

CO3

Delivering state-of-the-art methodology and tools for transport & logistics

Transitioning from *laboratory* to the market.....

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This project is financed by the European Commission





The Big Picture

According to recent EU sponsored studies, the total cost of road freight transport inefficiency is enormous: €160 billion in 2010

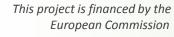
- 24% of goods vehicles in the EU are running empty*
 - The average load fill for the remaining vehicles is 57%
 - Overall vehicle efficiency is 43%
 - Flow imbalances can explain only half of this loss
- Emissions from transport, particularly road transport, have been rising faster than the emissions from all other major sectors.
 - Transport accounts for 23% of total emissions in the EU
 - Road transport accountable for 71% of transport emissions.
 - Reducing empty kilometers by just 10% will mean a reduction of emissions of over 2 million tonnes

WWW.CO

t.eu

• When will the EU legislate?

*World Economic Forum





Between September 2011-2014, the European Commission actively promotes and supports horizontal collaboration





<u>"Co</u>llaborative <u>Co</u>ncepts for <u>Co</u>-Modality (CO³)" is a EU sponsored consortium to create a <u>legal framework</u>, a <u>scientific body of</u> <u>knowledge</u>, an <u>educational package</u> and a number of <u>inspiring test</u> <u>implementations</u> for <u>horizontal collaboration and bundling</u> in transport and logistics. The ultimate goal is to make the <u>European</u> <u>logistics market</u> more <u>competitive</u> and more <u>sustainable</u>.





CO3 Consortium



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High Level Industry Board (HLIB)

part of the WAL*MART family	CIS	Georgia Pacific	KUEHNE+NAGEL	NIKE	SOLVAY		
	DHL	Heinz	Logitech.	NOKIA	STEF-TFE		
BAIN & COMPANY	DB SCHENKER	Heineken	MARLO	PHILIPS	TESCO		
BARRY () CALLEBAUT	ドELEMICA	JAN DE RIJK LOGISTICS	MARS	P&G	Unilever		
BOSCH	ESTĒE LAUDER	Kimberly-Clark	MICHELIN	PTV GROUP the mind of movement	Wincanton		
CAMPARI	Europe Container Terminals	skraft foods	Nestie	Rockwell Automation	🜏 "Wolters Kluwer		

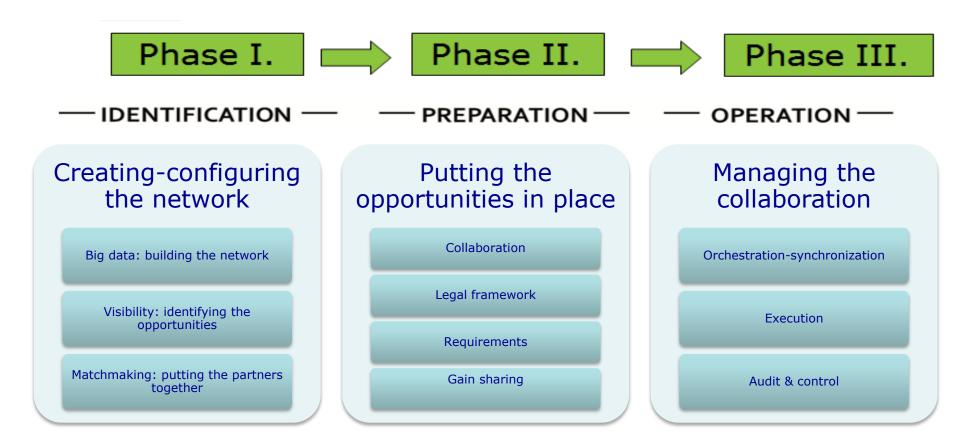
HLIB Mission:

- Review and discuss CO³ milestones and results
- Provide valuable market feedback for development and success of CO³ project





CO3 methodology: the big picture







- Anti-trust compliant legal framework
- Acceptable gain sharing solutions
- Neutral trustee: facilitating the process
- ICT: Scaling the opportunities
- The logistics laboratory: developing the practical methodology, testing the tools, pulling it all together

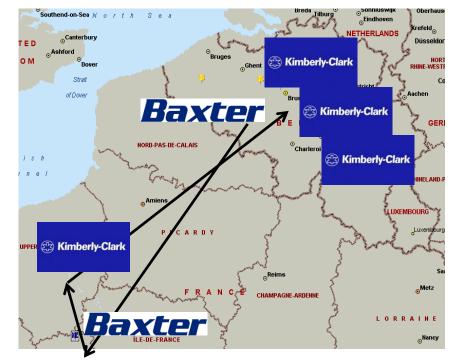
And rolling it out to the market.....





A Case Study – Healthcare & FMCG Baxter and Kimberly-Clark

- Baxter (BXT) has stable daily FTL temperature controled movements from Belgium
- Kimberly-Clark (KC) has daily FTL deliveries from France to 6 destinations in Belgium
- BXT carrier was unable to find return loads and was incuring high empty running
- ELG-Web identified that BXT and KC loads balanced in both directions
- BXT temperature control trucks can be used as "ambient" by KC
- KC's 4PL is managing the trial



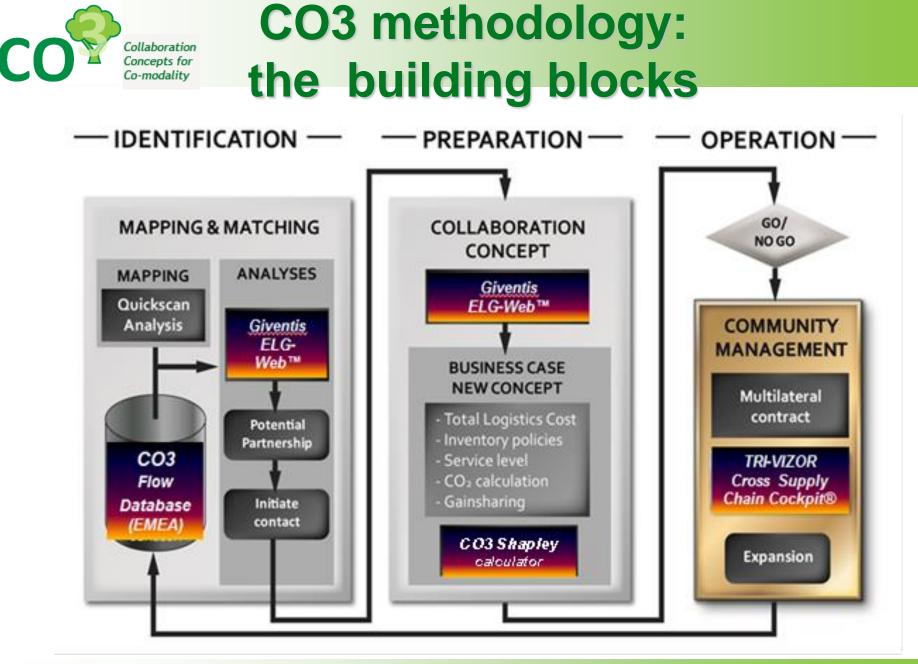
The trial has reduced >10% cost and CO2 savings with the potential of 250 round trip FTL's / year in a single lane group!





- CO3 has been developing and testing innovative concepts to organize sustainable freight flow bundling and FTL flow synchronization across multiple supply chains or logistics networks.
- Effective use of specialized information and communications technology (ICT) has been identified as a critical success factor in achieving *repeatable and scalable* success in horizontal collaboration as "line of site" has obvious limitations.
- Analysing freight flows for synergy and bundling potential is a specialized "Big Data" challenge addressed with ICT tools.





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ICT tools support the methodology



- Create Networks
- Configure Relationships
- Expose-create visibility
- Analyze opportunities
- COLLABORATE-propose/accept
- COLLABORATE-carrier/LSP
- COLLABORATE-legal, service requirements, financial/gain sharing

- Synchronize
- Optimize
- Orchestrate
- Manage exceptions
- Audit-track performance
- Reporting
- Invoicing





How market sectors benefit



Shippers

Logistics Service Providers

Retailers

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Value proposition:

"smart visibility" makes supply chain silos obsolete



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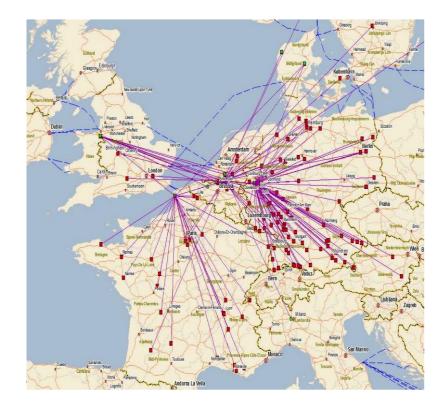




Shippers

Optimising networks to leverage procurement benefits

- Use smart visibility to identify round trips, continuous loops, backhauls, modal shifts and LTL bundling opportunities
- Continuously optimise lanes as networks change
- Collaborate with suppliers targeting backhaul and exworks freight
- Collaborate with trusted partners and grow your own network!



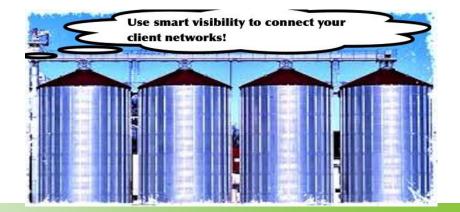




Reduce costs & emissions.

- Test new client lanes against existing networks to understand the commercial opportunities: identify the "real" potential that adding this customer will bring you both
- Use *smart visibility* to identify backhaul and bundling opportunities across your customer networks. *Connecting these silos* will maximize sustainability and cost benefits.
- Use *smart visibility* to pool your assets with partners to reduce empty running and reduce carbon emissions.

This could be a competitive game changer







Smart visibility: integrate supplier backhauls and LTL bundling/co-load opportunities to reduce emissions

- Improve the cost efficiency of SME suppliers by making collaborative LTL bundling/co-loading opportunities visible
- Use smart visibility to provide top-down visibility to all inbound and outbound lanes, resulting in new layers of collaboration opportunities.
- Use smart visibility to leverage FTL inbound movements by giving suppliers visibility to synchronization/re-load opportunities, further improving efficiencies.

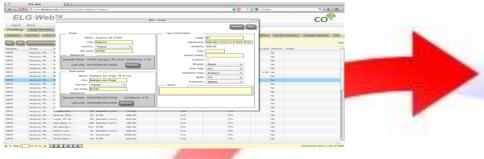
Leveraging transport network visibility will deliver an disproportionate impact on corporate sustainability objectives





■ Proven technology has been deployed: ELG-Web™

Configure the network



High level lane details captured

Smart visibility

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Identifying empty running

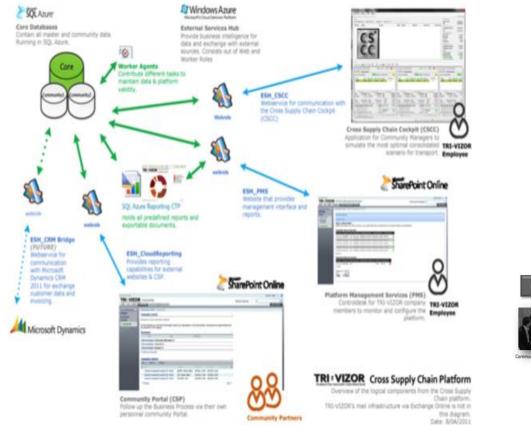


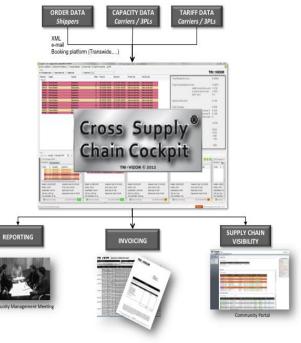
Reducing empty running





Proven technology has been deployed: Cross Supply Chain Cockpit™





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- Collaboration doesn't occur in a vacuum or spontaneously-The "Big Bang Theory" doesn't apply.
- Don't assume that the market will take care of itself, the higher the complexity the lower the visibility
- There is a gap in the market-currently, logistics service providers don't have the business models, tools-technology or skill sets to facilitate collaboration.





The business opportunity

- A new entity, the "neutral trustee," will provide specific value creation across the entire logistics process, changing the way transport is sourced, baking collaboration into the transport procurement process, e.g. *doing it right the first time.*
- Proprietary disruptive technology is ready.
- Value creation and multiple revenue streams are linked to functions across the collaboration life cycle, from matchmaking to facilitation, procurement support and orchestration.
- First mover advantage and scalability are huge.
- The market has signaled its readiness......





The neutral trustee: A new business for value creation

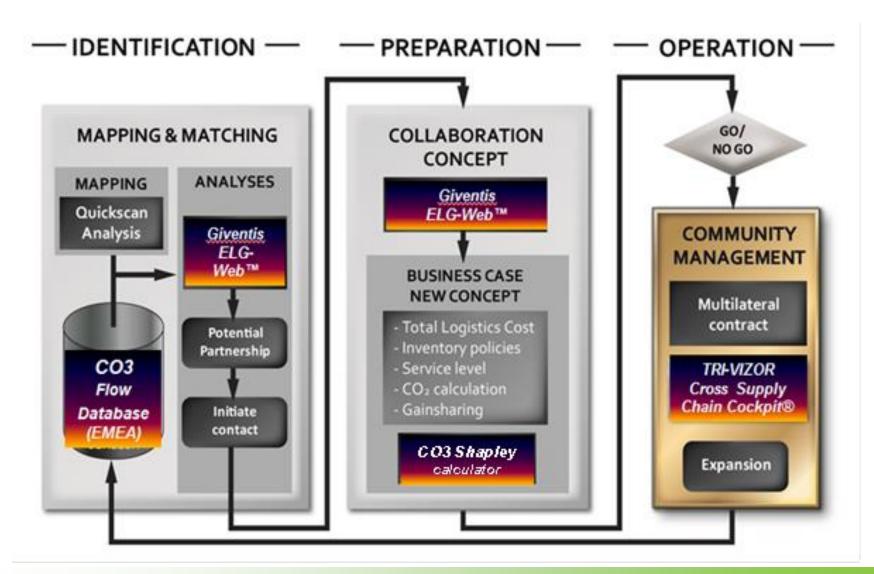


- IDENTIFICATION — PREPARATION — OPERATION —
- Create Networks
- Configure Relationships
- Expose-create visibility
- Analyze opportunities
- COLLABORATE-propose/accept
- COLLABORATE-carrier/LSP
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COVER Collaboration Concepts for Co-modalits upport the integrated service offering



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The key players in a potential joint venture

- Giventis International uses business intelligence and sophisticated Web technology to optimise transport networks to reduce emissions and cost, offering an innovative approach for transport purchasing and decision-making. Giventis *ELG-Web*[™] is a cloud based, collaboration platform, focused on multi-scale transport matchmaking and procurement support. It enables users to improve transport efficiency by reducing empty running and increasing asset utilization. <u>www.giventis-elg.com</u>
- TRI-VIZOR is a spin-off company of the University of Antwerp. The company was founded in 2008 with the mission to become "the world's first cross supply chain orchestrator". As a neutral and pro-active enabler of logistics horizontal collaboration, TRI-VIZOR offers real-time solutions and services, including its Cross *Supply Chain Cockpit* to successfully create and manage synchronized logistics



Thank you QUESTIONS ?

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