

THE LOGISTICS POINT

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EXCLUSIVE
VIDEO CONTENT
INSIDE

THE CHANGING FACE OF URBAN LOGISTICS



OMNICHANNEL E-COMMERCE

How can agility supports
e-commerce and omnichannel
operations

HIGH STREET TROUBLES

Opening up retail stores has not
increased revenue as much as
hoped

URBAN MICRO- HUBS

How a repurposed retail space
can bring logistics to another
level

SUSTAINABLE PROCUREMENT BEYOND COVID-19

Top managers share best
procurement practices



EDITOR'S NOTE

The natural state of logistics is movement and this is why during the last 15 months the industry has shown to be more than just resilient.

Now, as we are embarking on a new chapter with lockdowns all around the world being lifted, logistics and supply chain professionals are once again at the forefront of change and transformation.

We have all learnt many lessons and supply chain professionals are ready to apply them to the new reality. Cities have changed forever and logistics operations are following along. Micro-hubs will appear in stores to enable the growth of e-commerce. Automation will become a normal part of the warehouse to make operations faster and safer. Agility will be on everyone's minds.

The face of logistics and supply chain has changed indivertibly and that is a good thing. The industry has again and again shown it can adapt to change and take the best out of every situation.

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**EXCLUSIVE
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CONTENT**

MICRO-HUBS: THE NEW FACE OF URBAN LOGISTICS

Sebastian Steinhauser, CEO and Founder of Parcelly, spoke to The Logistics Point about the future of urban last and first mile, how micro-hubs will transform the industry and what they can provide to retailers and carriers.

What are micro-hubs and why are they important in the Supply Chain?

We are experiencing a shift in what a micro-hub used to be. From a traditional perspective the warehousing solution looks into large purpose-built warehouses and distribution centres that are developed somewhere in the green and that provide direct access to, for example, urban areas and centres to fulfil orders within a specific timeframe.

The micro-hub takes this to the next level by utilizing less space. By doing this, you would now suddenly have the ability to put hubs much closer to your customers. So one of the major advantages of a micro infrastructure is that you get closer and into even dense areas with your respective products and stock. And what we have seen now as a shift is that the micro-hub is not just utilized for storage, but in all sorts

of different ways of how logistics wants to process and shift items on the first and last mile. So then the ability of micro-hubs overall has dramatically changed.

How expensive are they and do they need to be retrofitted into old buildings or in stores somewhere?

The micro-hub, being moved now closer to the customer, automatically puts a premium on each square footage or pallet space that is utilized and taken up. With that in mind, given the time advantage, you suddenly can provide the flexibility to offer premium delivery services such as Instant or On-Demand delivery, and that absolutely compensates for the price difference in many ways.

So the micro-hub, although higher priced, doesn't need to be less efficient. In many ways it is clear that a city space will cost more, but with the premium benefits of it also being combined with a delivery type, for example, on demand instant delivery, a typically decentralised warehouse would not be able to offer. So you're moving goods faster with an incredibly flexible delivery type, and that comes at a premium price and which typically is offset by either the consumer directly or the retailer.

What is the role of micro-hubs when we talk about sustainability and where do you think they fit in the overall supply chain?

The micro infrastructure as such is not just optimising the way we deliver goods from a time perspective, it is actually most likely one of the most powerful methods to



SEBASTIAN STEINHAUSER, CEO AND FOUNDER, PARCELLY

optimise last and first mile delivery. By getting items closer to the customer, you can offset the entire requirement for large vehicles. Bicycles and electrical vehicles that can only travel a shorter distance can suddenly be utilised for almost any given goods fulfilled from micro-hubs.

On top of that, a second delivery attempt, a delivery that needs to go back to the hub, etc., doesn't need to travel an extended mileage. And last but not least, the requirement to travel large quantities in bulk is not needed. You can actually go item by item because of the short distance and the type of vehicles you are allowed to utilise. So it's overall an amazing amplifier for sustainable and green delivery methods.

What is Parcelly providing?

We are a technology platform that takes away all these operational challenges for retailers and carriers they face on the last and first mile. We do this by amplifying excess space in commercial real estate with smart technology.

We are activating the excess space in convenience stores, supermarkets, retail locations within prime retail hubs for the likes of large online retailers and carriers that are utilising this kind of activated space for a broad range of first and last mile services.

Why do you think it is important for people to work with companies like Parcelly when it comes to technology?

It's just to remove any type of first and last mile challenges the retailer or carrier has. This is one of the core reasons why we work with large international brands and small local and nationwide brands as well. And the second factor is that with technology comes the ability to integrate solutions at a very low cost, at an incredibly high pace.

The micro-hub, being moved now closer to the customer, automatically puts a premium on each square footage or pallet space that is utilized and taken up. With that in mind, given the time advantage, you suddenly can provide the flexibility to offer premium delivery services such as Instant or On-Demand delivery.



So a carrier or retailer collaborating with us has most certainly the ability to not just utilise a solution in a very short time span, but also to learn a lot along the way. A good technology platform integrates not just with one interface of the business. It can interact with multiple interfaces. And so the learning, the development and the establishment of new know-how is another main driver where I believe it is incredibly useful to work with as many technology companies as you can. *



AGILITY TAKES THE LEAD IN OMNICHANNEL E-COMMERCE

It is already old news that online has seen an incredible growth during the last year and a half. What is still relevant and in a way new, is how logistics and supply chain businesses are navigating their way around the complexity of this growth and specifically omnichannel e-commerce. 'For businesses that are focused on online operations, the pandemic continues to create a big market,' says Kieran Donovan, Supply Chain Director at Heroes, for The Logistics Point.

Heroes defines itself as a technology-driven e-commerce company that acquires, operates, and scales small and medium-sized brands with category-winning products on global marketplaces. The company is focused on Amazon FBA brands with a proven track record of leading bestseller lists in high-growth niches.

'Once people have enjoyed the convenience and the variety of shopping online, they do not go back,' Donovan explains. He believes the pandemic has also expanded the reach of online commerce to segments of the society who were less confident about it. More people have realised there is no reason to be afraid of shopping online and the process can be straightforward and easy to do. Heroes expects that the shift to e-commerce for most consumers will be permanent.

Omnichannel challenges

What has become a dominant challenge over the last year and a half is how logistics and supply chains manage to respond to the new rule of people working from home. The system experienced a capacity problem because of Covid-19 measures when social distancing had to be implemented in warehouses. In addition, the industry had to deal with training thousands of people who have never before worked in logistics in conditions which didn't allow for full support and the usual pattern of work to be implemented. 'Further upstream the problem was how to replenish stock in order to meet the demand,' Donovan continues. 'We have had an evolution of this trend in the last 20 years but it has been massively accelerated in the last 15 months.'

Shifts patterns had to be changed to respond to the way consumers have changed their behaviour. 'Evening shifts have become more important now,' Donovan explains. To add to the complexity, the systems that need to manage the last mile directly to customer fulfilment are different to those used before.



KIERAN DONOVAN, SUPPLY CHAIN
DIRECTOR, HEROES

Due to the volume of orders visibility became a crucial factor in operations and determines how successful each delivery is. An unprecedented level of micromanagement needed to be installed which drove a culture, infrastructure and processes change in the whole supply chain.

Controlling growth

For companies like Heroes these changes have brought an expansion. Some challenges have arisen from other events like Brexit. 'We need to manage our UK and EU stock separately now,' Donovan says. The company also looks at keeping more safety stock in order to respond better to unexpected problems.

We have all learnt in the last 15 months that when there are challenges on the horizon it is sometimes better to spend a little bit more money on safety stock and capacity in your fulfilment centre.

One of the most important lessons for Donovan during the pandemic was how to control growth. 'In the Western world the focus of management has always been about making operations more efficient,' he adds. 'We have all learnt in the last 15 months that when there are challenges on the horizon it is sometimes better to spend a little bit more money on safety stock and capacity in your fulfilment centre.'

Heroes is exploring how it can improve its operations with that discovery in mind. The company is looking at resupplying on a monthly basis in order to evade any possible border problems.

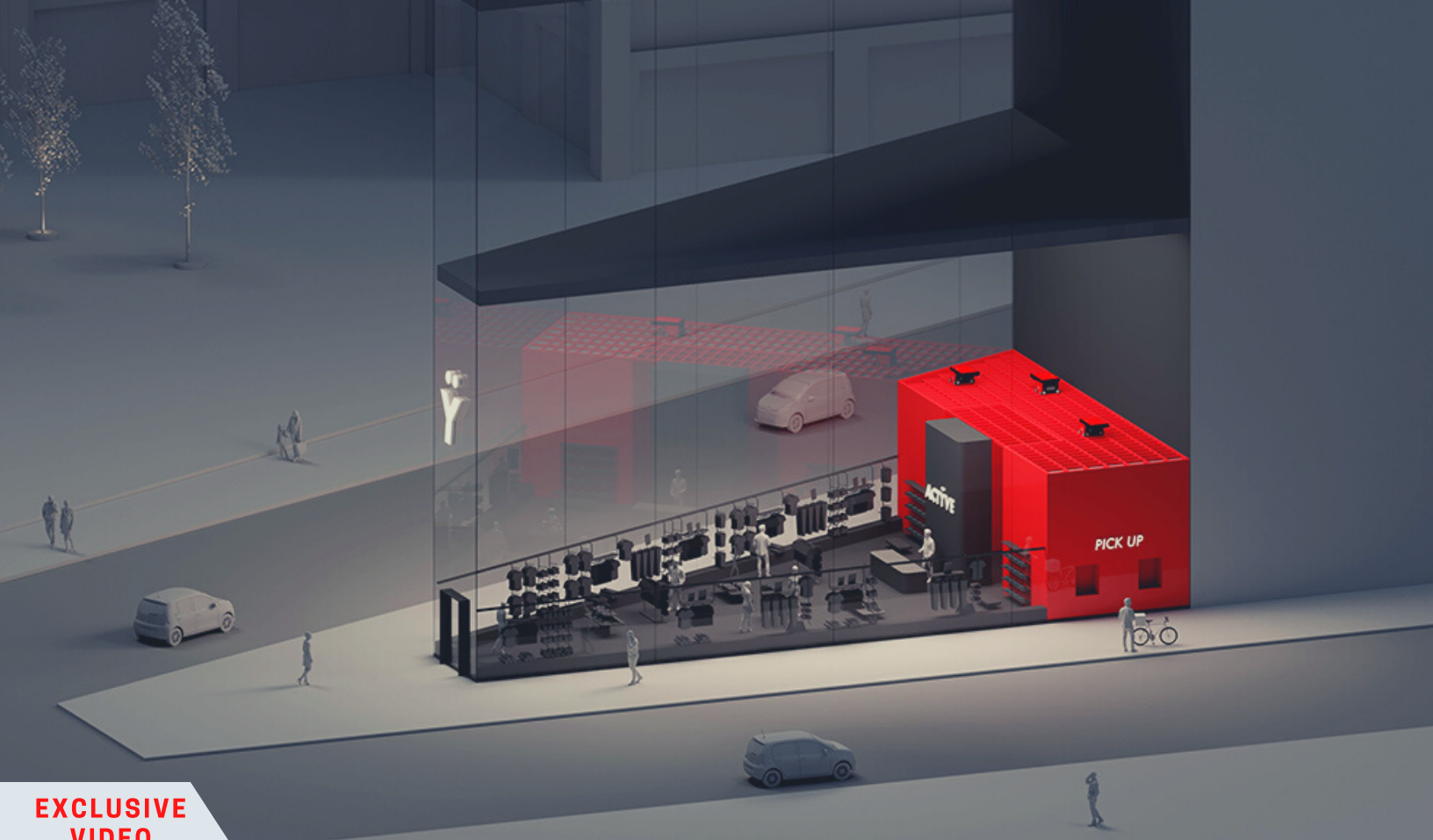
The move might not be as efficient when it comes to movement of goods but it gives them the ability to respond to changes in demand more rapidly. 'There has been a change in the mindset from absolute efficiency to being more agile in your operations,' Donovan finishes. *



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LAST MILE URBAN FULFILMENT REDEFINES THE HIGH STREET

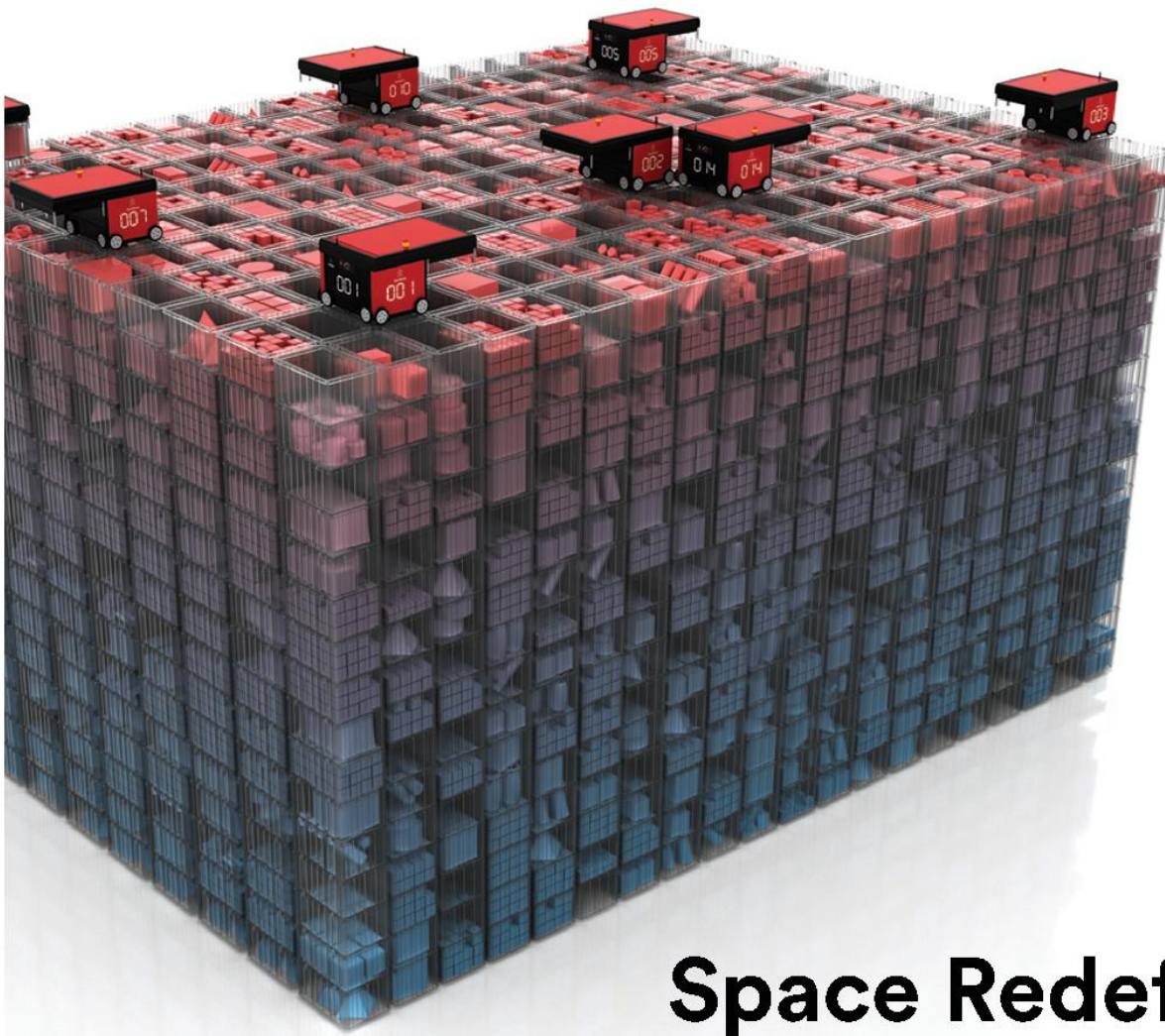
Online retail has been booming during the last 15 months. Once shops opened, many were quick to point at the return of the consumer to brick-and-mortar. James Smith, Managing Director, Autostore UK & Ireland, speaks to The Logistics Point about the future of retail, e-commerce and automation in the supply chain.

'We were promised a retail recovery,' Smith begins, 'and a year-on-year comparison shows about a 9%

improvement in sales between March 2020 and March 2021.' Despite the good news the sector is still around 3% below where it was in 2019. In addition to that, the footfall has not recovered as much as expected and it is around 20-30% lower than what it was in 2019.

Behind the numbers

For Smith these numbers demonstrate a few trends. People switching to online shopping and staying there despite shops reopening. 'They have had a good experience and remain online. Also they simply do not feel comfortable going back onto the High Street,' he explains. A significant percentage of consumers have also taken on premium online services which allow them preferential access to delivery slots and discounts. This doesn't mean that the High Street will not recover but many of its traditional customers are just not going to return there.



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For companies like Autostore, which specialise in e-fulfilment, that will mean expanding their reach. The demand for last mile fulfilment is growing and retailers will need more logistical help with being able to serve online consumers in a matter of hours.

Companies working in the automation market will be positioned in a way they can add value to operations for different consumers - those who still want to shop the traditional way, those who prefer Click&Collect, and the group that is interested in online only.

'Having urban fulfilment facilities is something that the supply chain industry will just have to do,' believes Smith. 'We think there will be more micro-fulfilment centres and more urban fulfilment centres too.' This could eventually lead to redefining the High Street and recreating shops that are currently closed. Such places can operate in high-demand and be utilised for the last mile fulfilment. The expectation is that all of this will drive the demand for automation and technology.

Macro picture

Smith says the supply chain industry at the moment is heavily reliant on a centralised model. The incident in the Suez Canal shows how one single vessel can stop the whole international chain. 'Even at a country level we still very heavily rely on centralised fulfilment,' Autostore's director for UK & Ireland explains. Warehouses are large and many of them are still based around people.



JAMES SMITH, MANAGING DIRECTOR,
AUTOSTORE UK & IRELAND

SoftBank's investment in Autostore

'Having the new investment from SoftBank, a company that has been recognised as a technology and AI investor, will certainly accelerate our growth plans. We can expect to see increased investment in our research and development,' Smith comments on the recent investment by SoftBank. The expectations are that Autostore will rapidly expand across new markets and geographies as a foundational technology that enables quick and cost-effective logistics for companies around the globe.

The demand of consumers would change that model. A centralised warehousing model cannot facilitate the speed consumers are asking for.

'Sustainability and environmental delivery methods are becoming more prevalent in people's mind,' Smith adds. Companies are picking up on that as consumers are more interested in shopping at retailers who have good green credentials. A recent example is how IKEA is planning to buy old furniture. By growing their sustainability initiatives companies will also be able to take more market share and gain new consumers. 'All of these trends rely on better types of automation,' Smith believes.

Redefining space

For Autostore redefining existing space will be a huge driving force. The company is looking at making better use of the space that is already available. The solution to making existing space more efficient might be bringing a solution like Autostore's which can improve people's productivity and creates a better working environment. This could actually mean better staff retention because you improve the conditions and you do not need to relocate. Quite often relocation means that you risk losing the existing warehouse workers,' Smith explains.



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Companies will also have to think where they will take more people from, as many have moved out of the country either due to working conditions in their home countries improving or because of some Brexit uncertainties. To retain workers, warehouses will have to increase their standards and provide additional help.

UK & Ireland

Autostore sees great potential in the UK and Irish markets. 'There are a lot of warehouses in the region with aging technology and that is a huge potential for us. Specifically in Ireland there is a large potential for supply chain companies concerned by the implications of Brexit on border or import/export of goods. In the UK, we see a lot of potential in supply chain optimisation and de-centralisation, Smith says.



The company is betting on urban fulfilment and a more local approach, based on the growth of companies like Deliveroo providing ultra fast, last mile delivery services. To add to that, many large manufacturers are looking into ways to supply their products directly to the consumers and to do that they will need urban fulfilment centres. *





3 WAYS TO FINANCE SUSTAINABILITY

By George Kitchen, Founder, [Do It Properly.](#)

The supply chain is in the spotlight. Global networks are stretched and scrutiny is higher than at any other time in the last 10 years. Future concerns about operating licenses, cost reduction and ratcheting customer and media expectation mean that accountability for ESG has reached the board. Surveys suggests this won't be going anywhere anytime soon.

Some companies are taking action. In 2019 Danone saved EUR 700m by implementing the UN's Sustainable Development goals, in part by focusing on the supply chain to achieve tough targets. Danone has now committed EUR 2.5 billion over the next two years to invest in climate action and a changed business model.

Here's the problem. Most companies aren't Danone, and they don't plan to be. It takes time to even decide where investment will make the biggest impact. New initiatives cost money, and require support from buyers, investors, supplier and distributor.

As ever, meaningful change only happens when it is both on a global level, and is made real on a micro, product level. The complex network effect of supply chains means finance is in a good position to drive real change, and it would seem that the industry is responding.

Innovative use of supply chain finance reduces buyer capital requirements to implement SDG driven measures, whilst providing a valuable incentive for the supplier community.

Financing sustainability – 3 ways

1. *New investment in new projects*

Financed projects and initiatives are nothing new, as long as a clear business case and reasons for financing can be made. In addition, supply chain financing as a buffer for cash flow has been a solution for centuries, but has seen a particular boom since 2008. Institutional lenders are already seeing the opportunity in providing supply chain finance based on certification or a commitment to sustainability, and are effectively making investment decisions considering sustainable credit-worthiness.

In addition, newer providers are utilising a Greensill shaped gap to take this a step further. Prime Revenue, a financial technology company that specialises in supply chain finance, identifies that new investors are specifically looking for buyer driven initiatives that support the supply chain.



GEORGE KITCHEN, FOUNDER, DO IT PROPERLY.

New factories, new distribution centres, and analytics initiatives are all within scope, because they offer a clear, defined ROI, and the opportunity to displace institutional backers.

2. *Use existing frameworks*

From September, Tesco will be offering grants and better payment terms for suppliers with good ESG credentials. The buyer driven approach appears particularly attractive for purchasers who don't want to look outside of their existing supplier and distribution models.

It takes time to even decide where investment will make the biggest impact. New initiatives cost money, and require support from buyers, investors, supplier and distributor.

This is something most SMEs in particular will be more comfortable with, and is an increasingly popular approach. Suppliers and buyers are able to communally offer more flexible payment terms, better credit, and lower fees to companies that align with their goals. There are other benefits too. Scott Galloway, an investor, professor and entrepreneur, notes that verticalisation and localised distribution have a huge role to play in differentiating competitors as we come out of the pandemic. It looks like having the 'finger on the pulse' of how you supply and distribute will generate more value and make a bigger difference to the planet. Financing better behaviour could just be a first step.

3.Smart contracts

Finally, new technologies like blockchain provide data, governance and action outside of Tier 1 buyers. The Malawi Tea Sector is piloting an innovative solution to bring smaller suppliers onside without hefty regulatory and buyer driven initiatives. In exchange for adding sustainability metrics to the blockchain, something important to proving environmental footprint at a product level, suppliers gain access to supply chain finance and business support.



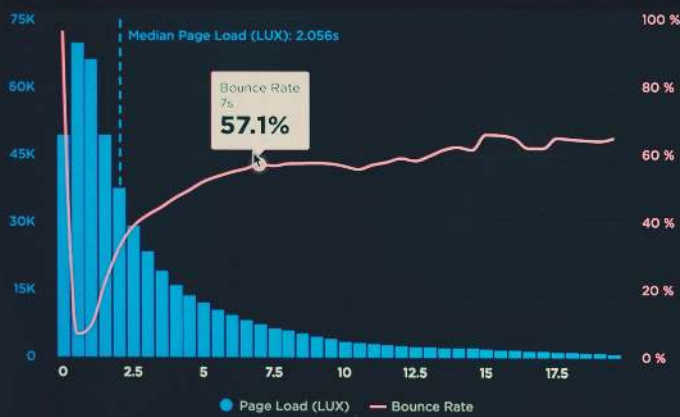
These aren't, and will not be, the end of the options available. Public institutions are already backing supplier finance, in the hope that this will drive new initiatives, and individual organisations are actively gaining accreditation to gain access to a more diverse pool of financing. With this much activity, it's important to remember that these projects happen within a network, and all stakeholders need to be bought in. Strategically, finance is a key part of delivering action, and serves as a great place to start planning. *

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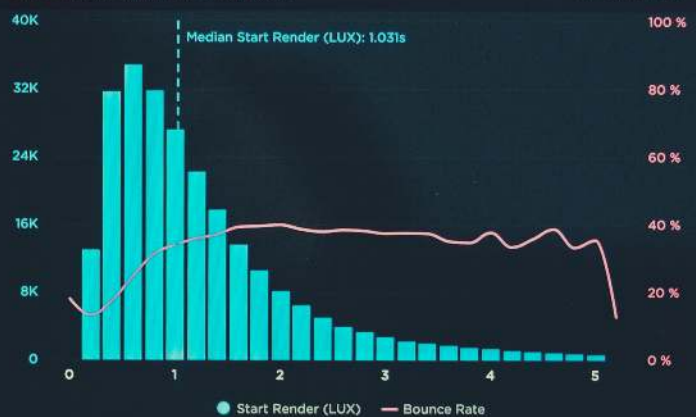
New factories, new distribution centres, and analytics initiatives are all within scope, because they offer a clear, defined ROI, and the opportunity to displace institutional backers.

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LOGISTICS DATA CREATE MEANINGFUL SUSTAINABILITY

'Data in logistics is highly valuable,' began his presentation Niko Polvinen, CEO and Co-Founder of Logmore, during the opening keynote session at 'Delivering Green: Creating Sustainable Supply Chains' Conference, organised by The Logistics Point.

Data enables a completely new level of learning that can surpass what was possible before. Polvinen looked at the way humans can interpret data and compared it to computers. Machines can improve the way companies make decisions as they can better understand a complex and sometimes enormous amount of information faster and more efficiently.

Logistics data

For Polvinen an important question is what logistics data is. To those who are wondering where to start from, Logmore's CEO suggested looking into each shipment and trying to get as much information out of it as possible. This task may sound easy but it involves multiple layers and organisations need to be mindful about the way they approach the data gathering. The next step will be looking at the information that is available outside the package and

what is stored in warehouse management systems, for example. By doing this organisations will be able to extract as much out of what they already have to then use it in a way that can benefit their operations.

Following on this, it is also important to understand and plan the ways the data is going to be used. 'The main usage of data is to measure and improve your KPIs,' said Polvinen. Depending on your sets of KPIs the data can give you insights on how you are doing and how you can improve in the future. The well-organised data can give a deep understanding of where each process is heading to and how it can be done better.

Sustainability and data

Logistics data can help organisations be more Lean by tracking delivery times, bottlenecks and problems. This will help the overall sustainability goal of each organisation as it could provide an invaluable look into the way goods move. By applying data multiple factors can be improved to reach the optimal quality, speed and cost.



NIKO POLVINEN, CEO AND CO-FOUNDER
OF LOGMORE

In addition, better quality data can reduce waste. If organisations know where bottlenecks are and what is happening with each shipment they can better determine why waste is happening. 'Optimising packaging, product materials and partners' relationships based on real events is very meaningful,' Polvinen concluded.

To watch Niko Polvinen's full presentation at 'Delivering Green: Creating Sustainable Supply Chains' go [here](#). *

Depending on your sets of KPIs the data can give you insights on how you are doing and how you can improve in the future. The well-organised data can give a deep understanding of where each process is heading to and how it can be done better.



DEMYSTIFYING EV CHARGING INFRASTRUCTURE

'The UK is one of the most regulated markets in the world and it is important you know the rules,' Alan McCleave, Managing Director UK & Nordic, at NewMotion said during his presentation at 'Delivering Green: Creating Sustainable Supply Chain' Conference, organised by The Logistics Point.

McCleave focused on the process of enabling electric vehicle charging facilities and what steps need to be taken in order to execute that successfully. In his presentation McCleave pointed at the importance of communication between all entities to ensure that installing charging infrastructure happens in a way that would not compromise the integrity of the site.

'We have to recognise that the grid wasn't necessarily built to have electric cars, vans and trucks,' McCleave continued. His expectation is that the coming years will see many upgrades on the network. On the other hand, a lot of new depots have invested more in making sure their network would be able to support the upgrade to electric vehicles. Large development companies are planning ahead and know that a logistics company with a large warehouse would require an upgraded network.

Unfortunately, McCleave admits that a lot of the currently available real estate was not built with electric vehicles in mind.

Planning ahead

McCleave also suggested that organisations would need to look at their current footprint and determine if it is going to be fit for a future where most vehicles will be electric. Some locations might be far away from a power source and be too expensive to upgrade. Such changes need to be planned in advance and the sooner the planning is done, the more likely it is to finalise the needed upgrades on time.

Often NewMotion finds that companies are unable to provide many details when they approach them. It is important to understand how the vehicles are going to be used, as well as what electric vehicles are going to be used.



ALAN MCCLEAVE, MANAGING DIRECTOR
UK & NORDIC AT NEWMOTION

You can watch Alan McCleave's full presentation at 'Delivering Green: Creating Sustainable Supply Chains' Conference [here](#). *

Organisations would need to look at their current footprint and determine if it is going to be fit for a future where most vehicles will be electric. Some locations might be far away from a power source and be too expensive to upgrade.



EMBEDDING SUSTAINABILITY THROUGH PROCUREMENT TRANSFORMATION

"Sustainability is the internal guiding system that has to look not only internally but also across all external stakeholders, too," said David Doran, vice president consulting at GEP Worldwide, a Silver Sponsor of the 'Delivering Green: Creating Sustainable Supply Chains' Conference organised by The Logistics Point.

According to Doran, sustainability is now a requirement for businesses; in fact, it's becoming part of their core value system. The idea around sustainability has evolved during the last few decades; it's no longer

about simply checking a box to show that a company is trying to provide some added social value. More and more organisations, including suppliers, are now actively seeking ways to incorporate sustainability into their business models.

Be real

"It's important to recognise that every area and category in procurement contributes to the overall sustainability goal," said Doran. He focused on the importance of being able to prove that what is recorded on paper is actually happening. Many large suppliers have had problems because they hadn't truly embraced sustainability in their operations and were only seeking to tick a box on a form.

Doran noted that it's much easier for procurement to go through the needed changes if there is support coming from top management. He asserted that

procurement directors should look at ways to embed sustainability within their organization and refrain from working solely on their own section.

Focus on people

'Organisations should try to convince their employees to embrace new attitudes toward procurement,' said Doran. He insisted that since many younger employees have a desire to make a difference, organizations shouldn't shy away from taking advantage of this passion — rather, they should support and assist those employees who exhibit it.

In addition, Doran called for organisations to expand their ecosystems and bring onboard the suppliers of their suppliers. "It's not a one-to-one relationship, which has previously been a way to do things in procurement," Doran argued.

Doran admitted that being sustainable is not an easy task; at times, it may in fact feel counterintuitive. He added that companies need to work from the very beginning with their suppliers and put the necessary systems in place before engaging in operations.



DAVID DORAN, VICE PRESIDENT
CONSULTING AT GEP WORLDWIDE

A big part of the overall process is educating employees, partners and any additional stakeholders. "We're trying to change the idea that procurement is only about cost savings," said Doran. "It's also about sustainability."

You can watch David Doran's full presentation at 'Delivering Green: Creating Sustainable Supply Chains' [here](#).*

Procurement directors should look at ways to embed sustainability within their organization and refrain from working solely on their own section.



IMPROVING COSTS AND SUSTAINABILITY BY DRONES

'For most people shipping is a cost, not really an investment and the natural wish is to want to minimise that cost,' begun Svilen Rangelov, CEO and co-founder of Dronamics, during his presentation at 'Delivering Green: Creating Sustainable Supply Chains' Conference, organised by The Logistics Point.

Rangelov believes drones can open up new opportunities for supply chain design and be a true enabler of sustainability. The growth of urban areas has increased the reliance on methods that are unsustainable. In addition, companies are finding it hard to serve areas outside the city which have grown in importance since Covid-19.

Due to the recent changes in consumers' behaviour, organisations would have to think if a hub-and-spoke network is the best way moving forward. Speed is becoming a crucial factor and it could determine the future of retail.

'The more the merchant can shrink the time between ordering and receiving the product, the more loyalty they will be able to generate,' explained Rangelov. According to him drones can be part of the

overall supply chain and play an important part in delivering goods faster, cheaper and more sustainably.

Dronamics believes drones could be a good solution for the middle mile where e-commerce needs its goods delivered fast but efficiently.

They will be able to serve smaller areas point-to-point which will be ideal for e-commerce. The company has chosen to focus on a larger drone that can fly between two airports and serve online retailers and do same day delivery over long distances. Machines like that can operate in large logistics hubs and improve productivity as well as sustainability.

The drone is looking more like a small plane it uses a traditional airplane engine that can run on 100% biofuels and is called 'The Black Swan'. It can transport 350 KG over 2,500 KM for a cost that's 50%+ lower than other airplanes. It flies autonomously, can be monitored and managed remotely via satellite, and the whole system costs less than a sports car. Dronamics has signed up deals with a few large airports like the one in Liege, Belgium.



SVILEN RANGELOV, CEO AND CO-FOUNDER OF DRONAMICS

The idea is to piggyback on existing infrastructure and minimise cost. However, the machine is capable of landing on most flat surfaces and in the future can be used to transport goods between a manufacturing facility and a large logistics hub, given they both have 400 metre runway.

You can learn more about how cargo drones can help sustainability by watching the full presentation by Svilen Rangelov [here](#). *

The growth of urban areas has increased the reliance on methods that are unsustainable. In addition, companies are finding it hard to serve areas outside the city which have grown in importance since Covid-19.



**EXCLUSIVE
VIDEO
CONTENT**

ELECTRIC TRUCKS CALL FOR DRAMATIC INFRASTRUCTURE CHANGE

'The world runs on energy and for thousands of years it came from combustion,' began his presentation Luke Buchholtz, Logistics Director at HDR. As governments across the world commit to reduce their reliance on fossil fuels, it will be crucial to rethink the way energy is being generated. While much has been done to move away from fossil fuels, energy generation is still creating massive problems.

Power is limited

Moving away from fossil fuels would also mean leaving behind the ability to generate the energy we need in an instant. Large scale renewable energy sources would be needed to fill in the gap on national and regional level.

Along with this resilience needs to be built into the grid, so possible weather anomalies like the snowstorm in Texas, USA, can be counted and power can still be supplied.

With the rise of e-commerce, the facilities that are being built in logistics are no longer the industrial facilities of the past, but modern buildings that have efficiency and sustainability within their hearts. 'Developers across Europe are pushing for net zero carbon in construction,' Buchholtz continued, 'many are looking to take the building completely off the power grid.'

The problem is that logistics centres can no longer rely on low need for power as equipment is becoming more complex and energy needy. The machines that make logistics processes quicker demand more energy and it usually is at least double the power of the original.

Movement of goods

'As we move to electric vehicles we need to become used to variable mileage capabilities,' Buchholtz explained. There are multiple factors that would determine performance like the type of battery, the geography, and even weather. Route optimisation going forward would be a more complex task because all of these need to be taken into account.

The EU is looking at decarbonising by 2050 with many countries and companies wanting to do it sooner. In Europe trucks account for 20% of all emissions and they have two choices - hydrogen or battery. 'In theory hydrogen will be better but very few manufacturers seem to be heading down this route,' Buchholtz pointed out. There is a huge momentum towards battery powered vehicles despite batteries being very heavy. The real problem is that currently for both types of vehicles refueling stations are very limited.



LUKE BUCHHOLTZ, LOGISTICS DIRECTOR
AT HDR INC.

The EU truck problem

In the EU there are about 4.5 million trucks with an average mileage of 50 thousand kilometers. The energy they would consume, if they were all electric, is equivalent to 11% of all the power generated in the EU. 'This figure is dramatically worse if you are in the USA,' admits Buchholtz. These findings mean that the world is heading down a major infrastructure change.

You can watch Luke Buchholtz full presentation at 'Delivering Green: Creating Sustainable Supply Chains' and learn more about how the future infrastructure will look like below*





THE SUSTAINABILITY BENEFITS OF SMALLER CARRIERS

'It is hard to reach the sustainability goals, especially in the final mile, as it can be the most expensive and wasteful part of the logistics process,' said Emily Henderson, Marketing Manager at Etrac Technologies, during her presentation at 'Delivering Green: Creating Sustainable Supply Chains' Conference, organised by The Logistics Point.

Nearly 80% of all greenhouse emissions companies generated have come from their supply chains and as 90% of customers are looking into the data, provided by the carrier, visibility is becoming a crucial factor for success. Sustainability depends on how much information there is and how easy it is to get, process it and act upon it.

According to Henderson shippers should ask more out of their carriers who provide the final mile service. 'You are providing an adequate business volume and you should have a say on how your final mile operations work,' she continued.

Smaller carriers could be a better choice for some shippers as they are dependent on each customer and would go extra in order to satisfy the demand of the shipper.

Partnerships

Carriers who are focused on a particular area can provide better efficiency as they have a better visibility and more details. Such an approach is a way for organisations to reach their sustainability goals on a more micro level.

Henderson also picked on the importance of shipper-carrier relationship.

She advised everyone to speak freely with their providers and ask crucial questions to find out what are the ways emissions can be offset. The reason being that carriers are those who know the area they operate best and can provide valuable information on the best ways to execute a delivery.

Technology has improved a lot during the last decade and it is now capable of providing better insights and improving visibility. For Henderson this means shippers should look at ways to incorporate new technologies in their processes and partner with carriers who can provide them.



EMILY HENDERSON, MARKETING
MANAGER AT ETRAC TECHNOLOGIES

You can learn more about how visibility and data help sustainability by watching the full presentation by Emily Henderson [here](#). *

Shippers should look at ways to incorporate new technologies in their processes and partner with carriers who can provide them.



DRIVING LOGISTICS DECARBONISATION WITH COLLABORATION

"Tackling emissions and greenhouse gasses from logistics is urgent," began Moritz Tolke, Technical Manager at Smart Freight Centre, during the closing keynote session at 'Delivering Green: Creating Sustainable Supply Chains' Conference, organised by The Logistics Point on the 11th May.

Currently around 8% of all emissions worldwide come from supply chain activities but that is expected to double by 2050. To reach the industry's sustainability goals, companies would need to focus on the way they report their emissions and also expand their collaboration efforts in order to bring more stakeholders on board with them. Before setting up a target, it is also crucial to have a real-time visibility over logistics and supply chain operations.

Identifying hotspots

Organisations need to be firstly fully transparent internally and look at what is happening within their supply chains. By identifying hotspots they could also map out potential areas where reductions in emissions can be done quickly. 'Internal transparency comes to life only if we start calculating emissions across the supply chain,' Tolke underlined.

Following on that, logistics and supply chain firms would be also good to explore how to track changes and developments. Tolke showcased the work of Smart Freight Centre, an NGO focused on reducing emissions in the logistics sector, and its GLEC Framework, which currently is the only globally recognised way of measuring emissions across the supply chain.

The framework helps organisations to consistently calculate their emissions and also benchmark them so they are more relevant and useful.

'There is a rising need for more transparency around emission calculation,' Tolke went on. The positive news is that more and more detailed measuring is happening and companies are looking into granular parts of their networks in order to optimise and reach their sustainability goals. The key thing is data exchange between different players in the supply chain. SFC advises all companies to start from where the data that can be easily reached and on that to build a more detailed picture.



MORITZ TOLKE, TECHNICAL MANAGER AT
SMART FREIGHT CENTRE


Collaboration

Once data is available another key factor is how organisations along the supply chain work together. Tolke spoke about five different ways to reach decarbonisation but stressed that all of them require deep collaboration between stakeholders.

In addition, decarbonisation could also be funded from within by proactively upgrading equipment and choosing better ways of doing logistics operations. According to SFC the money dedicated to emission reduction can be used in a way that drives a change in the whole value chain.

You can watch the full closing keynote session by Moritz Tolke [here!](#) *

Shippers should look at ways to incorporate new technologies in their processes and partner with carriers who can provide them.

A Rappi delivery person wearing a red jacket and pants is riding a bicycle on a wet city street at night. The person is seen from behind, with a red Rappi delivery bag on the back of the bike. The bag has the Rappi logo and a mustache graphic. The street is wet and reflects the city lights. In the background, there are cars, a bus, and a speed limit sign for 50 km/h. The overall scene is a busy urban environment at night.

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