

Costing Considerations and UK Logistics Post Brexit

Richard Hill & Edith Hurst-Earl
Oakland International Ltd
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TOGETHER WE
CAN MAKE A
DIFFERENCE



Supply Chain Objectives

Daily deliveries



Day 1 order/
Day 2 delivery

Deliveries **on time / in full**



No RDC Stockholding

Competitive price



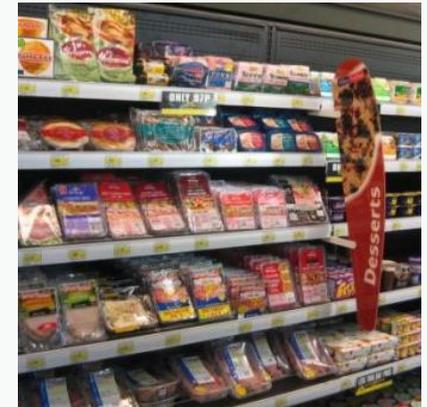
No minimum order

Good communication



Full traceability

Maximum Shelf Life for Consumer
= **Full Shelves & Increase Sales**



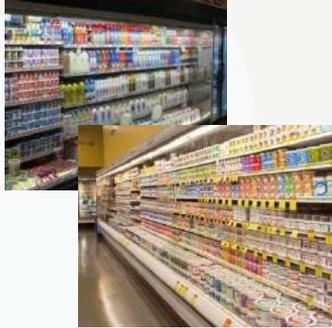
Presented correctly

Retailer Benefits

Better value for consumers – lower retail prices



Improved availability



Reduced order lead time



Improved sales



No minimum order stipulations (except Irish Depots)



Reduced wastage



Lower carbon footprint



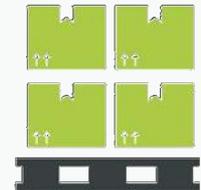
Improved product range



On-line stock visibility and daily service level reporting



EDI order transfer capability for all consolidated orders



Requirements when Choosing a Partner

- ✿ E.D.I. Ordering (most retailers)
- ✿ Allow time for E.D.I. testing & product creation on Warehouse Management Systems
- ✿ Retailers release orders at varying times of day
- ✿ ASN's (Advance Shipment Notifications) for Sainsbury's & Tesco
- ✿ GKN Chep Pallets or equivalent (1000mm x 1200mm) for all retailers except Discount
- ✿ Aldi & Lidl require blue or stamped white Euro Pallets (1200mm x 800mm)
- ✿ Responsibilities for pallet control/costs
- ✿ Pallet Height Restrictions
 - ✿ Maximise Pallet Height (subject to weight restrictions)
- ✿ Packaging – S.R.P. Preferable
- ✿ Barcode Labelling of packs, cases & pallets

Common Challenges – Compliance Areas

- ❧ Vehicles – Minimum 11 tonne
- ❧ Delivery Windows
 - ❧ Drop & Drive with some retailers i.e. Tesco chilled
- ❧ Delivery Notes – order numbers, product codes, case size etc...
- ❧ MLOR (Minimum life on receipt) requirements are rigidly enforced
- ❧ No mixed dates on single SKU pallets
- ❧ Pallet Presentation - securely wrapped and labelled
- ❧ Case Packaging needs to be fit for purpose
 - ❧ Absorb transit impacts without bottom layer being damaged
 - ❧ Equally you will not be thanked for over engineering the packaging cost!

Responsibilities – Supply Chain Partner

- 🌀 Liaison with Regional Distribution Centres
- 🌀 Integration with retailer EDI systems
- 🌀 Stock Management & Rotation
- 🌀 Order processing, picking and distribution
- 🌀 End of Day / Week Reporting (stock and order summaries)
- 🌀 Supply of pallets
- 🌀 Pallet labelling
- 🌀 Transport management – incl. backhaul/primary logistics partner management
- 🌀 POD retrieval
- 🌀 Claims investigation to prove delivery

Roles &
Responsibilities



Route to Market Options

- ❖ Ship direct from manufacture to end user
- ❖ Ship from storage in Ireland to end user
- ❖ Ship from manufacture to Storage in UK and onto end user
- ❖ Handling costs money so direct routes should be used where possible

Ambient/ Frozen Distribution

- ❖ Retailers operate their own ambient/ Frozen storage/ pick facilities
- ❖ Retailers have stock holding and pick from the stock
- ❖ Minimum stock holding levels agreed
- ❖ Replenishment orders are triggered when minimum agreed stock holding is reached

Chilled Distribution

- ❖ Retailers operate pick to zero warehouses for chilled stock
- ❖ Orders are generated daily for delivery to depot the following day
- ❖ Orders are a direct reflection of store requirements

Cost Considerations

- ❧ Minimise the frequency of shipments
- ❧ Consider the location of the delivery destination
- ❧ Maximise volumes on each shipment
- ❧ Pallet size, foot print and height
- ❧ Understand the temperature requirements
- ❧ Transport and distribution market conditions may vary effecting service offerings

Indicative Rates Transport

Ireland to Ireland transport

 €30-€50 per pallet

Ireland to UK transport

 €120-€200 per single pallet

 €50-€80 per pallet for larger consignments

UK to UK Transport

 £65-£120 per pallet

Indicative UK Storage Rates

Ambient

 RHD - £6 per pallet

 Storage £2-£3 per pallet per week or part of

Chilled

 RHD £6-£8 per pallet

 Storage £4-£6 per pallet per week or part of

Frozen

 RHD £7-£10 per pallet

 Storage £5-£7 per pallet per week or part of

Cost Building Factors to be Remembered

- ❖ Pallet – Pallets cost money
- ❖ Wrap – Pallets must be secure when shipping
- ❖ Storage Ireland/ UK – Will product be stored on either side of the water?
- ❖ Transport - All Transport legs should be considered
- ❖ Distributors costs – What is included and what is not?
- ❖ Disposal – This is a costs that occurs on top of a loss

Land-bridge to Europe

- ❧ Currently RoRo via the UK is popular and due to time restrictions / shelf life may be the only option
- ❧ Depending on the Brexit agreement reached there may be customs check points and border inspections slowing down the Land-bridge route
- ❧ The UK could be avoided by taking ferries directly to France.
- ❧ Routes may open to Spain
- ❧ Container traffic may also be an option to get to mainland Europe although this is a slow
- ❧ Depending upon the Brexit agreement the amount of available capacity to the UK from Ireland and from Europe may reduce
- ❧ Use companies that have options on different routes

Ready for BREXIT?

There will probably be additional Customs processes...

- ✿ UK transit via NCTS (as with Switzerland today)
- ✿ Customs clearance? Perhaps – nobody knows (yet)
- ✿ There WILL BE simplifications available – to some.....

Who are the 'some'

- ✿ Those that are AEO approved (*Authorised Economic Operator*)
- ✿ Authorised Consignor status (only if AEO approved!)
- ✿ There are 15,000+ AEO's in Europe today...
- ✿ There are ONLY 138 in Rep of Ireland !!!!!



OAKLAND INVICTA can help...

Opportunities

- ❧ In-case coding for tempered products
- ❧ S.R.P. Packaging – cost reduction
- ❧ Double deck trailers to reduce primary stock movement costs Ireland to UK
- ❧ Collaboration with other Irish producers to optimise vehicle utilisation / reduce costs to the UK
- ❧ Ambient products can travel via chilled network (subject to buyer approval)
- ❧ Present combined offerings to UK retailers to increase appeal and help manage costs
- ❧ The UK market continues to grow

Thank You

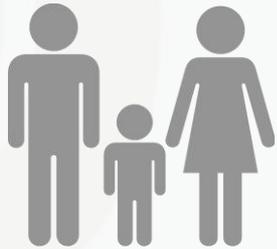
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Oakland International Overview

Family company
started in **1998**



A **responsible**
business with
leading
environmental
credentials



Supply Chain Solutions with
Added Value

UK & Ireland Facilities
Chilled, Ambient & Frozen
Storage, Tempering, Picking /
Co-Packing & Distribution
Distress Load Management
Sampling Service



£20m Turnover

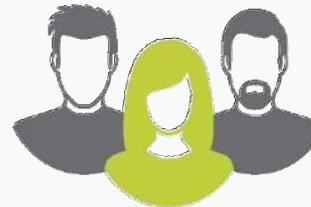
2025 Group Growth
Strategy of circa
£180m turnover



26,000
Pallet Capacity
processing circa
1M cases per week



300 Team
Members



one team

Quality Assurance –
BRC Accredited



Our Services



Ambient



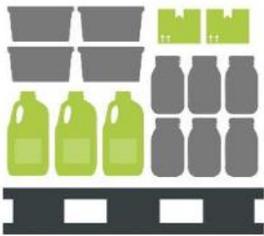
Chilled



Frozen



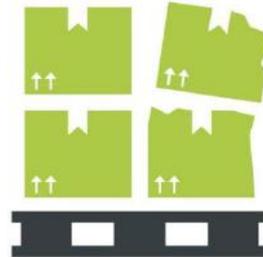
Food Tempering



Case Consolidation



Contract Packing



Distress Load



Sample Service



Storage

Common Challenges – Dealing with UK Retailers

- ❁ Know your supply chain costs
- ❁ Understand your retail target
- ❁ Understand the market and competition
- ❁ Know the supply chain requirements
- ❁ Build in around 0.5% into your costs to allow for retail delivery discrepancies
- ❁ BRC compliance & retailer audits
- ❁ Communication links with your supply chain partner
- ❁ Deliver bad news quickly – and be clear on the plan for improvement



Why OAKLAND INVICTA?

BREXIT team includes:-

- ☪ Registered EXPERTS with EU Commission on Int Trade
- ☪ Approved BREXIT Advisors to InterTradeIreland
 - ☪ Funding available (up to £2000 of FREE advice)
- ☪ Advisors to Institute for Government
- ☪ Handling AEO approvals for Ports / Traders / Forwarders

Contact : Robert Hardy

Email : robert.hardy@oakland-international.com

Telephone : 07487 256 543

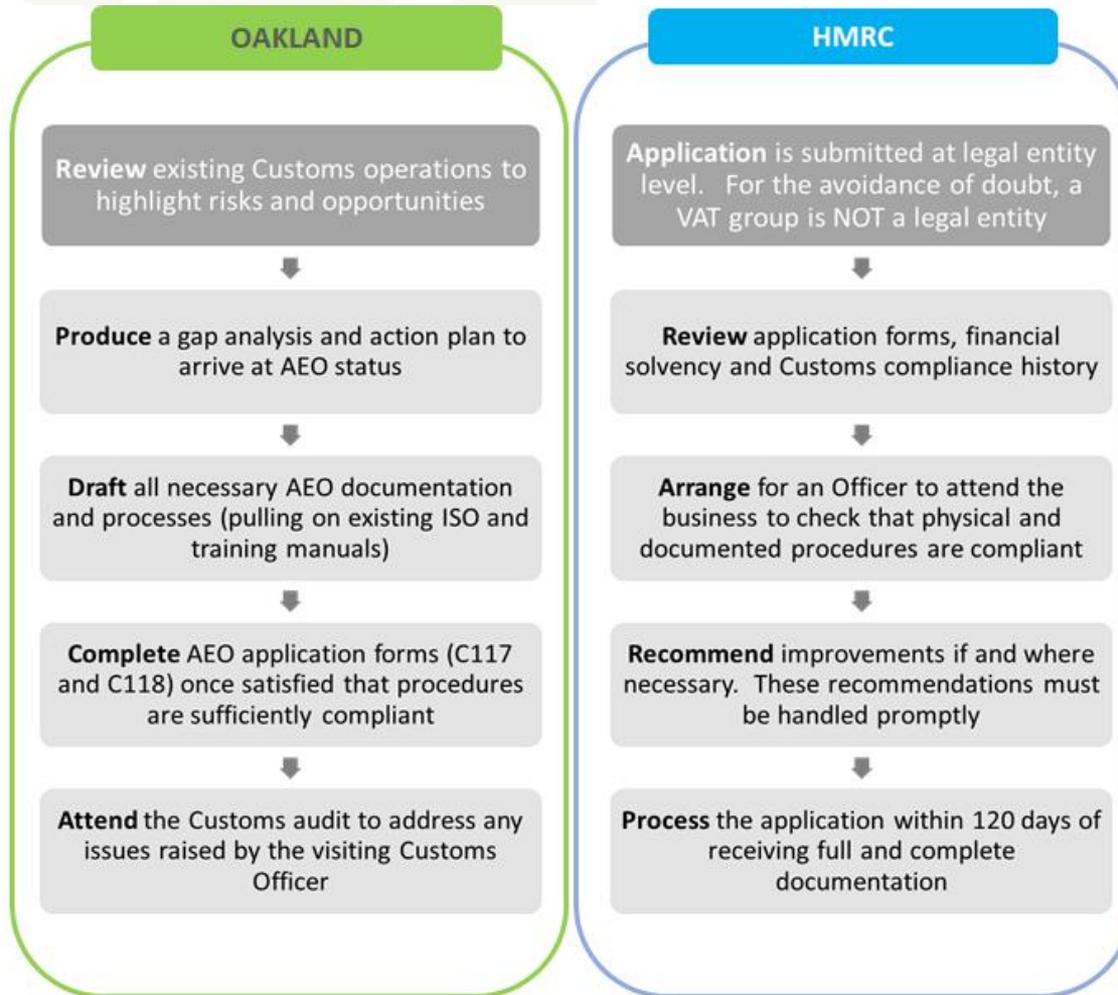


INSTITUTE
FOR
GOVERNMENT



Prepare now!

The OAKLAND INVICTA process for AEO approval...



“Any fool can make something complicated. It takes a genius to make it simple.”

— Woody Guthrie

The Oakland Group

		UK & Irish Retailers, Wholesalers & Foodservice
		Supporting Producers with Brand & Sales Development
		Maintaining Supply Chain Integrity
		Reducing child poverty
 <p>Oakland Environmental</p>		Supporting Our Mission for Carbon Neutrality