

LOGISTICS LEADERS **5**

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These beautiful hand-made pewter trophies were presented to the winners of the inaugural Logistics Leadership Awards. Our coverage of the event begins on page 6



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The future is now

Peter Acton, Chairman of the Logistics Leaders Network, says navigating Brexit and beyond will require strong leadership



The transition period to the end of 2020 for the UK's departure from the EU provides much needed time for logisticians to understand and prepare for what lies ahead. There are, of course, many issues to contemplate, not least how badly cross-border traffic will be delayed by the re-introduction of customs checks and whether cabotage will come to an end.

But it was crystal clear from a Brexit debate supported by the Logistics Leaders Network (see page 12) that the biggest concern among captains of our industry surrounds the paucity of people in key jobs, not just drivers.

The Cambridge Dictionary's definition of logistics is 'the careful organisation of a complicated activity so that it happens in a successful and effective way'. As a marketer who was brought up on the importance of the 'three Ps', I define logistics simply as having the right **product** in the right **place** at the right **time** at the right **price**. To achieve this we need a well-trained, highly motivated and well remunerated workforce.

“Having the right people in the right place at the right time and in the right numbers will remain crucial to supply chain success”

Fully automated warehouses, autonomous vehicles and drones are all significant developments in the world of logistics but they will not in and of themselves solve the big challenges we face. What will give us a fighting chance of taking costs out of the supply chain and improving the customer experience is leadership – the kind of leadership that was on display at our inaugural Awards in Solihull back in November and which we celebrate with a special feature in this issue.

Unlike accountants, logisticians look to the long term: a 30-year planned life for a new warehouse; five- or now even seven-year leasing deals on truck fleets; new technology solutions that join up the disparate elements into a visible chain of events; click and collect and other delivery patterns to meet changing consumer demand.

Never has logistics been more business mission-critical. Our challenge is to find, inspire and develop the next generation so that in 30 years' time logistics and supply chain management will be the career of choice.

Logistics Leaders Network Programme 2018

1-3 May
Logistics Leaders PAVILION
Venue: Multi-Modal, Hall 4 NEC
Topic: Member Networking Event
Meet our 2017 Logistics Leadership Award Winners

15 May
Freight Leaders Alliance HALF DAY WORKSHOP
Venue: TBC
Topic: Passport to Profit
6 ways to reduce risk and make money for SME logistics providers

20 June
ANNUAL NETWORKING LUNCH & Supply Chain Strategy Group
Venue: Eddie Stobart Academy Warrington
Topic: Excellent logistics is crucial for online retail success
John Roberts founder of AO.com (invited)

5 July
The SCALA Annual Supply Chain DEBATE
Venue: Coombe Abbey Hotel, Coventry
Topic and speakers to be agreed

11 September
Logistics Futures- POWER NETWORKING DAY
Venue: De Vere Staverton Estate, Daventry
A New one-day networking event: including a debate/ discussion on the latest research on Logisticians in the Board Room. Plus meet up to 30 logistics innovators face-to-face.

25 October
The Logistics Leadership Annual AWARDS Dinner
Venue: St John's Hotel, Solihull
Celebrate success in style at a gala dinner to congratulate the winners and reward excellence in logistics leadership

8 February 2019
Supply Chain Strategy Group half-day Workshop
Venue: Avantigas Chesterfield
Topic: 2020 Vision of Logistics

Sue Roberts from Sheffield Precision Medical explains why logistics is critical in the high quality competitive medical services sector. Taking the sting out of energy costs and warehousing operations.



This page: Peter Acton sets the scene for the glittering night ahead. **Opposite** (clockwise from top): Guest of honour **Alan Waller OBE**, Professor of International Supply Chain Management at Cranfield University, gave an inspirational speech about leadership; the **Eddie Stobart Training Academy** team, nominated for the People Development Award, in high spirits; guests take their seats; plenty of great networking opportunities throughout the evening

Night of the stars

The inaugural Logistics Leadership Awards were hailed as a tremendous success, recognising outstanding individual and team performance in the fields of manufacturing, retailing and wholesaling

Close to 100 guests gathered at the St John's Hotel in Solihull back in November to celebrate all that is good about the logistics sector. It would have been more but several people, including a couple of our winners, were back at the office managing Black Friday operations, which rightly took priority. Hosted by Peter Acton, Chairman of the Logistics Leaders Network, the assembled guests enjoyed an evening celebrating the achievements of key players within the industry.

Guest speaker Alan Waller OBE, Professor of International Supply Chain Management at Cranfield University, congratulated the winners and extolled them to continue to raise the bar of the standards of leadership. Peter Acton said business success would be measured in the future on excellence, expertise and experience in creating agile and effective supply chains, rather than simple short-term profit and loss accounting and slick brand marketing.





5 HALLMARKS OF A GREAT LEADER

The Awards judges were looking for someone who ...

- Finds a solution to any problem
- Communicates their ideas and plans in a simple way
- Makes time to empower young people/ colleagues
- Tests teams to see how they respond to a challenge
- Praises people for success but does not punish failure out of hand





Opposite page (left to right from top down): **Sam Fagan** of Fagan & Whalley receives the Emerging Logistics Leader of Year award from Alex Epstein, star of *The Apprentice*; **Angelina Miley**, HR Director at Eddie Stobart Logistics, accepts the People Development Award; **Bill Hooton**, National Transport Manager at Pladis UK (formerly united Biscuits), receives the Logistics Leadership Team of the Year Award from Linda Rodway, who does a lot of work in Birmingham schools promoting logistics and supply chain as a great career choice; the prestigious Logistics Leader of the Year Award went to **Dwain McDonald**, CEO of DPD UK, but he was on duty steering Black Friday operations; **Steve Granite** of Abbey Logistics – winner of the Freight Leader Award

This page: **John Harvey CBE** (top) was presented with The Lifetime Achievement Award, recognising his 60 years in the business and for turning Tibbitt and Britten into a £2bn global third party logistics giant as well as developing a number of other businesses through his Keswick Enterprises investment vehicle over the past 15 years; **Mark Holland**, Supply Chain Director of online fashion leaders ASOS, receives the Partnership of the Year award in a pre-recorded presentation in London **John Townsley**, Managing Director of ICIB Insurance brokers of Coventry, offers the vote of thanks to the Logistics Leaders Network;



ROLL OF HONOUR



Logistics Leader of the Year

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Winner: Dwain McDonald of DPD UK

Finalists: Arif Ahmed of River Island and Robin Proctor, President of the CILT UK



MATERIAL HANDLING

Logistics Team of the Year

Sponsored by Toyota Material Handling

Winner: Rob Wright of Pladis UK

Finalists: Polypipe and Howdens



Emerging Logistics Leader of the Year

Sponsored by SSI Schaefer

Winner: Sam Fagan of Fagan & Whalley Ltd.

Finalist: Michael Carson of SIG



Logistics Partnership of the Year

Sponsored by Alternative Pallet Company

Winner: XPO Logistics/ASOS

Finalists: John Lewis/Clipper Group plc and JCB/3t Logistics

Freight Leader of the Year

Sponsored by UK Fuels

Winner: Steve Granite of Abbey Logistics

Finalists: Neil Rushworth of Expect Distribution and Julian Richards of A K Worthington

People Development Award

Winner: Eddie Stobart (Training Academy)

Finalists: CEVA Logistics (Centre of Logistics Excellence) and Next Distribution (Training Scheme)

Lifetime Achievement Award

John Harvey CBE, Chairman of Keswick Enterprises



Happy faces: Two of our many female guests having a great time while old friends John Harvey and Alan Waller catch up with Ross Negus of Southampton Freight Services, the newest member of the Freight Leaders Alliance

Do you have what it takes to be a Logistics Leadership Awards in 2018?

Or do you know someone who inspires his or her teams to achieve great things? We are looking for nominations for our next set of awards. Let us know who you are thinking of by emailing peter.acton@logistics-leaders.co.uk



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Labour shortages top list of Brexit concerns

Steve Hobson, Editor of *Motor Transport*, reports on a Brexit round table event sponsored by fleet management software developer BigChange in support of Transaid, backed by Logistics Leaders Network and hosted at the Leeds head office of Clipper Logistics

With less than a year to go to the UK's formal exit from the European Union, there seemed to be a collective sigh of relief from business that a transition period had been agreed to the end of 2020. This will at least give the time needed to understand let alone implement the issues that will arise.

There are many known unknowns and perhaps even more unknown unknowns (to paraphrase former US Secretary of Defence Donald Rumsfeld) about Brexit, not least how badly cross border traffic will be delayed by the reintroduction of customs checks and whether cabotage will come to an end.

The roundtable debate chaired by Logistics Leaders Network chief executive Peter Acton revealed that among operators, labour shortages are at the top of their list of known unknowns about the Brexit process.

The current problems recruiting sufficient HGV drivers and warehouse staff have been well documented, with the UK short of an estimated 60,000 drivers and an ageing workforce where the average driver is now well into their 50s.

Silentnight group logistics director **Rob Livingstone** said that while the company had no trouble filling its 100 to 150 logistics jobs, some of his drivers were in their 70s.

Martin Port, chief executive of logistics management software developer BigChange, raised the prospect of automation replacing drivers in autonomous vehicles at some point in the future, though this is unlikely to be in time for Brexit in March 2019.

Peter Acton pointed out that the UK already had one of the lowest unemployment rates in history, and with unemployment at

less than 2% we effectively had full employment. "Lots of other industries are struggling to recruit," he warned.

Duncan Buchanan, who recently took over as policy director at the Road Haulage Association, said labour shortages were at the head of the list of worries members had about Brexit, which also included customs and access to markets.

"The membership is concerned about losing access to European labour," he said. "There are warehouses dominated by eastern European staff. There is a labour shortage across the EU, not just in the UK.

"If I could advise operators to do one thing to prepare for Brexit it would be to invest in training - it is key to protecting yourself. We are working closely with government to promote apprenticeships."

Richard Cowlshaw, HR director of Clipper Logistics, said the company was already "feeling the force of Brexit" and that

"labour shortages are all we talk about". He said: "Our staff are 70% warehouse and 30% drivers. We can't get good drivers, and in areas where we had no problems with resources we are seeing massive shortages."

Echoing Duncan Buchanan's comments about shortages across Europe, Richard Cowlshaw said: "We work in Poland and we can't get Polish workers for our warehouses. We have to bring them in from the Ukraine. It is the same in Germany."

And he pointed out the flaw in the push to recruit more apprentices into warehouse and driving roles to replace overseas workers. "Young people in the UK are not attracted to logistics," he said. "How can we change that?"

Chris Savage, senior lecturer in logistics and supply chain management at Huddersfield University, said the UK supply chain was "an invisible industry" that also struggled to attract graduates into





management roles. “Even with Novus we are not attracting as many as we expected,” he said. “We have got to get the message out that logistics is not just big trucks.”

Novus is a not-for-profit organisation that is funding 120 students to undertake logistics degrees and is guaranteeing to find them jobs with member companies on graduation.

Mike Daly, a non-executive director of Clipper, said he attended a careers day at his local school, promoting opportunities in logistics. “No-one was queueing at my table,” he said. “They all want to work in media. But when you ask ‘do you want to work for Amazon’, you get a better reaction. And that’s what we do.”

Transaid’s recently appointed chief executive **Caroline Barber** said employers could do more than just offering decent pay and interesting work to attract good graduates. “XPO and National Express are working with Transaid to offer recruits something different, such as an overseas with Transaid,” she said. “It is a strong selling point.”

While there have been a number of initiatives, including the FTA’s *Love Logistics*

“We can’t get good drivers, and in areas where we had no problems with resources we are seeing massive shortages”

and Steve Granite’s *Think Logistics* to raise awareness of the opportunities in the £2bn logistics industry, there has been limited success.

Andy Taylor, director of transport at family haulier Expect Logistics, said: “Trying to join it up is a good idea but it won’t happen. Each business has to do it for themselves. We can’t get away from the fact that it is hard work but driving a truck is a well-paid, rewarding job for life.”

There was general agreement that driving can be a tough job where pay and conditions had not kept pace with other options such as train driving, where wages could now be twice those earned by truck drivers.

Richard Cowlishaw said Clipper’s current approach was to recruit permanent staff from the temporary labour supplied by agencies – hardly something that will endear it to agencies who are already struggling to fill shifts due to lack of labour.

There were mixed views around the table on the Apprenticeship Levy, and **Richard** admitted it was something Clipper was wrestling with. “We pay £400,000 a year but we are still working out how to get it back,” he said. “It will make a difference in the future but it is still in its infancy.”

The terms of the levy mean that employers cannot place ‘golden handcuffs’ on apprentices who qualify and then quickly move on to other jobs. Other industries where the cost of training is substantial do make employees repay a percentage of their training costs if they leave within a given period after qualification, but this was seen as problematic with HGV drivers.

Peter Acton suggested another route to

funding licence acquisition: “The driver could pay for their own training and the employer could underwrite the cost if they stayed on, a bit like a student loan.”

Richard Cowlshaw said some of Clipper’s warehouses were now staffed 60/40 with UK/EU workers and Mike Daly added Clipper currently had a bigger shortage of warehouse staff than drivers. “Some customers have fully automated warehouses but for a 3PL like us the capital expenditure is too high to get a return when we might only have a five-year contract,” he said. “With more retail moving online we will need more warehouse staff.”

Peter Acton warned that potential customs delays post Brexit meant some firms were already planning on holding more buffer stocks on this side of the Channel, putting further pressure on limited warehouse staff.

While driverless trucks may offer a long term solution to driver shortages, there was a general consensus that this was some way off and offered little hope of resolving any post-Brexit crisis if there was a bar on recruiting EU drivers.

“The complexity of having driverless trucks on our roads makes it very difficult,” said Duncan Buchanan. “It is much easier on the railways - and they are nowhere near going driverless.”

But Big Change boss Martin Port held out the prospect that better technology would help make the most of existing resources. “Collaboration and better ways to manage the subcontractor community will help fill the gap,” he predicted.

So with the UK leaving the EU and an end to the free movement of labour, no prospect of British youngsters queueing to join the logistics industry and driverless trucks many years away, one solution put forward was to recruit more people from Commonwealth countries to fill the logistics labour gap.

“We have a narrow perspective,” said Andy Taylor. “There is plentiful labour in other parts of the world.”

But the UK Government has pledged to reduce net immigration not increase it, and it is unlikely that replacing EU migrants with those from the Commonwealth will find much favour with voters.

Caroline Barber said the vote to leave the EU had sent a clear signal to foreign workers that they were not welcome in the UK. “Brexit means to people overseas that Britain is closing its borders,” she said. “We are making it even harder for them to come here.”

Huddersfield University’s Chris Savage said the logistics had to unite and tell the



UK Government what it wanted from a Brexit deal.

But Duncan Buchanan, a former civil servant in the DfT, said: “It is perfectly possible to tell the government something sensible, and they will still ignore it. The reality is we must control the things we can control and just watch closely the things you can’t control.”



Our round table participants were: Peter Acton, Chairman of the Logistics Leaders Network; Martin Port, founder and CEO BigChange; Robert Day, Distribution Manager of Silentnight Brands; Duncan Buchanan, Policy Director, RHA; Caroline Barber, CEO of Transaid; Laurie Moon, Director of LPW Fleetwash; Richard Cowlshaw, HR Director of Clipper Logistics; Chris Savage, Professor of Logistics at Huddersfield University; Mike Daly, Transaid Ambassador and Non-Executive Director of Clipper Logistics; and Andy Taylor, Director of Transport at Expect Logistics

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Brexit: The big issues for the logistics industry

In this special article, BDO focuses on the financial implications of Brexit, particularly in relation to the application of custom duties to goods moving to and from the EU



Industry bodies have been vocal in their commentary about the need for the logistics sector to be involved in the discussions concerning the trade agreement to be hammered out with the EU. This is understandable given the significant operational and financial impact that anything other than the 'current state' of tariff free movement of goods could have. Here, we set out what we believe are the key issues.

Currency volatility

If we consider the position right now, the only direct impact most UK businesses will have experienced is the impact Brexit has had on the strength of Sterling.

If we look at this in a simplistic manner, the initial weakening of Sterling against both the Euro and the US Dollar meant that exports of goods from the UK into the EU became cheaper but, conversely, imports into the UK from overseas markets became significantly more expensive.

The reality being there are pluses and minuses to date on the volume of goods transported by the logistics sector as a result of Brexit.

Practical steps

The degree to which UK companies we are talking to are considering the impact of Brexit largely depends upon the nature of the supply chain and the destination market

of the goods being sold.

The vast majority are considering the potential impact it could have upon the business in a worst case 'no deal' scenario where World Trade Organisation (WTO) rates apply to goods imported to / exported from the UK.

Most have considered the issue at a board level but only those where the potential impact is considered to be large have sought third party advice to try to quantify the cost to the business and the strategies to pass this cost on to their customers.

Only a few businesses have taken proactive steps to alter their supply chain, local warehousing and production facilities.

The reality is that in many cases the

“ Only a few businesses have taken pro-active steps to alter their supply chain, local warehousing and production facilities ”

practicalities of re-siting manufacture of a product which is currently produced in the UK but for export to the EU to a group production facility in mainland Europe is too much of an upheaval until such time as the additional customs duty cost is more clearly known.

More workable strategies companies are actively considering include whether they can enhance their warehousing footprint within the EU so that goods arriving from outside of the EU can benefit from ‘known’ duty rates between the EU and the exporting territory, thus avoiding the uncertainty associated with the duty rates on the import into the UK and onward into the EU post-Brexit.

Similarly, UK businesses considering expansion into the EU, by organic growth or acquisition, might see an additional positive aspect of such expansion as being a safeguard and base within the EU if there is ‘no deal’ or a ‘bad deal’.

What next?

Absent further clarification on the nature of the trade agreement with the EU we expect most UK businesses will continue to operate on a business-as-usual basis, while taking advantage of wider commercial opportunities to grow their footprint within the EU.

During this period we would expect the logistics sector to operate on a business-as-usual basis.

The uncertainty as to the duty cost in a worst case scenario is far from ideal but it is one that most businesses will live with until



the position becomes clearer.

In reality, the cost and upheaval of fundamental changes to the operating model means that only those with a very good commercial reason to do so will proceed with structural changes ahead of a deal being agreed.

Regardless of the actual trade outcome, ‘hard’ versus ‘soft’ Brexit, there is a likelihood that some form of customs border controls will be introduced for goods moving between the EU and the UK.

Given that this will be a new requirement, companies at all stages of the supply chain, should be considering now what steps they can be taking to minimise potential impact of supply chain disruptions or delays on their and their customer’s business.

There are number of actions that companies can take now including reviews of current procedures, systems, resources and controls to ensure that they will be sufficient to meet any potential new administrative and regulatory requirements.

One of the areas companies can also consider is obtaining Authorised Economic Operator (AEO) accreditation. This among other things, facilitates ‘fast track’ clearance at customs borders which could potentially be highly beneficial to all importers/exporters post Brexit.

Further details on the implications of Brexit can be found at <https://www.bdo.co.uk/en-gb/brexit/home>



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The 7 steps to successful warehouse automation

Omnichannel retailers are turning their attentions to warehouse automation. The reasons may be all too apparent but the path to a successful project is not so obvious, says Neil Adcock, Consulting Partner at Bis Henderson Consulting

Why are omnichannel retailers suddenly taking an interest in automating their warehouses? Until very recently, the UK retail sector had tended to shy away from making such investments, preferring instead to take on a large labour force to manually process orders. However, that thinking appears to be changing – and rapidly so.

A number of leading retail brands are now actively engaged in adopting high levels of automation. The reasons are clear to see but the right approach needs to be taken if agility and operational performance are to be leveraged to full advantage.

Several significant factors have come into play to alter the balance between the use of man or machine. First, shoppers are shifting online in a big way.

The Office for National Statistics says internet shopping now accounts for around 15% of all retail spending.

The massive and continuing growth in online purchases, with its requirement for single item picking, packing and despatch, as well as increasing SKU proliferation, has placed a huge strain on finite labour resources in the all-important logistics hot spots.

Even outside these areas, the pool of available labour is diminishing fast. The introduction of the National Living Wage in April 2016 has also significantly increased costs for highly staffed operations.

Brexit is another factor weighing heavily on the minds of those managing labour-intensive operations. The big question is, will the availability of cheap labour from Europe ebb

away in the wake of tighter border controls and the lacklustre appeal of a weaker currency?

Then there are the competitive pressures within the marketplace. Consumers expect ever-faster delivery, greater choice and multiple options for pick-up, home delivery or returning goods.

Critically, the leading retail brands are choosing to actively compete on service, with later and later cut-offs and same-day delivery options. Simply put, manual fulfilment operations are at their limits and the only sensible option is to introduce some degree of

automation or mechanisation.

While a fully automated warehouse can provide significant cost benefits, it is not always the best approach.

For those businesses lacking the throughput, suffering restricted access to capital or where growth trajectory and product mix are uncertain, the targeted application of automation technology to key operations is a good option.

Labour-intensive processes such as picking, sorting and packing lend themselves well to focused automation. The use of carton erectors, auto-bagging machinery, putwalls and conveyor



runs can positively affect the cost per single being processed.

More integrated automation can certainly provide impressive bottom-line benefits and may take the form of semi-automated pick stations, automated packing and fast sortation systems – pouch sorters too can provide flexible storage, buffering and transit benefits.

But before launching into any productivity-boosting project, there are important steps to consider if the pitfalls are to be avoided.

Here are seven top tips to ensure automation is a success:

1. Understand the volumes

Key questions are: What is the forecast growth? Will any increase in volumes be across particular SKUs involve more SKUs or impact other product types? What effect does peak trading and promotions have on throughput?

Accurate scenario modelling is of critical importance as it helps determine the robustness of any proposed solution to changes in volume or depth and breadth of stock.

How do different growth patterns impact the proposed modularity or expansion potential of the solution?

2. Consider service levels

It is important to consider not only current service levels and cut-offs but also future alternatives that may offer competitive advantage. Service levels often suffer at peak, so it is critical for the system to be able to process the volume within the available window. Always overlay alternative growth rates to 'stress test' solutions.

3. Plan the integration

How will the automated systems fit within the facility? Will manual areas be impacted? Are there enough doors? How will any extension fit within the proposed plot? All simple questions, but again, these must be clearly thought through to ensure the success of the project.

4. Define the role of the facility

It is essential to engage with the wider business to determine future supply chain flows and the requirements of the facility – not everything may be needed on Day One of the operation. Examples may include the implementation of cross-dock operations for key lines, returns streaming, inbound quality control and supplier conformance.

5. Set processes and design

Future ways of working and detailed processes must be thoughtfully incorporated within any design. This will require close co-operation and co-ordination with the automation supplier to

ensure that each step of the process is validated, and future changes are understood and catered for. This equally applies to the layout itself, ensuring, for example, that sufficient buffering conveyor is in place to allow for downtime or stoppages.

6. Co-ordinate software integration

This step should consider which warehouse management system should be used, how it will integrate into the ERP and who will be responsible for the infrastructure. Importantly, will the control room have access to the necessary levels of data to maximise the efficiency of the operation?

7. Ensure smooth commissioning and transition

A key element of the project is the commissioning phase. Thought needs to be given to ensuring sufficient time and budget is applied to testing the system, transitioning stock and to ensuring that realistic figures for productivity are factored in.

There are many potential dangers. Failure to fully understand the dynamics of the business, its growth expectations – in terms of volumes, SKUs, product types – and the impact of peak trading and promotions on the warehouse can result in an inflexible and under-performing investment.

Importantly, the right questions need to be asked, but operational managers, distracted with the essential everyday running of the business, can often find themselves too short of time and too close to the operation to be able to undertake a full analysis of future needs.

Expert advice and guidance from experienced consultants, well-practiced in the application of a wide range of automated warehouse solutions, can help ensure a successful end project – avoiding the anguish of a sub-optimal investment.



THE ONLINE CHALLENGE

Consultant Neil Adcock (above) says the relentless onward march of online purchases is placing a major strain on labour resources within logistics operations. This is just one of the factors bosses must consider when they evaluate the options for warehouse automation.

FACT FILE

Bis Henderson are experts in solving supply chain, procurement and interim management recruitment requirements. The company offers an extensive range of supply chain and logistics consulting services. Its team has senior operational experience in retail, manufacturing and TPL.

The Bis Henderson Academy provides training and upskilling programmes to develop the supply chain and logistics professionals of the future.

As training specialists, Bis Henderson helps businesses in the supply chain and logistics sector understand how the Apprenticeship Levy affects their business and helps them utilise the credits to the greatest effect with flexible programmes designed specifically for their business.

Brexit can open up a world of opportunity

Leaving the European Union does not mean a blackout for cross-border trade



The number of online shoppers in Russia now exceeds 30 million, according to the Ecommerce Foundation

On Wednesday, 29th March, 2017, the UK Government triggered Article 50, marking the formal process of Britain leaving the European Union. In theory, leaving the single market is supposed to take two years, meaning Britain should leave the European Union no later than April 2019.

Triggering Article 50 is the easy part - agreeing a new trading relationship, establishing what tariffs and other barriers to entry are permitted, and agreeing on obligations such as free movement is where the picture becomes more complex. According to the EU, this process could take another five years.

A number of issues have been raised on what impact Brexit will have on cross-border trade. According to a report from the House of Lords EU Committee ("Brexit: trade in goods"), British

businesses have "serious concerns" about tariffs, disruption and border delays on goods after Brexit.

However, Brexit need not spell doom and gloom. Forward thinking retailers are turning their attention to alternative markets outside the EU, including Russia, China and Canada. Each of these three markets has its own unique set of opportunities and challenges. So what factors do retailers need to take into consideration?

Russian roulette?

Expanding into Russia does not have to be a gamble. This summer, Russia hosts football's World Cup with all the hype and scrutiny this global event attracts. There is little doubt the spotlight will wake up a few UK retailers to the potential of this marketplace as an attractive goal scoring opportunity.

When looking at the geography of Russia, big is an understatement: The country has the unique distinction of being the largest in the world, covering more than one eighth of the Earth's inhabited land area.

The country is not only sizable in land mass but population too, with more than 143 million people. This equates to a large pool of active internet users. According to the latest data, Russia has the highest number of internet users in Europe - some 84 million people - and the number of online shoppers is growing steadily to now exceed 30m, according to a report released by the Ecommerce Foundation.

It's important to bear in mind that consumer preferences vary across different territories, and Russia is no exception to this rule. For example, according to a report published by Stats.com nearly half of online shoppers in Russia in 2014

China's logistics and infrastructure networks are improving rapidly



expressed a growing willingness to pay extra for faster delivery.

Riding the eCommerce wave in China

High profile retail brands such as Burberry, ASOS and Selfridges have already expanded their operations into China and with good reason. China is one of the fastest growing eCommerce markets in the world. Online retail sales in the country reached 5.16 trillion yuan (\$752 bn) in 2016, representing 26.2% growth from 2015. It is estimated that 36 million Chinese shoppers will be spending \$167 bn on international purchases this year.

Like Russia, China has a huge land mass. While logistics and infrastructure networks are improving rapidly, it is worth noting there are 30 cities in China with populations of more than 10 million people and vast distances between urban centres. The typical journey for a UK retailer looking to crack China is to begin distributing to China directly from the UK until the customer volume has developed sufficiently to warrant a local presence in the country.

Making the connection with Canada

When analysing the eCommerce market in North America a great deal of attention is given to the United States. This is understandable given the country's unique economic status on the global stage. However, UK retailers are missing a trick by not turning their attention north of the border.

According to a report by Forrester, 9.5% of all Canadian retail spending—projected at C\$39.9 billion—will be done online by 2019, up from 6% in 2014. Meanwhile,

Canada is one of the most connected in the world with 91% of its population having access to internet.

Returns in particular heavily influence consumer behaviour. More than four in 10 Canadian shoppers said they would be unlikely to complete a sale if they had to pay for returns shipping, and 65% will shop more with a retailer if they offer a hassle-free returns policy.

Triggering Article 50 was a watershed moment for the UK. However, the uncertainty surrounding Brexit can be positioned as a cross-border opportunity for UK retailers. Fast-growing markets such as China Russia and Canada offer an alternative pathway. However, when looking to enter these markets it is important for retailers to avoid a one-size-fits-all cross-border delivery strategy, as each market has its own distinct set of challenges.

A third party delivery expert with the necessary global contacts and expertise can help retailers tackle these subtle nuances and develop a cross-border strategy that looks beyond Brexit.

“Russia has the highest number of internet users in Europe – some 84 million people”

FACT FILE

The Delivery Group is the UK's fastest growing e-commerce and specialist distribution company.

It operates a national network of e-commerce and specialist mail services, delivering in excess of 400 million items a year for leading international businesses and major e-commerce brands.

The Group combines the shared experience and resources of two successful businesses and includes Secured Mail and CMS Network.

The Delivery Group works in partnership with more than 700 clients to create and deliver professional, sustainable solutions, exceptional value and market leading standards of customer service.

Employing almost 400 staff across hubs in Warrington, central London and Luton and backed by market changing automation and innovative technology, TDG's companies deliver domestically and internationally to more than 200 countries.

The Delivery Group is a Top Track 250 company. Secured Mail has been ranked in the Sunday Times Fast Track 100 and CMS Network has been listed by the London Stock Exchange in the Top 1,000 Companies to Inspire Europe.



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Why Howard Tenens is happy to be a gas pioneer

Operator's two-year truck trial is expected to yield vital information in the battle to reduce carbon

It was a Howard Tenens board decision to look at ways of reducing the carbon footprint of the company's transport and warehouse operations that led to a project which looked at all the viable fuel sources in the marketplace and all the vehicle technologies that could utilise them.

The company married the two together and quickly came to the conclusion that then, as now, CNG or biomethane was the only viable option to displace diesel – the chief reason being that it could use those fuels across the board: from vans right up to its 44 tonne HGVs.

The first trial started in 2009, running two 44 tonne trucks for six months. Those first trucks had gas tanks on the trailer with an umbilical connection to the engine because there wasn't enough space on the tractor unit to fit the gas tanks.

Howard Tenens introduced 10 trucks into the fleet but having the tanks on the trailer caused operational constraints, so in 2011 it worked out a way to reconfigure the layout of the AdBlue tanks and exhaust which enabled all the gas tanks to be fitted on the tractor unit. The fleet was expanded considerably in 2013



when Howard Tenens took part in three Low Carbon Truck Trials part-funded by Innovate UK. The funding enabled another 36 vehicles to be converted to dual fuel.

Today, Howard Tenens operates 36 dual fuel vehicles as all the vehicles with the earlier conversions have now been replaced due to their age. The company operates a total of 130 commercial vehicles, so dual fuel vehicles represent 28% of the fleet.

At present, Howard Tenens uses only CNG but it has always seen that as a stepping stone to biomethane. The company is now working in partnership with Advanced Plasma Power which is building a prototype waste-to-biomethane plant using plasma and gasification technology.

The plant comes on-line in late 2018 which means it will then be able to use sustainable biomethane in its vehicles. For vehicles which run 100% on gas, this will achieve a reduction in well-to-wheel CO₂ emissions per vehicle of about 75% compared to diesel.

When diesel was around £1 per litre the payback on dual fuel trucks was around two to three years depending on the annual mileage. When diesel prices fell to around 80 pence per litre, this meant operating dual fuel vehicles was breaking even compared to diesel trucks. As diesel prices rise, the business case for gas vehicles strengthens.

Howard Tenens also installed a state of the

The Howard Tenens story

In 1953 Edward Morris sold his packing and timber case manufacturing business Create More Work (CMW) to Howard Tenens, a shipbrokers in London. Edward was given a shareholding in the new business – Howard Tenens Services Ltd – and over the next 30 years built the company into a formidable force, largely

on the back of work for the British motor industry. Edward's son Peter joined the company in 1963 – three years before it became a PLC – and he was appointed managing director in 1979 on Edward's retirement. Peter led a management buyout in 1983, since which time the company has expanded greatly and acquired many additional sites across the UK.

“By operating dual fuel vehicles in our fleet we have reduced our carbon dioxide emissions by nearly 750 tonnes a year”

art gas station at its largest depot in Swindon in 2014 to accommodate the dual fuel trucks. The station, which received with grant funding, can refuel up to three trucks simultaneously and also has a separate dispenser for cars and vans. It has plenty of capacity to serve the Howard Tenens fleet as well as third parties, and any transport operators wishing to use the station are invited to make contact.

Understanding the environmental benefits of dual fuel vehicles was also an important aspect of the Innovate UK trials. So Howard Tenens introduced a rigorous emissions testing programme comprising of ‘real world’ on-the-road tests using laboratory-grade equipment.

Five different vehicle types were tested over the same route, first when the vehicle was running on diesel only and then when it was running on dual fuel. The tests showed the NOx emissions averaged 16% lower when the vehicles were running on dual fuel. Tailpipe CO2 emissions from dual fuel trucks were around 10% lower than an equivalent diesel vehicle.

By operating dual fuel vehicles Howard Tenens has reduced its fleet CO2 emissions by nearly 750 tonnes a year, which equates to a reduction in fleet emissions of 6.5% a year. The trial wasn’t all positive, however, and results showed that dual fuel vehicles suffer from a drop in fuel efficiency compared to diesel vehicles and that some of the gas combusted



in the engine slipped out through the exhaust, eroding some of the environmental benefits. For this reason, Howard Tenens decided not to purchase any further dual fuel vehicles, with the focus now set on dedicated gas vehicles supplied by the OEMs.

Howard Tenens introduced the latest gas technology into its fleet in October 2017 as part of a two-year Innovate UK-funded trial, which has involved two Scania 26 tonne rigid dedicated gas vehicles. The vehicles are running 100% on gas, and part way through the trial the CNG was substituted with sustainable biomethane supplied from the Advanced

Plasma Power plant.

The trucks are the first of their type to be operating in the UK, so while this will undoubtedly incur a few challenges, Howard Tenens’ philosophy is very much about embracing innovation and keeping abreast of technology developments. The real benefit to its business is the carbon savings.

While dual fuel gave Howard Tenens the experience it needed of running vehicles on gas, the company has always had its eye on the bigger prize, which is to run vehicles 100% on gas and to use biomethane instead of CNG. The carbon savings of a dedicated gas vehicle operating on biomethane is around 75% and will be a major step forward in reducing the carbon footprint of the Howard Tenens fleet.

Howard Tenens is one of a number of transport operators trialling dedicated gas trucks as part of the Innovate UK-funded trial, so there will be a wealth of data and information generated from the operation of these vehicles.

This should provide the answers to the questions surrounding the technology, such as fuel efficiency, range, reliability and environmental benefits.

Provided the answers to these questions are positive, Howard Tenens believes dedicated gas vehicles will play an important role in decarbonising the heavy goods vehicle sector in the future.



FACT FILE

- Warehouse footprint in excess of 4 million sq ft
- Distribution fleet of 160 vehicles
- Since 2013 Howard Tenens has worked on 175 projects, completed 4,000 vehicle movements and delivered 60,000 pallets and 1.5 million panels
- Solar unit is currently powering almost 318,000 UK households and responsible for a carbon dioxide saving equivalent to taking 107,000 cars off the road



SPECIALIST LOGISTICS

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Strong relationships at the heart of customer retention

Two case studies highlight how Spatial Global plays a key role in developing lasting customer relationships for its UK and international clients

As a mixed worldwide delivery business, Spatial Global has many facets – freight forwarding, mail management, e-commerce, fulfilment, courier, warehousing, logistics and added-value services. Two case studies highlight how Spatial makes a difference for its customers and helps to develop lasting customer relationships which in turn helps retain and build even stronger ties with its UK and international customers.

CASE STUDY 1: Time-critical ship repairs at Drydocks World in Dubai need effective freight management

Spatial Global has been an integral supply partner of Drydocks World for more than 20 years. A Dubai World company, the business is the largest shipyard in the Middle East, employing some 10,000 people. It is the flagship facility within DP World at Jebel Ali port in Dubai.

Drydocks' core business has been ship repair and maintenance since its creation in 1974, and it currently has capacity for between 50 and 60 vessels. With so many ships in dry dock at any one time, replacements for damaged or obsolete parts need to be available precisely when they are needed. Delays can be extremely costly.

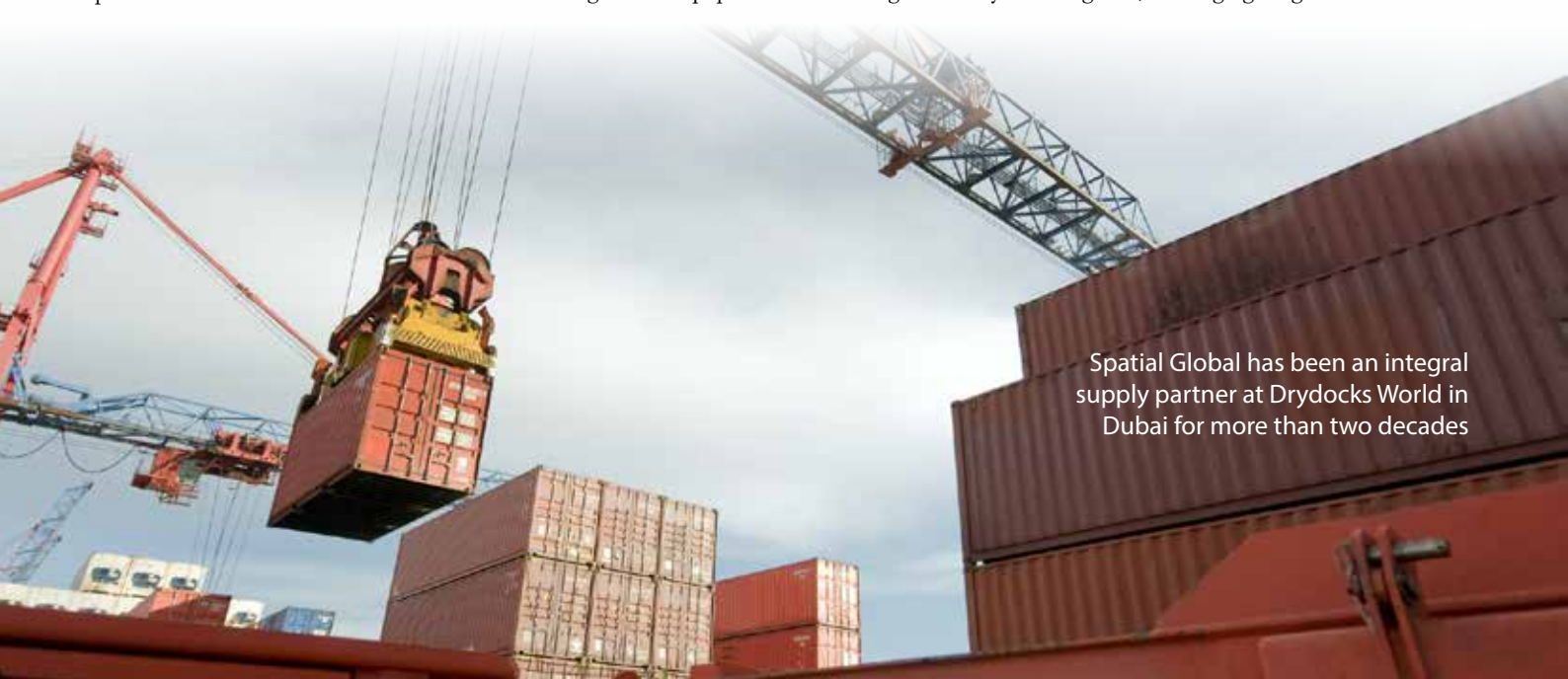
The engineering teams at Jebel Ali place orders daily on their procurement colleagues. The procurement team in turn sources these – often at short notice – from a global directory of manufacturers. The United Kingdom excels at producing components that meet exacting standards of performance and compliance, and as a result such items are being despatched daily from a variety of UK manufacturers.

Spatial's role is to receive all these UK-sourced orders, which can vary from a small Jiffy bag containing a tiny but vital part to large pieces of machinery and precision-engineered equipment. To meet tight delivery

schedules, Spatial assembles a twice-weekly consolidated airfreight consignment, comprising the products of various suppliers destined for Drydocks World some 4,500 miles away.

Accompanying each Spatial Global airfreight consignment is detailed documentation for shipment and customs purposes. Accurate notification of goods received and shipped is crucial for the maintenance and repair teams in Dubai. Spatial coordinates and prepares all necessary documentation for:

- Receiving goods into its UK warehouse
- Checking goods receipts and commercial invoices for each shipment
- Undertaking a visual check on the external quality/packaging integrity of goods for export
- Assessing goods received for items that could result in delays (such as dangerous goods) and segregating these for



Spatial Global has been an integral supply partner at Drydocks World in Dubai for more than two decades

separate handling

- Building the airline assembly and freight manifest
- Presenting the shipment to the airline for the necessary security screening procedures
- Presenting the customs declarations to the UK CHIEF system, for pre-export acceptance
- Preparing the pre-alert documentation for the consignee
- Presenting original documents to the airline for customs clearance procedures on arrival
- Providing evidence of export to the individual suppliers for their own internal audit purposes.

The strength of Spatial Global's relationship and its understanding of its customer's exacting requirements have helped to create an enduring partnership. However, that has not stopped the business from a process of continuous improvement and innovation. The service is constantly developing in line with industry changes, technological advances and evolving international trade regulations.

CASE STUDY 2: International e-commerce order fulfilment for UK suppliers to Far Corner – with zero stock

In August, 2015 Far Corner of the US asked Spatial Global to look at providing fulfilment and worldwide mailing support services for UK-sourced commodities sold directly to customers. This would prove to be the first step in what has become a rapidly evolving partnership.

The data suggested more than one million UK-sourced units a year were being delivered to more than 50 countries. Order management would be handled via the customer's own system Orders Now.

Spatial immediately identified some streamlining opportunities, adding pre-printed postal authority indicia, introducing weighing earlier in the fulfilment process and a range of operator-friendly features at the workstations (such as creating audible alerts for different types of orders). Meanwhile, Far Corner Technology programmed the agreed improvements.

The solution and pricing structure Spatial proposed encouraged Far Corner to begin a trial as early as December with one of the UK-based suppliers. The clear commitment of both teams then led to additional volume being added incrementally. Following a visit to Spatial Global by the Far Corner

executive team in February, full volume from all UK suppliers was turned on at the beginning of March 2016.

The keys to this successful trans-Atlantic collaboration are:

- Business leaders with a vision for their operations, and recognition of each other's strengths
 - Rapid progress from early steps to a place of mutual trust and partnership
 - Spatial demonstrating its 'easier to do business with' culture
 - Spatial's ability to take on the accurate, routine processing of tens of thousands items every day
 - Far Corner providing an effective product sourcing and order management software solution
 - Transparency of volumes and costs – with a focus on mutual benefits
 - Enabling specialist teams to work directly together – mail, IT, operations, etc
 - Excellent communications.
- The benefits of Spatial's service include:
- Purchase orders and order data now available in Far Corner Technology's Orders Now system some 24-48 hours in advance of receipt/despatch
 - Multiple suppliers delivering product in bulk to Spatial Global's centrally located UK distribution hub from purchase orders submitted
 - Using the customer's Orders Now system, Spatial scans and packs individual orders – singles and multiples. Typically, the company receives orders by 12 noon and completes them by 1600 hours the same day, ready for loading on to outbound vehicles in the evening
 - Orders Now is linked to Spatial's F2D mail system, which determines optimal routing for each order and the postal authority that will deliver it. The approach allows the appropriate PPI (printed postage impression) to be printed on the barcoded label, improving efficiency
 - Having weighed the units, the completed packet or parcel then flows through Spatial's international mail despatch system without the need for any further administration.

US-based orders are being routed via air freight on Far Corner Logistics' services to New York, Chicago and San Francisco for onward delivery. Spatial delivers these to the freight agent at London Heathrow

Airport as part of its own daily service. Orders for the rest of the world are routed via, and despatched to, the numerous service providers Spatial Global partners with for international mail.

Scott Melville, COO of Far Corner Logistics, said: "We began partnering with Spatial Global in December of 2015 for fulfilment and mail services. Since that time, we have increased our business with them substantially and they have handled every request and volume increase. The team members at Spatial are an exceptional group to work with.

"The thing that appealed to me was their entrepreneurial spirit and out-of-the-box approach required for our business. We developed a truly honest partnership with Spatial that has benefited both organizations! I look forward to continuing to grow our relationship!"

FACT FILE

Spatial Global is:

- A leading independent UK-based international freight forwarder formed in 1980 at East Midlands Airport, Castle Donington, UK
- A one-stop-shop for handling exports, imports and cross trades to or from anywhere in the world...
- ... plus UK & international mail and courier
- ... plus e-commerce and fulfilment
- ... plus warehousing and logistics
- ... plus pick & pack and other added-value services
- ISO quality-certification across all services
- IATA and FIATA accredited
- A member of UKWA, BIFA & RHA and a DfT Regulated Agent
- The winner of two BIFA Freight Services Awards
- A member of The Keswick Enterprises Group

Shake up of employment practices on the horizon

The gig economy has hit the headlines regularly, particularly in relation to transport and delivery services. With the more flexible labour market of today, confusion over worker status is evident, says Charlotte Rees-John, Partner – Employment at Freeths LLP

The Taylor Review of modern working practices was published in July 2017 with the ambition that "all work in the UK economy should be fair and decent with realistic scope for development and fulfilment".

It targets 'good' work for all, including factors such as proper pay, guaranteed income, a voice at work and work-life balance.

Currently the report merely makes recommendations – the Government must decide when and if to legislate over the next year.

Employment Status

Much of the report focuses on employment status and protecting vulnerable workers. Determining employment status is key to an individual's statutory rights; workers are entitled to rest breaks and paid holiday, as well as the national minimum wage, an auto enrolment pension and protection from discrimination and victimisation. These entitlements are not available to the self-employed.

Taylor Report recommendations

- New legislation to clearly define employment status, redefining 'workers' as 'dependent contractors', with more emphasis on the control they have over their role and less

- emphasis on rights of substitution
- Employers to be obliged to provide a written statement of terms to all employees and all workers from day 1
- A free online tool to make it easier to determine employment status without recourse to the Tribunal.
- Gig economy workers to receive the National Minimum Wage
- Promoting awareness of holiday pay entitlements for workers, using a 52 week average for calculation, instead of the current 12 weeks, and allowing 'dependent contractors' to receive rolled-up holiday pay – meaning more seasonal workers could become entitled to holiday pay
- Extending the break of a week or more in employment to a month before continuity of service is broken, making it easier to accrue qualifying service and rights
- A right for an agency worker who has worked for the same hirer for 12 months to request a direct contract of employment
- Similarly, those who have worked on a zero hours contract for 12 months should have the right to request a contract guaranteeing hours. While problematic for employers it is better than the outright ban on zero hours contracts which was mooted



Charlotte Rees-John says greater clarity on employment status is to be welcomed

- Statutory Sick Pay should be available to all workers and be payable from day one

We wait to see how many of the report's recommendations reach the statute books. It has addressed some complex issues and there is much to like. Greater clarity on employment status is to be welcomed.

However, if more people are categorised as workers with rights to the national minimum wage, holiday pay and sick pay then there will be an inevitable cost implication for employers.



FACT FILE

- A top 60 full service commercial law firm
- 11 offices nationally
- Multi-disciplinary team working in the logistics & transport sector
- Expertise in road transport, warehousing, vehicle fleets, passenger transport, aerospace and rail

Employee

There are three key tests to consider when deciding whether an individual is an employee:

1. **Personal Service** – an employee provides a service themselves, whereas a self-employed contractor will have a right to provide a substitute to carry out that work. If there is an unqualified right of substitution in a contract then it is very likely that it is not an employment arrangement. For example, with employed staff, if one of your drivers was not able to work a particular shift, he could not nominate a suitably qualified replacement to take on that shift for him
2. **Control** – does one party have sufficient control to make it a master/servant relationship? The following will be taken into account: how is the job to be done, timing, working hours, method, where is it to be done, is the individual subject to rules and procedures. The employer is in control
3. **Mutuality of obligation** – this is the obligation on the employer to provide work and on the employee to accept work that is offered to him. A subcontractor could clearly refuse to work a shift if they wish.

None of the three key tests alone is conclusive proof of employment. However, if one of the three elements is missing it may point towards an individual being self-employed. Other factors to be considered in addition include:

- Who provides the tools? If the worker owns the means to carry out the work - eg the delivery van - it suggests they are not an employee
- Degree of financial risk
- Is it a fixed salary or wage
- Is the individual given paid holidays, sickness absence.

In reaching a decision on whether or not an individual is employed, checklists are a useful starting point. But the court will look at the practical reality of the relationship – as in the well publicised Uber and Citysprint cases.

Self-employed contractor

Someone is self employed if the tests above are not met; in other words, substitutes can be provided (if compliant with the employer's requirements), there is no mutuality of obligation in terms of providing work or the worker carrying out duties. The worker is also more independent and has control over their working situation.

Worker

In between the categories of employee and genuinely self-employed is the category of worker. The definition includes employees but also someone who passes a lesser test – they agree to provide certain services personally but are not in business on their own account and therefore not genuinely self-employed.

When identifying a worker the following is a helpful test:

- **Personal Service:** A worker agrees to personally provide services, although there may be a limited power to appoint substitutes.
- **Business Undertaking:** is the 'employer' a client of a business carried on by the individual? If yes, then the individual is self-employed; if not then the individual is a worker. Whether or not an individual is really carrying on a business is decided by looking at factors such as the degree of control by the employer, the exclusivity of the arrangement, its duration, the method of payment, who supplies the materials and equipment, and the level of risk taken by the individual.
- **Mutuality of Obligation:** this is essential if the individual is to be a worker rather than self-employed. This means there is the obligation on the employer to provide work and on the individual to accept that work. If there is no mutuality of obligation then the individual will be self-employed.
- **Protection for workers** - some protection extends to workers, such as entitlement to rest breaks and paid holiday under the Working Time Regulations, as well as the national minimum wage and protection from discrimination and victimisation. They are also entitled to a contribution from their employer under an auto enrolment pension scheme.

Developing tomorrow's logistics leaders today

For more than 30 years the University of Huddersfield has been developing graduate talent in the field of logistics and supply chain management, David Leach reports

A key tenet of the Huddersfield approach has always been to combine in depth study of theory and practice with practical industrial experience – producing graduates with the knowledge and skills to hit the ground running.

In 2013, the NOVUS scheme was launched at Huddersfield with two new supply chain courses complementing existing specialist programmes. NOVUS (latin meaning 'new', 'fresh' and 'exciting') is a collaborative approach to higher education bringing together university and industry partners to attract, inspire and develop new talent for our profession.

Uniquely, employers are involved in all stages of the student life cycle, from student recruitment through to guaranteeing graduate employment. As they are collectively guaranteeing employment to graduates, industry partners can invest in the learning and professional development of students, secure in the knowledge they are destined to work for one of the companies involved.

NOVUS partners include major retailers such as Sainsbury's and Morrisons, leading manufacturers like Nestlé, Arla, Howdens and Muller and leading logistics providers, for example DHL, Wincanton and CEVA.

How are employers involved?

Partners are engaged in all aspects of the NOVUS initiative, including scheme management, course design, marketing / recruitment and candidate selection. They further provide:

- A mentor for each student
- Paid industrial placement year
- Tailored project work during vacation periods
- Support with course delivery and specific content
- Guaranteed graduate positions

As employers are involved at every stage, they are able to influence candidate selection and the student learning experience at Huddersfield to ensure that student attributes, knowledge, skills and competencies are fully aligned to employer needs.

How do we ensure graduates are career-ready?

It starts with course design. There are two courses in the scheme – BSc (Hons) Logistics and Supply Chain Management and BA (Hons) Business with Supply Chain Management. Both are engineered in collaboration with industry partners to meet their needs. Partners help with specialist areas of course delivery,

providing guest lectures and live company projects to ensure currency and relevance of content.

Employers assist with promotion of the scheme and select candidates that they believe have the right combination of academic and personal skills and the enthusiasm to succeed in our profession.

Placements are provided in the summer between year one and year two of the four-year programme, giving students a context to apply their learning to in the second year.

The entire third year is spent on an industrial placement with a NOVUS company helping students the opportunity to build their workplace skills and industry understanding.

Finally, every student has an industry mentor – helping students work out their career aspirations, how they might achieve them and focusing on professional development.

Students benefit from a full-time, on-campus learning experience enriched with industry involvement, gain valuable work experience, build their professional networks and have the job guarantee, placing them in an enviable position in an industry hungry for talent. Partners benefit from access to that talent.

“The NOVUS vision is to attract talented young people to supply chain and to give them a really applied, industry-focused education. Witnessing our fantastic young people present back to industry experts really feels like we are living the dream”

Case study: Industrial Project at Cummins

Each year, first year NOVUS students take part in a project at Cummins, the global automotive engine manufacturer, looking at ways to improve the manufacturing process for turbochargers.

Following an initial training session hosted by experts from Cummins, students tour the production facility to understand the manufacturing process.

They are assigned the task of identifying how the efficiency of a manufacturing line could be improved to enable additional volume to be produced using existing equipment and without increasing the workforce.

Over the following weeks, student teams use leading edge tools and techniques such as value stream mapping, yamazumi charting, takt time analysis and spaghetti mapping to re-engineer existing processes and eliminate waste.

Proposals are presented back to colleagues and managers from Cummins and other NOVUS companies.

"It is an excellent project, allowing students to learn from industry professionals and gain hands-on experience of process improvement," says David Leach, NOVUS Programme Director.



Case Study: Zain Rehman – Supply Chain Intern at asos

Zain Rehman, a NOVUS student at Huddersfield, has recently completed his industrial placement year as a supply chain intern at asos, working in five different departments within the challenging asos environment, which delivers more than one million parcels a week to around 10 million customers worldwide.

"It has been really beneficial for me to get involved in the asos supply chain, a company which is at the top of its game," said Zain.

"It was great for me to see how the operations run on such a large scale, seeing all the different automation involve, it's really quite crazy when you're in the warehouse and everything's running at full speed."

The benefits cut both ways as Jeannine Chapman, Supply Chain Senior Development Manager at asos explains: "Zain has brought fresh perspective, spending three months recently in what we call our 'inbound' team, doing a lot of value adding work there, coming in and asking those questions, 'well, why do you do it that way?'"

Zain aims to capitalise on his learning from the placement year. "I hope to take away the knowledge and experience and apply that knowledge and experience to the last year of my university course to help me gain the highest accolade possible in my degree and have a rewarding job in the industry at the end."

FACT FILE

- Students come from all over the world to study transport, logistics and supply chain management at the University of Huddersfield.
- The University pioneered the teaching of undergraduate transport and logistics courses in the UK and has more than 25 years experience teaching in the subject area. The department is comprised of the largest specialist team of teaching staff dedicated to undergraduate teaching transport and logistics in the UK.
- Most come to the University with industrial experience. The prestigious Chartered Institute of Logistics and Transport (CILT) award for the best undergraduate student dissertation has been awarded to a student from the University 15 times over the past 17 years.
- The department boasts an alumni of more than 1,000 graduates, many now holding senior positions in industry. The majority of our students opt to take an optional placement year.
- Over the years the University has established strong links with industry and is able to offer its industrial partners and students a great level of support in matching the right student to the right placement.

Light fantastic

PALLITE® boss Patrick Mulhall sings the praises of his new paper pallet that offers so many advantages to the distribution sector

The pallet is the unsung hero of the supply chain. Wood, metal and plastic ones have been used for many years to support goods being carried safely in transit to their final destination.

Now there is a new kid on the block; a paper pallet that can support more than one tonne spread evenly across the surface area.

Far from being bits of string, paper and glue, like an infant school project, the innovative PALLITE® paper pallet and in-transit box is a major logistics and engineering advance. It is ideal for supply chains where weight, environmental issues, cleanliness and damage in transit are key issues.

Although it replicates the function of a

wooden pallet, it is not chunks of softwood nailed together. For a similar cost to manufacture, the PALLITE® pallet uses honeycomb technology, similar to that used in the aerospace manufacturing industry, 19 different types of paper currently in common use in the carton and packaging industry and four different types of PVA adhesives used in the food and pharma sectors.

This all comes together on a single production line to create the strongest and most stable pallet available in a wide variety of configurations.

“There are no nails, screws, splinters or dead or alive insects in PALLITE® pallets,” says Patrick Mulhall, MD of the Alternative Pallet Company. “The trees the card is pulped

from are specially grown for paper-making and the pallet is fully recyclable. Bringing this technology together into a single production process has created a robust and ultra-light alternative to the heavy, cumbersome wooden pallet.”

The heavy deck UK standard pallet has gone through rigorous independent testing at the SCA laboratories and stringent transit and vibration testing at PIRA to meet ASTM d469-09 standard.

“Following the successful development of a pallet, we have used the same honeycomb technology to create an in-transit lightweight tote box which acts as an exo-skeleton for goods in transit which are lightweight, easy to store and re-usable,” added Patrick



“Each key structural element of the PALLITE® has been developed over the past five years to create an innovative lightweight pallet”

FACT FILE

PALLITE® pallets:

- Deliver major savings on airfreight and fuel costs
- Reduce the risk of injury through ease of handling the 6.5kg pallet
- Can carry over a tonne load with a stacking strength of 7 tonnes
- 100% Recyclable after use, providing a source of income from recyclers
- Remove issues of nails, splinters, infestation and harmful chemicals needed in the food, pharma sectors and other clean and contamination free supply chains
- Reduce import and export compliance costs by being exempt from ISPM15
- Work well in automated situations with their ability to be used on existing pallet conveyors
- Lower the carbon levels in specific supply chains which contribute to commercial and CSR savings.

Mulhall. Each key structural element of the PALLITE® has been developed over the past five years to create an innovative lightweight pallet.

Deck: Honeycomb fibre cells are covered with wet strength kraft papers for maximum moisture resistance to provide a flat slat-free surface across the whole pallet, preventing product falling through or getting snagged. The edges of the deck can also be strengthened even further with edge supports.

Pall run bearers: These can be manufactured (120mmx 90mm) to suit all standard pallet sizes and requirements. Tubes are spaced evenly every 100mm to provide maximum load capacity and strength. Flat 100mm wide laminated fibreboards can be added to the base of the pall run bearers to ensure that they can be used on any automated conveyor or palletiser.

Tubes: These are made from specially spirally wound cardboard with the tubes found inside the pall, which give the pall bearers supports impressive vertical strength at low weights.



PLANES, PORRIDGE AND PILLS: THERE'S NO GOING BACK

With any technological advance or innovation, the proof of the pudding is in the eating. In the two years since its official launch not a single PALLITE® customer has gone back to wood. Three examples show how PALLITE® is meeting the need of customers in completely different operational settings:



Airfreight

Customers in this sector, where wooden pallets and corrugated cardboard have been the packaging of choice, are charged by weight. One PALLITE® customer has reduced the weight of each of its pallets by 17.5kgs, so moving 500 pallets per month has saved them £1.50p per kilo, with pallet manufacturing cost like-for-like. The boxes for this client have been made to specific dimensions so they do not waste any space in the igloo. The integrity of the strong exo-skeleton and light weight has reduced each box by 20kgs, with damages also reduced by 90%.



Food

Porridge oats are carried in one tonne IBC bags and using traditional wooden pallets are susceptible to snicking and tearing of the bag, leading to loss of load volume, contamination and ultimately rejection of the whole bag by the customer's customer. Using a specially created double-deck pallet has removed all of that risk, enabling it to spread the difficult load type that acts like a liquid in transit and securing the load. Zero food contamination has been experienced in two years use.



Pharmaceutical

The client wanted to take wood out of its supply chain to prevent contamination and disruption to its manufacturing production plant. PALLITE® has been providing them with a lightweight pallet solution which is hygienic and works well in a 'clean environment' for distribution of the finished product around the world. Its ease of disposal has also been a plus in the manufacturing environment. No need for stacks of wooden pallets any more.

"Our objective is simple," said Patrick Mulhall, "we want companies to think of the best solution and don't take the lazy logistician's approach by not looking beyond the obvious."



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Wedge double-decker cuts Nisa's costs and emissions

Transdek is playing a key role in helping Nisa to expand its network of more than 3,000 independent food retailers across the UK and Ireland

Nisa's network dispatches more than 2.7 million cases per week across the entirety of the UK, Republic of Ireland, Scottish Islands, Isle of Man, Isle of Wight and Channel Islands.

Nisa operates one large ambient picking warehouse in Scunthorpe, along with three temperature controlled picking depots at Livingston, Stoke and Harlow. These sites are supported by seven out-bases.

From its Scunthorpe ambient distribution centre, Nisa has started operating 10 of Transdek's innovative Wedge double deck trailers, which have enabled the group to remove 1,300 trunks from its transport network and cut nearly 820,000 km from vehicle routes annually. This equates to saving approximately 273,000 litres of diesel a year.

Lee Vickers, Head of Logistics at Nisa Retail, explained: "We distribute substantial ambient volumes into the south of the country from Scunthorpe and the introduction of Transdek trailers has allowed us to reduce the

primary transport profile by circa 25 trunks per week by using the additional floor space and weight capacity more effectively.

"At a time when innovation and reducing cost is critical in the convenience sector in order to remain competitive, Transdek's products have supported this agenda."

Transdek UK has supplied a customised package of double deck trailers and loading systems for Nisa Retail that will save over £400,000 a year and slash CO2 emissions by more than 730,000 kg per annum, on a contract that is operated by DHL Supply Chain. In addition to the Wedge trailers, supply chain specialist Transdek has installed four of its unique five-pallet hydraulic double deck lifts at Nisa distribution centres.

The new surface mounted lifts feature a bi-fold bridge plate designed to enable safer and easier access to the rear doors of trailers after docking, and replaced old dock leveller bays, which were decommissioned and converted to accept fixed deck deliveries.

Following the immediate success of

the new lifts, Transdek also installed a 12.5T double deck modular load-house unit at Nisa's 58,000 sq m (625,000 sq ft) Scunthorpe warehouse to specifically support high volume loading on major trunking runs along with additional Wedge trailers.

As part of a strategy to embrace cutting edge supply chain improvements to underpin the expansion of its independent retail network, Nisa de-fleeted 10 powered double deck vehicles to accommodate Transdek's innovative fixed double deck solution.

Vickers concluded: "The equipment has been very reliable since introduction, which has meant we've been able to deliver the targeted savings, and due to this, we're now looking to introduce more Transdek trailers and lifts into our fleet."

Leon Butler, Sales Director at Transdek, said: "We are delighted to be working closely with Nisa to assist in its ongoing aims to cut unnecessary mileage and develop a cost effective robust supply chain distribution platform across the UK."





Wedge Trailer gets Royal seal of approval

Transdek UK is celebrating its third Queen's Award for Enterprise win for its outstanding achievement to Innovation. The pioneering Fixed Double Deck Wedge Trailer has several unique features, which secured Transdek the prestigious award.

The 4.95m Wedge Trailer offers a 52 pallet capacity with the ability to accommodate taller loads, such as roll cages or pallets (up to 1862mm high on both decks), due to a distinctive kink in the body (patent granted). This unique body design adds additional height at the neck to accommodate full height loads, allowing for extra volume and payload compared to standard powered deck alternatives.

The Wedge Trailer can also be fitted with V-Glide sash type rear doors, another patented feature developed by Transdek, for faster and safer loading and unloading of goods. Temperature controlled options are available with up to a 50 pallet capacity.

The award-winning Wedge Trailer is helping toward road sustainability goals, as it has the capability to carry up to 25% more load volume and up to 40% more payload (up to an additional 7 tonnes) compared to conventional double deckers. In real terms, if the UK's



fleet of powered double-deckers were all to benefit from this extra payload capacity, it could save over 150 million road miles per year, which equates to almost 330 return trips to the Moon. The fixed deck of the Wedge Trailer also offers increased reliability, due to having no moving parts, and a longer lifespan over conventional models.

Boots UK was the first retailer to trial the Wedge Trailer in 2016, and since then has purchased an initial 60 of these models. After making this change Boots has been able to reduce its fleet by 18%, saving 340,000km a year from its distribution routes. This has reduced Boots' overhead costs and diesel consumption while also helping the environment by reducing vehicle emissions and road congestion.

Mark Adams (above), CEO and founder of Transdek, said: "It's great to see our efforts recognised on a national level in such a competitive field. Our aim has always been to push the boundaries of efficiency savings in modern road logistics, and to work toward the goal of sustainable road freight while providing our customers with the highest quality products and total service solutions."

FACT FILE

Transdek UK is a manufacturer of specialist double deck trailers and supporting loading bay technologies for the retail, manufacturing, 3PL and parcels sectors.

The company offers a total double deck solutions provision, focusing on the integration of simple, lightweight, fixed bed trailers that offer maximum cubic and payload capacity and reliability.

A member of the Centre for Sustainable Road Freight, Transdek has been promoting and facilitating the use of high-capacity goods vehicles as a primary means to improve road transport efficiency and sustainability since it was founded in 1997.

The organisation has received a number of industry accolades for its ground breaking work in this area, including the Queen's Award for Enterprise: Innovation (2003, 2012 and 2018), the TCS&D Innovation Award 2015, and the Motor Transport Best Use of Technology Award 2009.

Transdek offers a full project management capability to support the introduction of high-cube vehicles on deliveries to distribution centres, fulfilment centres, stores and factories.

This includes the collaborative planning, design, production, installation and maintenance of specialist double deck lifts, warehouse extensions and dock management systems.

Transdek's head office, development and production facilities are based in Harworth, South Yorkshire.



GREEN INNOVATOR

ECOLIGHTING

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How very illuminating

If you are looking to save money and be more environmentally efficient operating a warehouse, then it pays to have a lightbulb moment.

Ecolighting chief Martin Needham explains...

As they strive to cut costs from their operating processes, warehouse companies dedicate time and resources to ensuring their materials handling equipment (MHE) fleets perform as energy efficiently as possible, yet they often overlook the one thing that does most to run up their energy bill: lighting.

It is estimated that within any warehouse distribution centre, recharging the fuel cells of battery-powered forklifts and other MHE accounts for around 25 per cent of a company's annual energy expenditure. The cost of lighting the building with old fashioned sodium luminaires, meanwhile, makes up 70 per cent of the bill!

Savvy companies have realized this and more and more are introducing energy-efficient LED luminaires throughout their stores and DCs and they are enjoying an almost instant return on their investment.

"The return on investment numbers are staggering," says Martin Needham, managing director of Leicestershire-based luminaire specialist Ecolighting.

For example, a move to energy-efficient lighting has allowed warehousing and transport specialist Paul Ponsonby Ltd to cut annual lighting costs from £15,035 to £3,030 – a saving of more than £12,000 or 80 per cent. This means the company will achieve payback in less than three years.

Another third party logistics specialist, Great Bear, was able to slash its yearly lighting bill from £146,207 to £23,844 – a saving of £122,363 (83 per cent) in 12 months. The company's annual CO2 emissions were also cut from 799,265 kg to 130,348 kg.

The tax breaks available to companies who



A plan to cut energy consumption has to be the starting point for any realistic energy-efficiency plan, says Martin Needham

install energy-saving lighting make the case for investment even more compelling.

"The Enhanced Capital Allowances (ECA) scheme encourages businesses to invest in energy-saving lighting equipment that meets the performance standards set out in the Energy Technology List (ETL)," explains Martin Needham.

He adds: "Lighting products that meet the ETL standards may be eligible for first year tax relief – meaning that you can write off the whole cost of the equipment against your taxable profits in the year that you buy it.

"This can be very helpful for cashflow purposes – although, of course, it makes sense to get confirmation from your supplier that the equipment meets the ETL criteria before you invest in it."

And, Martin Needham says, when it

comes to identifying new-build or old stock warehouse or distribution centre property to lease or buy outright, would-be occupiers must pay special attention to a unit's lighting system if they want to ensure that their day-to-day operating costs will be minimized.

"The cost of energy is one of any warehouse operator's biggest overheads, and inefficient lighting burns more energy than most things. So, it is surprising how few occupiers consider the energy consumption of a building's lighting system when looking for a property," he explains.

"Occupiers, landlords and developers tend to focus their attention on other important factors such as a building's proximity to the motorway network, its number of goods-in and out bays and so on, but energy usage should really be top of the agenda," he adds.

"I would strongly recommend that any company seeking new warehouse or distribution centre property asks questions about the building's energy efficiency and in particular its lighting," says Martin Needham.

"I would also advise any landlord that hopes to achieve the highest rental yield for an industrial property to ensure that the building is fitted with energy saving luminaires because going forward it will be something that is demanded by tenants."

Before April 2018, commercial buildings had an energy efficiency rating that went from A to G, with F and G indicating the worst performing.

But a new law has introduced a minimum standard of E, and buildings cannot be rented out unless they meet that standard.

Industrial buildings are exempt from the new standard and Martin Needham feels this has to change. "As things stand



there is no accepted means of measuring an industrial building's energy efficiency. As a result, occupiers have no way of telling if the building is efficient, inefficient or somewhere in between."

He continues: "A system that gives industrial property an energy efficiency rating would be hugely beneficial to both existing occupiers and those looking to rent or lease a new unit.

"For example, it would allow tenants and prospective tenants to negotiate better rental fees with landlords if the building was clearly not as energy efficient as it might be.

"Equally, it would enable those landlords that have invested in the energy efficiency of their units to charge premium rents if they had a credible system of measuring and demonstrating the building's performance."

It seems the rather depressing reality is that, despite the great strides taken in

recent years to run businesses in a more environmentally-friendly way, companies are still failing to cut their energy burn and its costing their shareholders – and the planet – dearly.

"Firms across all industry sectors like to play the 'green card' by being seen to add solar panels to their buildings, put up wind turbines in the car park and plant flowers on roundabouts, but a plan to reduce energy consumption has to be the starting point for any realistic energy efficiency policy," says Martin Needham.

"Introducing energy efficient lighting will reduce any company's CO2 emissions and save a sizable chunk of the money they are spending on energy. Any company that is serious about its environmental credibility and minimizing operating costs, simply has to review its lighting policy."

FACT FILE

Based in Leicestershire, Ecolighting has been providing energy efficient luminaires for more than 40 years.

The company's experienced project managers, qualified electricians and office-based staff ensure that Ecolighting's customers benefit from a true full turnkey service – whatever their requirements.

Ecolighting offers a versatile product range using the latest LED technology, creating bespoke solutions for any number of applications.

Ecolighting is a Carbon Trust Accredited Supplier, assessed to BS EN ISO 9001:2015 and also members of the Lighting Industry Association.

Get a Wiggle on!

Things are in top gear for cycle and sports equipment e-tailer Wiggle with the launch of a smart storage solution designed and fitted by SSI Schaefer

Being active in the great outdoors is a great way to get people together, create a sense of fulfilment and enjoy life.

Wiggle's aim is to give as many people as possible the chance to access cycling and tri-sports and experience these benefits for themselves.

Passionate, committed and with considerable technical knowledge, the majority of Wiggle's employees are themselves active sports enthusiasts. With brands such as dhh, Verenti and Felt Bikes, they deal directly with the manufacturers, shaping and tweaking the features and specifications, ensuring the products their

customers buy are exactly what true sports enthusiasts would want.

The origins of the company can be traced back to a small independent bike shop called Butler Cycles, which had been trading in Portsmouth since the 1920s.

Wiggle officially started trading in 1999 and the business grew rapidly as its product range diversified and increased with the decision to sell sports gear and accessories alongside its traditional range of cycles. In 2012, it launched 11 new websites for overseas customers to today where Wiggle trades in 78 countries worldwide.

Following further warehouse acquisitions in Portsmouth during the first decade of

the century, the company finally outgrew its premises and, in 2015, took a bold decision to move to a more centralised distribution centre in Bilston.

With 30,000 square metres (320,000 sq ft) of floor space – roughly three times the size of a rugby pitch and six times the size of a velodrome – the new 'Citadel' building provided considerable breathing space, ideal for storage of Wiggle's now vast product range, allowing room to expand with future business growth.

A generous 16 metres floor to ceiling height provided the perfect opportunity to store pallets, boxed goods and single items across different storage media tailored



“The system allowed Wiggle to future-proof its investment by supporting its five-year business plan of both organic growth and expansion through mergers and acquisitions”
–Nicholas Pink, Wiggle Group supply chain director



to accommodate different product types, as well as providing room for multi-level goods processing.

SSI Schaefer worked closely with Wiggle to develop and design a solution which fully met the requirements of a busy and continually expanding international e-commerce operation.

The system allowed the company to futureproof its investment by supporting its five-year business plan of both organic growth and expansion through mergers and acquisitions.

By 2015, Wiggle had come a long way from its Christmas peak of 100 parcels a day in 2001 to the current high shipment volume of 15 million items a year and the business demanded highly accessible storage systems conducive to a fast picking operation in an ergonomic operating environment.

“The move to the Citadel has been the biggest project we have ever undertaken as a business,” said Nicholas Pink, Wiggle’s Group Supply Chain Director.

“Working with Schaefer, in terms of product flows and how quickly we manage products in and out of the building, is really making a difference and is a key USP for us.”

He added: “This all happened in the space of a year, and now we are looking to drive sales from here, growing our brand in

the UK and internationally – we currently ship to 70 countries out of Bilston every day.”

Economic use of space has resulted in the provision of six very different operating areas. Key to the operation was the installation of a substantial amount of multi-tier shelving, which has considerable advantages over a mezzanine floor in terms of higher storage density, a smaller footprint, no intrusive columns and low floor slab loads.

With this configuration, the shelving frames support the walkways and the time for building and handover was also considerably shortened. The resultant ‘pick-tower’ provided almost 170,000 locations over three levels and a fourth level has since been added to further increase the storage capacity.

A replenishment floor running alongside the pick-tower provides easy location restocking access via pallet gates and goods lifts and adjacent to both is a two-level open mezzanine floor for packing and returns processing.

An extensive, very narrow aisle (VNA) high bay carton store, accessible with ‘man-up’ forklift trucks was also installed, along with a smaller area of wide aisle racking to store full pallets and to accommodate a built-in, caged hazardous materials store.

Since the installation of the SSI Schaefer

FACT FILE

- SSI Schaefer is the world’s largest and the UK’s leading storage and materials handling solutions provider
- The company was established in 1937 and is still a privately owned family business. It has a presence in more than 50 countries and employs more than 9,000 people worldwide
- SSI Schaefer’s UK base is in Andover, Hampshire with a sales, projects, IT and customer support office near Towcester in the Midlands
- The organisation provides shelving, racking, containers, automated picking systems and warehouse IT. It is the only company to supply a customer self-installing Pick-By-Light system and has developed a robot unit picking system with a capacity of more than 2,000 picks per hour
- Whether in industry, trade, commerce or public organisations, SSI Schaefer’s products are in use across all market sectors and support a wide variety of businesses efficiently and effectively
- The company works hand in hand with its customers to develop, design and implement the most innovative yet cost effective solution for each distribution centre project
- The support and maintenance division provides a basic help desk service to a full 24/7 resident maintenance facility.

solution, Wiggle has experienced a 22% gain in efficiency across its intralogistics operation – enough incentive for the company not to put the brakes on the further expansion planned throughout 2017 and beyond.



OPERATIONS INNOVATOR

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LPR gets the Point on the power of feedback

Adrian Fleming (below) extols the virtues of listening to your customers

There are few marketing tools more powerful than word of mouth. In an industry as closely-knit and symbiotic as logistics sector, good relations with customers are crucial for businesses looking to grow their client portfolio. But how many companies operating within the logistics sector know how satisfied their clients are with the service they provide?

Gauging customer satisfaction is vital to not only help businesses review and adapt their current processes but also benchmark performance against key competitors.

As one of Europe's leading pallet pooling specialists, LPR UK's iconic red pallets are used across Europe and are favoured by some of the biggest names in FMCG, including Nestlé, Carlsberg and Weetabix. And with 130 clients spread across the UK and Ireland, direct liaison with customers to gain feedback on its service offering is vital for LPR.

That's why, since 2003, LPR has conducted its annual Drop Point Survey. A crucial monitoring tool for the business, the Drop Point Survey measures LPR's proficiency in a number of key business areas, including service levels, customer service, pallet collections and booking, efficiency of response to enquiries and overall pallet quality.

Recognising the importance of talking directly to people who work with its pallets every day, the Drop Point Survey seeks to gauge the opinion of warehouse managers, pallet champions and goods-in specialists. Understanding the satisfaction of people in these frontline roles is crucial as they are often a key influencer when it comes to picking a pallet supplier.

Having conducted the survey every year since 2003, LPR has a rich bank of



information on the views of its existing clients. By using previous survey results as a starting point, LPR is able to keep a close-eye on its relationships with customers and ensure any recurrent issues are properly addressed.

The results of its most recent completed Drop Point Survey, conducted in 2016, showed continued satisfaction with LPR's service offering. Clients were particularly impressed with the professionalism and friendliness of LPR staff and gave positive feedback on the efficiency and reliability of its collection service.

One area that LPR has scored particularly highly in since the start of the survey in 2003 is pallet quality, and this was no different in 2016. LPR's famous red pallets won consistent praise throughout the survey, with customers highlighting their durability and overall quality.

Adrian Fleming, regional director of LPR UK and Ireland, said: "The Drop Point Survey is an LPR institution and a vitally important tool for measuring the effectiveness of our service offering. The results of the survey have played a crucial role in shaping LPR's business practices, and have influenced conversations with globally renowned brands.

FACT FILE

LPR stands for La Palette Rouge, which is a division of Euro Pool System.

LPR is the red pallet pooling specialist with 25 years' experience in the fast-moving consumer goods sector. With its innovative pooling systems for pallets, its unique personal approach and its network of 104 depots in 11 countries, LPR has assumed a leading position in Europe.

Handling 76 million pallets a year, LPR provides a full pallet service for all parties in the chain: manufacturers, distributors, processing partners and retailers.

LPR cherishes its corporate values, encouraging team spirit, personal growth, respect, entrepreneurship and innovation.

LPR is a division of Euro Pool Group, the largest logistics service provider of reusable standard packaging in Europe.

"My advice to other professionals in the logistics industry is to not underestimate the power of customer feedback. An honest and open dialogue with clients is useful in not only honing and finessing existing relationships but also using the feedback to ensure your business is one step ahead of its competition and a more attractive proposition for potential new business."

CUSTOMER SATISFACTION

☒ Excellent

☐ Very Good

☐ Good

☐ Average

☐ Poor



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Expect puts Flexi at the heart of its expansion

Materials handling made easy for warehouse operator

Expect Distribution operates around 300,000 sq ft of modern warehousing and distribution space across strategically located sites in West Yorkshire. The company's facilities in Halifax and Bradford provide storage for a diverse variety of products ranging from medical supplies and foodstuffs to industrial equipment.

As part of a major investment programme, Expect recently announced the completion of a 20,000 sq ft, expansion to its warehouse and head office facility in Bradford.

The extra space was essential to enable the company to keep pace with the growing demand for its range of logistics services and the extension provides enough high quality warehousing to allow an additional 2,200 pallets to be stored at the site.

"We have seen a big increase in demand for our warehousing services and the expansion gives us the ability to meet that demand as well as cater for our existing customers' requirements," said Expect Distribution's Storage Warehouse Manager Chris Ramsden.

When planning the layout of the original pallet store, Expect chose to make maximum use of the additional space and optimize throughput efficiency by specifying a narrow aisle storage system based on Flexi articulated warehouse trucks.

As this strategy has proved to be reliable, cost-effective and efficient, when it came to planning the new extension, Expect decided to increase the size of its existing fleet of Flexi articulated forklift trucks.

Expect was committed to narrow aisle storage but because a large part of the

company's business involves cross docking (Expect Distribution is one of the largest inputters of freight into the Palletline network) it was important to select a truck that could function efficiently and safely in all areas of the warehousing operation.

Chris Ramsden explains: "We needed trucks that would allow us to optimise storage density while at the same time permit fast and efficient individual pallet accessibility – which can become a problem with many other truck-based high density storage systems.

"Having operated Flexi trucks for a number of years, we were in no doubt that Flexi articulated forklift truck technology represented the best materials handling solution for us."

Following a period of close consultation between key personnel from Expect and the warehouse planning team at Narrow

Aisle Ltd, the optimum aisle width for the extended store was agreed.

While Flexi trucks can pick up and turn pallets in aisles as narrow as 1.6 metres wide, in applications like Expect where high throughputs need to be achieved and faster travel speeds are required, the speed at which a truck can efficiently operate in the aisleways is more important than the need to achieve the narrowest aisleways.

But even when setting the aisles 200mm wider than the minimum width, the Flexis are still in excess of 25% more space efficient for Expect than conventional moving mast reach trucks.

As the site is a multi-user facility, Expect does assemble some customer orders within the racking – the Flexis do pick many full pallet loads or, if part load picks of several boxes or layers are required, the Flexi trucks can drop a pallet from its storage location

FACT FILE

Flexi Narrow Aisle designs, manufactures and markets the award-winning Flexi AC range of articulated forklift trucks at the company's UK manufacturing plant and are distributed worldwide through a fully supported distributor network.

Since Narrow Aisle pioneered the Flexi articulated truck in the early 1990s it has gone on to become the most popular on the market.

More than 7,000 units have been

shipped throughout the world.

Over the past five years the Flexi AC range has been developed significantly and can now lift loads weighing up to 2.5 tonnes and to heights of over 14 metres.

Although Flexi Narrow Aisle's clients are involved in the storage and handling of many different products – from FMCG, foodstuffs and beverages to automotive – they all share at least one common aim: the need to maximize efficiency within their warehousing operation by increasing throughput and making the most of all the space that is available.

“We needed trucks that would allow us to optimise storage density while at the same time permit fast and efficient individual pallet accessibility – which can become a problem with many other truck-based high density storage systems”

and deliver it to a marshaling area where orders are made up, before quickly returning the load directly to its original location within the store.

All of the pallet put away and picking within the racking is undertaken by the Flexis while the job of unloading and loading incoming and departing trailers in the yard is shared between the Flexi articulated trucks and a fleet of counterbalanced trucks.

“The Flexi’s ability to unload incoming trailers like a counterbalance machine

and serve our narrow aisle racking means we reduce double handling,” says Chris Ramsden.

“The Flexi trucks allow us to maximise storage capacity while maintaining a safe and productive operation that allows fast and efficient pallet put away and retrieval cycles and to provide an order picking assembly facility for our customers who need that service.” The trucks have been provided on an inclusive contract rental package that means all planned maintenance, safety inspections and repairs are included in one

fixed monthly rental charge. John Maguire, Commercial Director of Narrow Aisle Ltd, said: “We are delighted that Expect has once again chosen our proven and reliable Flexi truck technology as the ideal intralogistics solution for the company’s materials handling needs.

“The Flexi truck is popular among logistics service providers who need to maximise storage density and require safe and efficient throughput and Expect recognises the benefits that articulated truck technology brings to its operation.”





TECHNOLOGY LEADER

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Supporting logistics software with cloud infrastructure

Expanding the reach of Deltion's secure supply chain and logistics management Software-as-a-Service solution to meet changing customer needs

The Software-as-a-Service (SaaS) market is big. Set to pass the \$112.8 billion value mark by 2019, these cloud-based software models have quickly become the preferred option for new IT application deployments. The logistics and supply chain management sector is no exception.

Outsourcing of logistics services is nothing new. Over the past 30 years, UK retailers and manufacturers have been doing so to concentrate their internal resources in their core businesses and leave non-core activities to specialists.

With web-based SaaS solutions, such as Deltion's CarrierNet, managers of any logistics operation have access to a real-time, anywhere solution to control transport operations while enhancing efficiency, service levels and reducing costs.

Similarly to manufacturers, retailers and transport companies with logistics needs, SaaS vendors want to be able to

focus on their core business functions – to improve and develop their customer-facing applications instead of worrying about the underlining infrastructure.

That's why Deltion partnered with Navisite: to allow its internal team to focus on the development of the CarrierNet solution, ensure the ability to support customers, while continuing to ensure client data remained protected and compliant with changing and complex regulations.

Much of Deltion employees' time used to be spent monitoring and maintaining their IT infrastructure to ensure CarrierNet was functioning around the clock. As the application is used by businesses for critical supply chain and logistics management, these businesses need robust infrastructure and support to maintain availability and performance.

Internal teams, however, needed to focus on their core mission of developing and managing customer facing applications,

ensuring CarrierNet remains on the cutting edge as the leading Transport Management System (TMS) provider. The company therefore needed a partner able to host and manage the underlying technology stack of its SaaS applications, including infrastructure, operating system, database, middleware and web services.

Deltion selected Navisite for its proven, reliable infrastructure and ability to host, manage and maintain all elements of the environment supporting its customer applications.

The CarrierNet software has a multi-tenanted environment that allows customers to have their implementation tailored to meet unique needs. Navisite was able to manage this environment, controlling and storing unique Deltion's end-customer data as required to meet specific security and compliance needs, which was critical in supporting this system.

Since migrating their systems to





Navisite's resilient infrastructure, Deltion's management and IT teams have been able to focus on the development and management of the CarrierNet application layer to deliver a better proposition to their customers. By enabling Deltion to manage its IT costs through an OpEx model, Navisite also helps Deltion to maintain its own price model, which charges on a transaction basis, billing customers only for what they use.

Keeping up with the regulations

High-profile hacks and legislative changes of recent years – such as the strike down of the Safe Harbour agreement (and its Privacy Shield replacement) and the EU's General Data Protection Regulation (GDPR) – has made everyone, from consumers to governments and businesses, focus on the question of where personal data is being stored, how it is being used and protected and how it may be moved between countries.

Though it is vital for their business, data storage management is not typically a core competency of logistics and supply chain managers. This can therefore lead to issues for management teams as they try to ensure IT infrastructure is flexible enough to meet current and future regulation needs.

As the data regulation and compliance landscape shifts, logistics managers are

increasingly looking to partner with cloud specialist companies such as Deltion and Navisite to help them navigate this complex field.

Navisite's comprehensive infrastructure approach provides a highly resilient and fully managed environment to support and help Deltion be confident in offering partners and customers high Service Level Agreements, and help in meeting industry compliance and regulatory needs.

Going global

Navisite was also selected for its international data centre network in the UK and US, as well as its ability to deploy and manage environments through its Managed Microsoft Azure offering. This makes Navisite an ideal partner to support Deltion's long-term strategy.

As Deltion looks to expand both its customer base and software partner network outside the UK, Navisite is able to provide regional infrastructure and local knowledge to meet the required data storage and regulatory needs for different geographies. This has also given Deltion the ability to support new and existing customers in different areas that often require a global reach, such as freight forwarding.

Looking to the future

With the help of Navisite's managed IT infrastructure, Deltion is already supporting its growing customer base, as well as expanding into freight forwarding and looking to be able to support customers globally.

Armed with the assurance its applications and customer data will be safeguarded in resilient and secure data centres to meet customers' regulatory needs, Deltion is equipped to further develop and ensure CarrierNet continues to provide managers of any supply chain operation with the best real-time logistics management solution available.

FACT FILE

- Deltion pioneered SaaS TMS solution in the UK
- £3m ongoing recurring revenue
- Strong development and support, with UK-based customer service team
- Award-winning solutions
- Blue chip customer base

Warehousing's way forward

There are a new set of guiding principles for those who want to rise to the challenge of 24/7 picking. Proteus explains what they are

Over the past 15 years we have seen fundamental changes in the pick volumes and frequencies in warehouses. Two main factors have driven these changes: a sizeable shift in retail buying patterns from instore to online, and manufacturers continuing to refine lean just-in-time supply chains.

Warehouses used to work single shifts, sending out boxes and pallets. By 2017, the majority run multiple shifts, picking boxes to single items, all from the same pick face. We've all become consumers, everyone from businesses to end users demanding immediate, accurate deliveries.

So warehouse resources have to be flexible. If the warehouse can't provide the customer service promised, the business will either feel the effect financially, through service level agreement (SLA) penalties, or through reputational damage, from consumers quick to vent their feelings on social channels.

Outdated warehouse management systems +

short-termism = problems

Changes in operations are not always supported by changes in backend warehouse systems. These can seem costly, time-consuming, complicated projects on which overstretched staff haven't got any time to spend. In addition, some warehouse management system (WMS) suppliers will cause complications by insisting on changing other backend systems (such as enterprise resource planning (ERP) or accounts) as part of the process.

Instead of tackling the issue head-on, temporary staff are hired and deficiencies patched over. This leaves senior management firefighting instead of planning for the future or addressing new opportunities.

Invest to grow

Investment in IT is integral to company growth. The warehouse, together with the WMS that runs it, is a vital area for investment. You can have a stylish, responsive website able to take

orders from any mobile device but if warehouse inefficiencies lead to orders and returns taking too long to be processed, you will lose customers. WMS capabilities have moved on significantly over the past 15 years; users moving off older, legacy systems can increase throughput by 70% and reduce costs by 60%. Today's WMS is flexible and agile, able to instantly respond to sudden increases in demand.

Replacing manual picking processes and eliminating the re-inputting of information by using automatic data capture and mobile computing devices (such as vehicle-mounted computers, scanners with consoles or voice terminals), can achieve dramatic increases in throughput alongside the slashing of costs and error rates.

Invest in your people

The reduction in costs and errors will, of course, provide a return on investment to shareholders, often within 12 to 18 months. There is however,





another equally important benefit. By investing in better equipment to help employees work smarter and by removing repetitive tasks, companies can expect to see an improvement in employee engagement.

This in turn will lead to productivity gains from happier, engaged staff. As the day-to-day issues start to disappear, the senior management team can start to manage by exception, releasing time to spend on business planning for the future.

Choose the right Warehouse Management System

So what should you look for in a WMS? It should integrate with your ERP system to enable real-time inventory management. The WMS must be able to optimise space efficiently based on your unique business processes and SLAs.

Real-time communication is vital in a fast-moving world to enable you to have an up to date view of what is happening in your warehouse. By speeding up and improving the exchange and flow of information within your business, you can fast track shipments through the warehouse.

It's the most effective way to release space as goods are moved through the facility far more quickly and efficiently. It also represents the best way to reduce costly errors, for example SLA penalties caused by picking inaccuracies or late deliveries.

Benefit from real-time information

By having real-time information, you can then enable task interleaving. This will further drive productivity gains, with tasks being allocated to the most suitable worker based on their equipment (e.g. fork lift) and availability. For example, any pick location that falls below a predetermined level should automatically have

a task created to replenish stock. By prioritising this replenishment, pickers are prevented from arriving at an empty pick face and being delayed.

Gain the advantages of team picking

For high volume, direct fulfilment distribution centres there should be a pick to trolley (or tote) option, with multi-location trollies supporting simultaneous picking of multiple orders. These can then be directed to specific packing benches based on client, order type, recipient, delivery solution or despatch livery. This will drive single pick efficiency over sequential picking.

Team picking assignments are vital in dynamically changing environments, where express or immediate orders are released into existing workflow. These should be automatically activated and based on flexible, predetermined rules.

Choose the best picking solution for your warehouse

Order picking, either RF scanning or voice activated, should be suitable for and be able to co-exist as a mixture within the warehouse environment. Multimodal picking, using a combination of voice and wearable RF technology, will drive greater efficiencies in high volume warehouses.

The latest technology may not always provide the best return on investment. You need to look at what is the best fit for your team and the work they do.

Partner with a WMS specialist

Making a decision on which WMS to drive your business forward, while keeping these numerous factors in mind, may seem daunting so it's beneficial to work closely with a specialist company. A WMS specialist who can help you analyse and assess the warehouse you currently have, as well as the warehouse you will need for

future growth.

They will use this in-depth analysis to guide you to the right solution for your business, help you to invest in equipment that improves your performance and leave you with a flexible, accurate, efficient warehouse.

Keep succeeding now and in the future

In our 24x7 world we need to be more efficient, make less errors and respond flexibly to event driven demand peaks. Warehousing and supply chains have seen a sea-change in the pick volumes and frequencies in the last fifteen years. If that's causing you headaches, investment in a modern WMS now will lead to smoother sailing over the next 15 years.

FACT FILE

Proteus is an award-winning, intelligent warehouse management software (WMS) specialist.

Its highly flexible and configurable WMS is designed to help businesses operate more efficiently, whatever their size or individual processes.

Proteus works in partnership with customers. Developing a robust system to suit businesses not just for today but tomorrow and further into the future.

The Proteus philosophy is to deliver not just a piece of software but a long-term solution to help businesses do more.



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