,657,074 VKM savings and in the second round a network of 100,000 annual FTL movements were bundled to 575 efficient freight lanes producing 37,755,574 VKM savings.

Lessons learnt

- More matches identified and currently under investigation – build in earlier, attract more shippers from beginning
- Build trust starting from the very beginning by establishing Anti - Trust and Confidentiality rules
- Data collection, formatting and consolidation is key for identification of data matches; this took a lot of time at the beginning but now is a lot quicker
- Consider loading frequency and loading/unloading times
- Organisational changes of a partner company within the project is a challenge

NexTrust FTL Intermodal: Optimizing intermodal rail network through trusted collaboration demand and supply side

Sebastian Ruckes, NexTrust Project Manager and Co-ordinator, from TX Logistik AG described the benefits and challenges of intermodal transport

- Higher payload (up to 44t)
- Operation on Sundays and bank holidays
- Competitive transport solution
- Container hinterland traffic, Alpine intermodal traffic
- Innovations to lower entry barriers and complexity
- CO2 savings of 60% on average
- Usually round trips (A-B-A) are feasible
- Equipment and loco drivers
- Balanced flows needed
- Critical mass needed
- A regular train has a capacity of approx. 30-33 trailers or 90 TEU

equals approx. 1500 FTL p.a.

- Complex transport system with limited detour possibilities
- Shippers require daily departure
- Special equipment and transport setup needed, Craneable Equipment
- A-B-A connection

There are 3 pilot cases in this area

Pilot 3.2: Optimizing existing and new intermodal rail services

Pilot 3.1: Integrating structural flows of the TX intermodal rail network capacity

Pilot 2.4: Move full road truckloads to intermodal

NexTrust Learnings and Outlook

- Increase competitiveness of European transport market with regards to cost efficiency and sustainability
- Massive savings in CO2 emissions and reduction of road traffics
- Market scalability by enabling horizontal and vertical cooperation in a trusted environment
- Solid business model which goes beyond an IT platform in order to leverage the full potential of optimization



**NexTrust concept: The introduction of the ‘neutral trustee’ as a new player in the supply chain market.
Building collaboration in a legally compliant way presented by Mike Bogen from Giventis**

Why do we need freight collaboration?

Because in Europe a fifth of international journeys are performed by empty vehicles!

Collaboration in freight transportation can achieve synergies:-

- Synergies and design of efficient transport network
- Scale for carriers, better asset utilization
- Enhanced corporate responsibility by reducing Greenhouse gas (GHG) emissions, avoiding empty mileages or shifting traffic to multimodal solutions

NexTrust has created a breakthrough in trusted horizontal collaboration

- Establishment of a new innovative business model where the shippers and carriers can collaborate in a legally compliant way and optimise the transport network together.
- Focus is on horizontal collaboration, demand side driven by shippers, but also supported from the supply side by carriers
- Efficient legal compliant management processes supported by digital tools.
- NexTrust is much more than just an IT platform.

NexTrust has introduced the Neutral Trustee as a new player in Supply Chain Market

A new innovative component into supply chain market: the neutral ‘trustee’

- This innovation represents the installation of a neutral, independent entity which acts under strict confidentiality and EU competition law compliance.
- In NexTrust different approaches to the role of the trustee are being tested in practice.
- Roles vary from a facilitator to existing collaborations..... to an orchestrator who actively looks for new opportunities to a platform provider for ongoing collaboration engagements. One aspect remains constant: the trustee is responsible to a cooperating community, not one shipper or carrier.

“Cool Running”-The London Food Hub

- There are too many avoidable illnesses each year due to pollution in London
- >2000 suppliers deliver to over 40,000 locations daily

- Average fill rate on “van deliveries” in London is <50%
- >95% of all delivery vehicles are diesel powered
- Growth in deliveries is forecast to be 40% by 2040
- Virtually all the growth relates to van deliveries
- London has a base population of 9,200,000 people
- This rises to 10,400,000 every day during working hours
- The population is forecast to rise by 1,500,000 by 2025
- They ALL need to eat and drink

Therefore our mission is to consolidate LTL freight into “out of town”* consolidation centres using “Right size” vehicles to deliver consolidated FTL with very dense delivery routes to minimise range requirement. Also to optimise inbound freight to inner city routes with algorithmic matching thus reducing the number of vehicle movements by >30% and Co2e by 90+% through use of all electric vehicles

For more information see our video

<https://vimeo.com/254307089/9d8398b6da>



NexTrust Exploitation Study

GS1 Germany carried out an exploitation study - they spoke to 121 different companies and presented some of their findings:-

The purpose of the survey was to find out:-

- *Will vertical and horizontal logistic collaborations, with the involvement of a trustee, be able to establish itself in the European FMCG market in the future?*
- *Do companies from the FMCG industry have any interest in participating in future cooperation projects in the field of logistics?*
- *What are the motivations of companies to participate in collaborative logistics projects?*
- *How are economic and ecological savings potentials estimated through cooperation in the area of transport space optimization?*
- *Can companies imagine having a neutral third (so called trustee) in the cooperation in the future*

SUMMARY

- Collaboration in the field of logistics will become more important in the future and will increasingly develop into a success factor in the FMCG sector.
- The economic and ecological potentials are underestimated by the market participants by up to 33%
- Comparative results of the NexTrust pilots show that greenhouse gas emissions can be significantly reduced.
- For 33% of the participants, the identification of suitable collaboration partners represents a big challenge today. A neutral trustee could bring together suitable companies.
- 71% of companies are open to carrying out collaboration projects with competitors, provided that a neutral trustee coordinates the collaboration. This is because it would be a strict confidentiality collaboration under competition law compliance
- 89% of the participants rated the use of standards as important.

RECOMMENDATIONS

- Companies should enter into collaborations in order to explicitly implement their sustainability strategies.
- The involvement of a trustee simplifies the set up as well as the implementation of collaborations.
- Companies should set standards before setting up cooperation projects, as these not only offer in-house optimization opportunities but standards are also a prerequisite for collaborations across companies.
- Collaborations in the field of warehouses should be more focused.

For the full survey results contact carentomkins@eluepeg.com

Other Collaboration Initiatives (outside NexTrust) Transport Collaboration: Problem to Pilot to Everyday Business

There are also many other collaborative initiatives in Europe and we invited CHEP, one of the members of our NexTrust Industry Board (NIB) to share their own experiences with collaboration.

Michael Archer, from CHEP gave us a very inspiring and thought provoking presentation on collaboration and what CHEP are currently doing and their future plans in this area.

They are in an excellent position to collaborate in transport due to the enormous scale of their operation (over 7000 orders per day), reverse logistics opportunities, flexibility and a vast network as they have more than 315,000 delivery points and over 500,000 pick up points.

CHEP has visibility of >30 million customer shipments per year which puts them in a perfect situation to collaborate

They shared their 6 very wise key learnings from practical experience

1. **Visibility is a good start but not enough.....**
2. **Trucking companies are good at what they do**
3. **Collaboration is an investment not a one night stand**
4. **Change is difficult - is the prize big enough?**
5. **Focus on the prize ahead and the bumps can be overcome**
6. **Momentum is priceless**

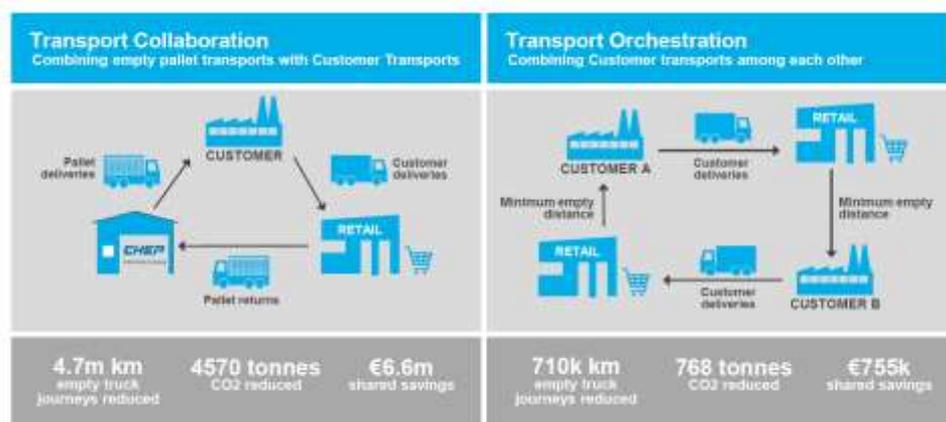
What about the trucks that are already full?

What about double stacking?

There are always ways to improve with thought, time and imagination

For the full presentation please contact carentomkins@eluepeg.com

Saving empty transport miles with customer collaborations



*Based on 138 CHEP customer collaborations during 2017

NexTrust Partners



www.nextrust-project.eu

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



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