

Bord Bia's

# Supply Chain Strategy Workshop



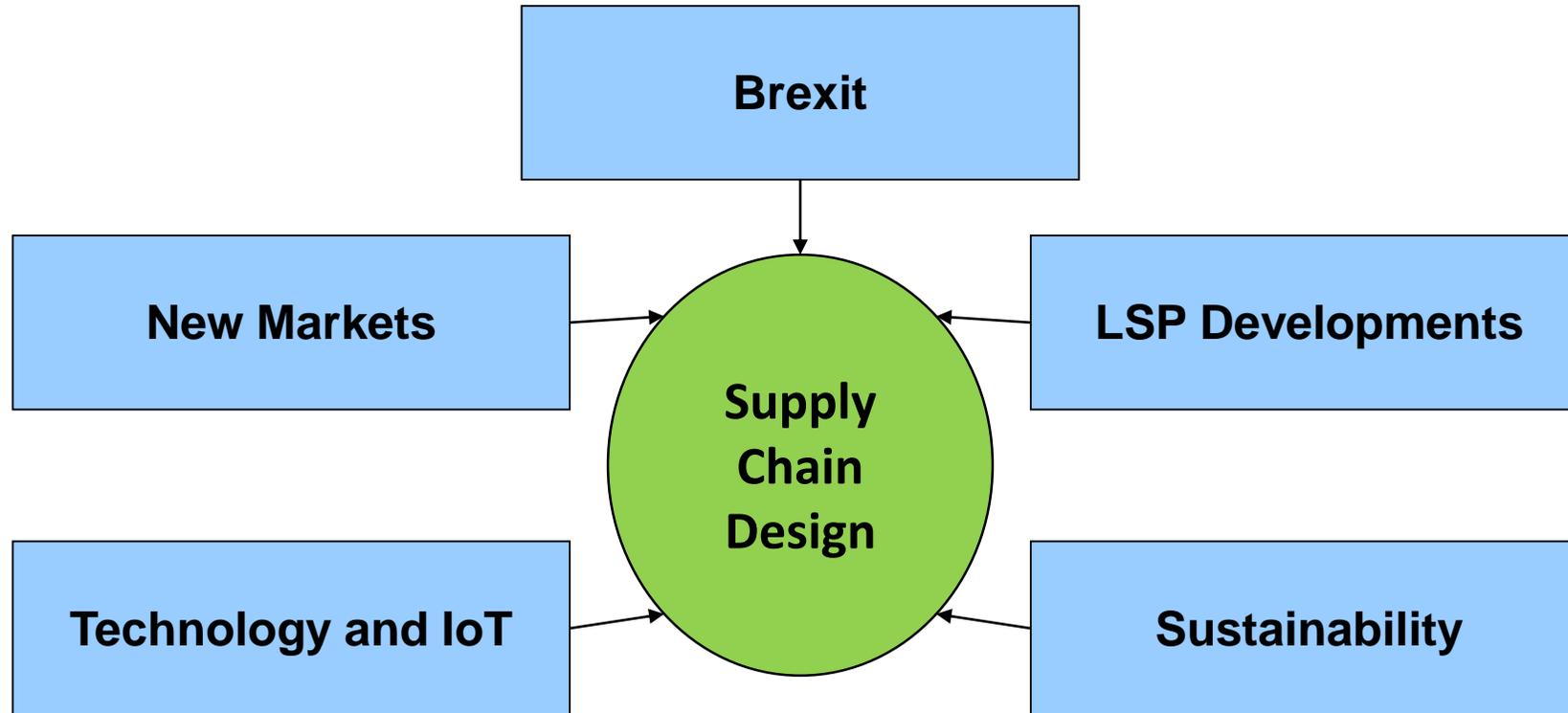
10 September 2018

## Presenters

**Paul Johnson – Designing more effective supply chains**

**Jo Godsmark – How to select and manage your logistics partners**

# Considerations in Supply Chain Design



**What do I need to do?**

**What should other Supply Chain Partners be doing?**

# Supply Chain Strategy Guide

## Contents of Guide:

- Introduction
- Elements of Business As Usual Strategies
- Options for Supply Chain Re-design
- Cost Reduction Initiatives
- Possible Brexit Scenarios
- Guide to Logistics Service Provider Selection
- Conclusions and Recommendations for Exporters

## Focus on main European markets:

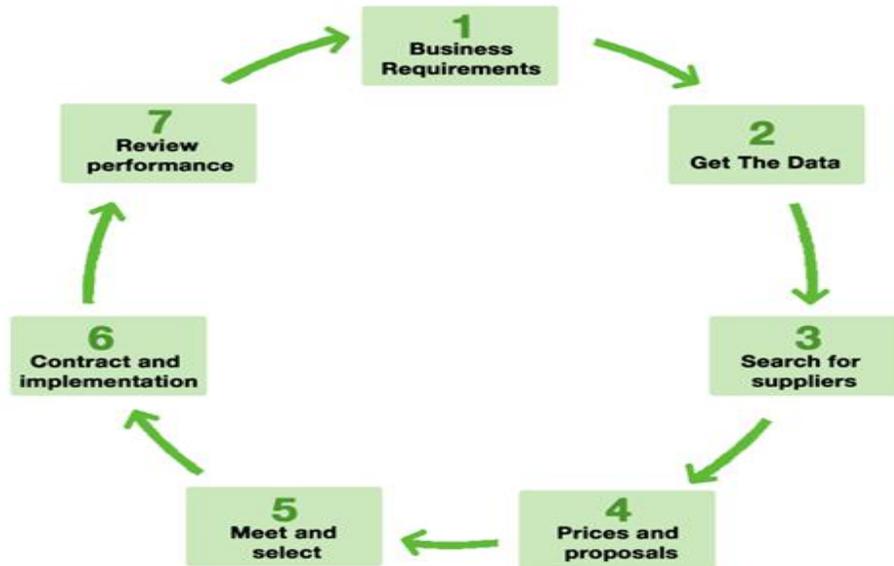
UK, France, Germany, Netherlands, Poland and Spain

**Launched 21<sup>st</sup> February, 2018 with Media promotion in August**



# Guide to LSP Selection

## 7 Steps to Outsourcing Logistics Services



## Supporting Templates

SELECTION TEMPLATES
Selection Criteria
Data Collection
Request for Information (RFI)
Request for Pricing (RFP)
Full Truckload (FTL) Pricing
Groupage Pricing
Warehouse Services Pricing
Key Performance Indicators (KPIs)

Templates are included in the Appendices and also available for download from the Bord Bia website.

# Supply Chain Partner Database

**International LSPs – from Ireland to Country**

**National LSPs – within Country**

**Freight Forwarders**

**Focus on main European markets:  
UK, France, Germany, Netherlands, Poland and Spain**

Please select a supplier type      Search for company by name      Filter by Country

International      Company name      United Kingdom

**Refine your search**

<input type="checkbox"/> Bonded Warehousing	<input type="checkbox"/> Full Truck Load	<input type="checkbox"/> Full Truck Load	<input type="checkbox"/> Full Truck Load
<input type="checkbox"/> Hanging Meat Transport	<input type="checkbox"/> Less Than Full Truck Load	<input type="checkbox"/> Less Than Full Truck Load	<input type="checkbox"/> Less Than Full Truck Load
<input type="checkbox"/> Fish Seafood	<input type="checkbox"/> Groupage Trailers Per Week	<input type="checkbox"/> Groupage Trailers Per Week	<input type="checkbox"/> Groupage Trailers Per Week
<input type="checkbox"/> Container Transport	<input type="checkbox"/> Access Pallet Network	<input type="checkbox"/> Access Pallet Network	<input type="checkbox"/> Access Pallet Network
	<input type="checkbox"/> Parcels Packages Samples	<input type="checkbox"/> Parcels Packages Samples	<input type="checkbox"/> Parcels Packages Samples
	<input type="checkbox"/> Warehouse Location	<input type="checkbox"/> Warehouse Location	<input type="checkbox"/> Warehouse Location

**Search**

How to Access Information

**Supply Chain Partner Database:**

<https://www.bordbia.ie/supplychain>

**Other Brexit Material:**

<https://www.bordbia.ie/brexit>

**Feedback and Additions:**

[info@bordbia.ie](mailto:info@bordbia.ie)

subject : **Supply Chain**

# Workshops and One to One Sessions

## **Workshop: Designing more effective supply chains (Paul)**

- European Logistics Issues
- Rest of World Logistics Issues
- Opportunities to Reduce Export Logistics Costs

## **Workshop: How to select and manage your logistics partners (Jo)**

- Service criticality – How should you vary your approach?
- Procurement process – What are the 7 steps to successful procurement?
- Risk management – What should you look out for when selecting a partner?
- Key performance indicators – Are KPIs required and how should they be used?

## **Objectives of Workshops**

- Broaden thinking for strategic options
- Share ideas and resources with others
- Recognise that efficient supply chains translate to green credentials
- Promote best practice in procurement
- Encourage measurement and KPIs

# Logistics and Timing

**Paul: Designing more effective supply chains**

**Jo: How to select and manage your logistics partners**

**11.55 – 13.10: Workshop Session 1:**

Half Group stays in room, other half goes to Room 1&2 with Jo.

Paul - Creative Workshop

Jo - Meeting Room 1&2

**13.10: Lunch**

**13.55 – 15.10: Workshop Session 2:**

Groups remain in same room, presenters switch

**15.10 – 16.30: One to one sessions (15 mins)**

Participants waiting: Creative Workshop

Consultation with Paul: Meeting Room 1 & 2

Consultation with Jo: Meeting Room 3

Bord Bia's

# Supply Chain Strategy Workshop



10 September 2018



# Designing more effective supply chains

1. European Logistics Issues
2. Rest of World Logistics Issues
3. Opportunities to Reduce Export Logistics Costs



## **Session 1**

# **European Logistics Issues**

What are your main logistics issues when exporting to Europe?

# Handout

Issue	Score 0-10 (10 High)
Identifying a logistics partner for a specific market	
Finding solutions for 5/7 day per week deliveries	
Managing shelf life along the supply chain	
Ability to track deliveries	
Understanding the relationships between different logistics service providers	
Where should inventory be held?	
Measuring delivery performance	
Maintaining temperature control along the supply chain	
Other	
Other	

Are these issues sector specific?

# Scale of Irish LSPs compared to European Competitors



## Irish Companies



## European Companies



# European Market Developments

## Sector Focus

Drinks



Fruit & Veg



Fish & Seafood



Meat

## Warehouse Focus



Lineage®



**NEWCOLD**  
ADVANCED COLD LOGISTICS



ConHexa

## Strategic Partnerships and Alliances



# Shipping & Port Services

## Shipping Lines



## Shipping Support Services

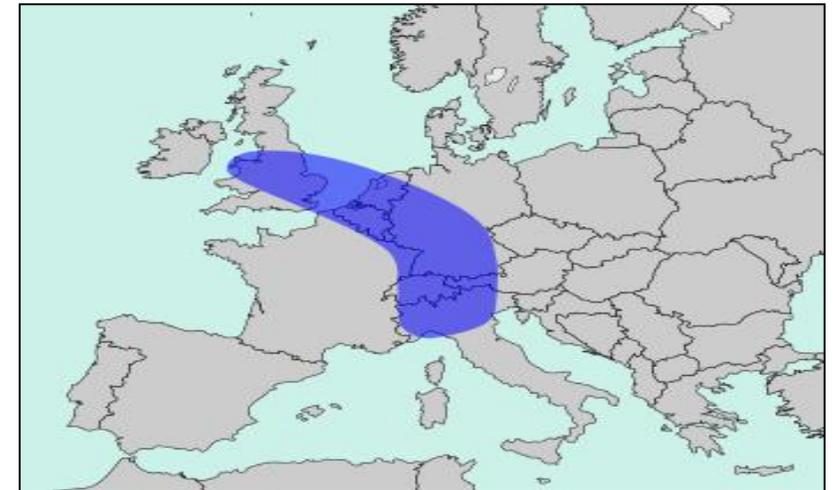


## Port Authorities



# Expectations of logistics industry to develop new services

- Introduce new shipping routes
- Expand use of unaccompanied trailer services
- Develop ports to meet capacity and requirements
- Consider warehouse and cross docking services
- Consider warehouses at ports or strategic locations
- Use double decked trailers on high volume routes
- Extend use of multi-modal services
- Formalise strategic alliances
- Develop lower cost air freight services



Ideal locations for European Hub (Blue Banana)

# Will LSPs collaborate to improve services for Shippers?

- “Co-opetition” or collaboration between Shippers hasn’t worked
- LSPs should work in partnership to achieve greater utilisation and backhauling
  - LTL and FTL
  - Include none Food & Drink products
  - 21% of vehicle trips run empty, average utilisation is 43% (shippers pay the price)
- Use of “Collaborative Systems”
  - Control Tower
  - Platform Software
- Who controls the network?
  - Prime LSP
  - 4PL
  - Platform Software Provider
- Role of Neutral Trustees?

BLU JAY™  
SOLUTIONS

  
GIVENTIS  
SMARTVISIBILITY

2degrees

NeTrust



## **Session 2**

# **Rest of World Logistics Issues**

What are your main logistics issues when exporting beyond Europe?

# Handout

Issue	Score 0-10 (10 High)
Understanding the role of freight forwarders	
Identifying a logistics partner for a specific market	
Managing shelf life along the supply chain	
Ability to track deliveries	
Understanding the relationships between different logistics service providers	
Understanding the role of local agents and distributors	
Measuring delivery performance	
Where should inventory be held?	
Language	
Other	
Other	

Are these issues sector specific?

# Structure of Service Provider Market

## Irish Freight Forwarders



## European Freight Forwarders / LSPs



## Sea Freight



## Air Freight





## **Session 3**

# **Opportunities to Reduce Export Logistics Costs**

# Export Activity Costs – UK and Germany

**Handout**

UK

Cost Element	Rate	Units
Single pallet transport from Dublin to Birmingham		€/pallet
Full truckload (FTL) transport from Dublin to Birmingham		€/FTL
Single pallet transport from Birmingham to London		€/pallet
Full truckload (FTL) transport from Birmingham to London		€/FTL
Warehouse cost - receive, handle, despatch (RHD)		€/pallet
Warehouse cost - storage per day		€/pallet/day
Warehouse cost - other (insurances, damages, etc)		€/pallet

Germany

Cost Element	Rate	Units
Single pallet transport from Dublin to Dusseldorf		€/pallet
Full truckload (FTL) transport from Dublin to Dusseldorf		€/FTL
Single pallet transport from Dusseldorf to Munich		€/pallet
Full truckload (FTL) transport from Dusseldorf to Munich		€/FTL
Warehouse cost - receive, handle, despatch (RHD)		€/pallet
Warehouse cost - storage per day		€/pallet/day
Warehouse cost - other (insurances, damages, etc)		€/pallet

# Preparing for Retailer Discussions for New Listings

## Prepare a description of the likely supply framework:

- Number of sku's, with projected sales volumes
- Volumetrics of products – items / case, cases/pallet, weight of case
- Temperature and shelf life (75% retailer)
- Order lead time – next day, two days, same day
- In-house National Account team or agent / distributor
- Likely supply route – direct to store, direct to RDC/NDC or via Primary Consolidation Centre
- Cost of transport from Ireland – frequency, load size
- PCC or Country warehouse
- Delivery quantities to retailer delivery point – cases, layers, pallets, etc
- Cost of transport to retailer delivery point
- Calculate Total Cost To Serve



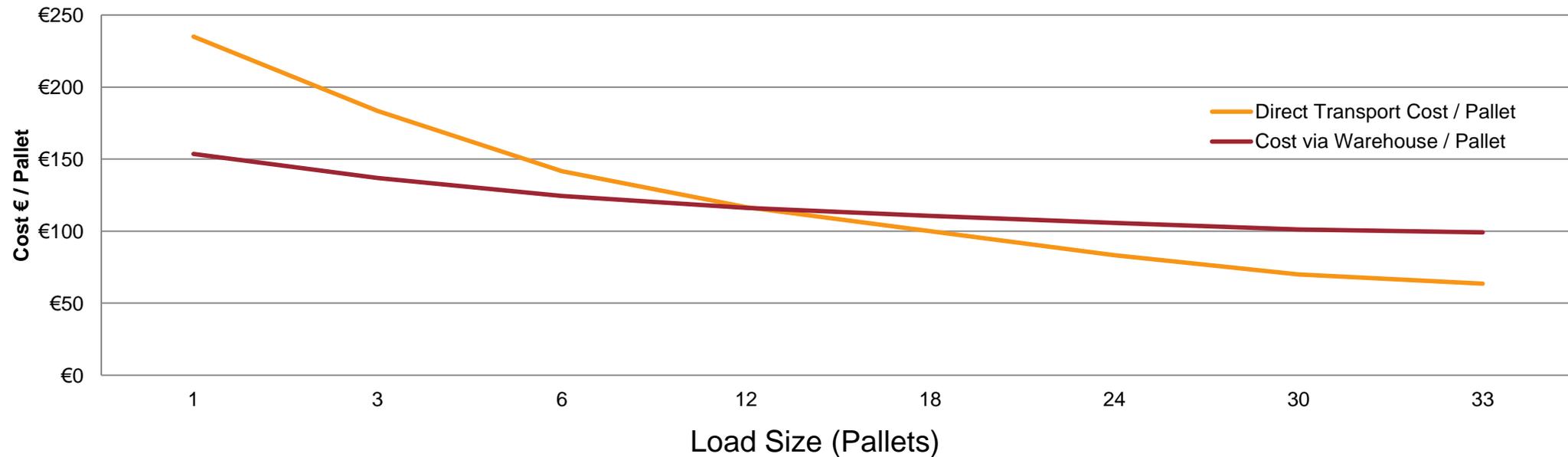
# Opportunities to Reduce Export Logistics Costs

- Shop around for partners
  - current partner may not be best for all markets or temperatures
- Review volumetric dimensions of products
  - case sizing vs shelf configuration or menu plan
  - cases per pallet
  - double stack pallets
- Review stockholding options
  - balance cost of stockholding vs improved vehicle fill
- Review methods and routes
  - balance speed of transport vs cost
  - consider unaccompanied trailers
- Consider End to End costs

# European Hub – Cost Comparison

Load Size Pallets	Direct Transport	Direct Transport Cost / Pallet	Primary Transport FTL / Pallet	Warehouse / Pallet	Local Transport	Local Transport / Pallet	Cost via Warehouse / Pallet
1	€235	<b>€235</b>	€64	€15	€75	€75	<b>€154</b>
3	€550	<b>€183</b>	€64	€15	€175	€58	<b>€137</b>
6	€850	<b>€142</b>	€64	€15	€275	€46	<b>€124</b>
12	€1,400	<b>€117</b>	€64	€15	€450	€38	<b>€116</b>
18	€1,800	<b>€100</b>	€64	€15	€575	€32	<b>€111</b>
24	€2,000	<b>€83</b>	€64	€15	€650	€27	<b>€106</b>
30	€2,100	<b>€70</b>	€64	€15	€675	€23	<b>€101</b>
33	€2,100	<b>€64</b>	€64	€15	€675	€20	<b>€99</b>

**Comparison of Direct Transport vs via Warehouse**



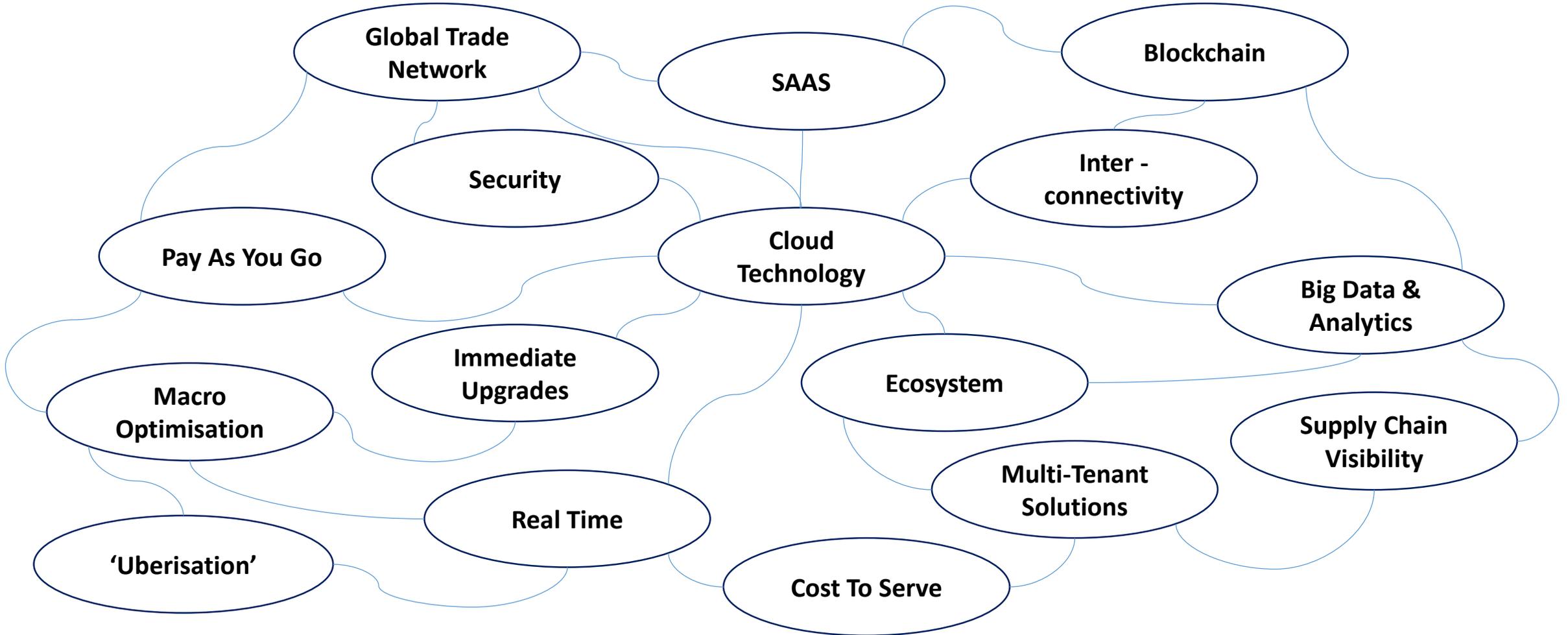
# Collaboration / Co-opetition - Opportunities

## What are the practical opportunities for Collaboration in Export Supply Chains?

- Share ideas and strategies
- Share LSP research and selection process
- Share primary transport to markets
  - Improved rates
  - Use of double-decked trailers
  - More frequent deliveries
  - Consolidation for suppliers
- Share In-market warehouse or intermediate warehouse (Hub)
  - Single point of delivery – improved transport rates
  - Common systems
  - Opportunity for scheduling and splitting loads to optimise fill rate
  - By sharing, having a warehouse as an option becomes cost effective
  - More frequent deliveries - lower stock - Improved date profile

# Smart Systems for Export Supply Chains

## What will be the features of future Supply Chain Systems?



End of Workshop

**Thank You**