

**NexTrust news, 25/06/2017**

## ***‘Collaboration in logistics is achieving breakthrough’***

### **Mondelez to host the NexTrust Project consortium meeting in Bratislava – Publication of validated results**

The snacking company Mondelēz International with brands such as Oreo, Cadbury and Milka chocolate is hosting the EU funded NexTrust Horizon 2020 consortium meeting on 26 and 27th September 2017. Mondelez joined the logistic research project to collaborate with other EU shippers and carriers with the goal to significantly reduce its carbon footprint in transportation. The first validated results will be presented to and discussed with the full NexTrust consortium in Bratislava.

Road traffic makes up one-fifth of the EU's total emissions of carbon dioxide while at the same time about one in five trucks on European roads is running empty. In a quest for a more efficient use of our roads, supply chain experts are piloting collaborative networks to connect producers, retailers and carriers in order to reduce emissions, fuel waste and costs, as well as traffic congestion.

*“The ever increasing volume of empty trucks on the road is starting to have a real impact in terms of traffic congestion and environmental impact. It’s becoming clear that collaboration and co-operation between businesses is going to be the only way efficient and sustainable transport systems can be maintained.”* – says Mark Griffiths, from 2degrees, leading collaboration platform for sustainable business.

### **Results with full-truck-load (FTL) collaborations are beginning to demonstrate market breakthrough**

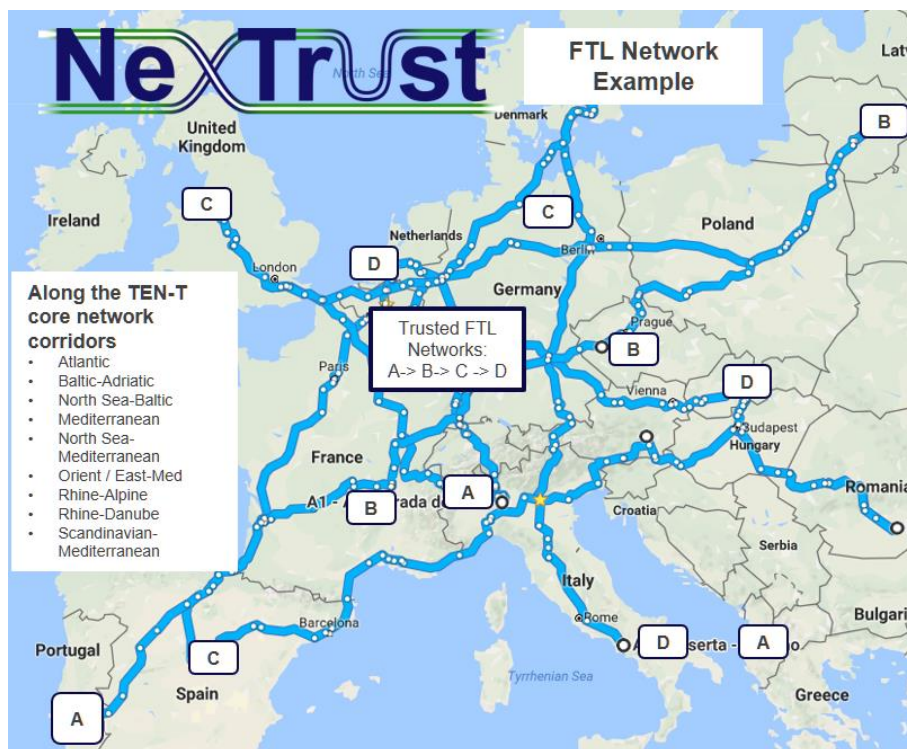
Over 2016 and 2017, the NexTrust project has conducted more than 40 pilot cases. The initial achievement was that for the first time ever in European logistic history, parties were pro-actively cooperating on a large scale to reduce the environmental impact of transport and create logistics efficiency gains, without falling foul of EU competition regulations.



Mondelez has been successfully collaborating with other shippers such as Unilever, Sony, Panasonic, Beiersdorf, Kimberly Clark, YSCO, Greenyard, Iglo-Nomad, Danone Waters and Diageo in multiple pilot cases across Europe. These pilot cases involve working closely with numerous carriers to synchronize the new efficient freight networks and extend the collaboration to the asset owner.

In the first round of FTL pilot cases, around 20,000 annual truck shipments were bundled to 60 efficient freight lanes across Europe. In a second round currently ongoing, the results look set to exceed initial expectations as additional optimization scenarios have been identified. Around 100,000 annual truck shipments were bundled to 575 more efficient European freight lanes.

Following the GLEC (Global Logistics Emissions Council) calculations, results show that up to 40% of greenhouse gas emissions (GHG) and up to 46% of empty vehicle kilometers can be saved on single freight lanes.



The newly designed FTL network in NexTrust is having a tremendous impact in terms of reducing the carbon footprint and congestion of transportation. Following implementation, it will be potentially capable of removing 38 million annual empty vehicle kilometers from the road – the equivalent of driving around the circumference of the Earth 940 times. Put



another way, it would require around 1 million new trees, with a ten year growth timeframe to remove the same amount of pollution from the roads as this new FTL network.

*“The concept of collaboration has existed for over a decade, but so far only small pilot cases have demonstrated the real potential. Today, we can see that pilot cases on a large scale are having a real impact across Europe, and this collaboration can finally become standard practice in the transportation industry to achieve sustainability”,* says Mike Bogen from Giventis International working as neutral trustee to manage the FTL collaboration.

### **“Mental shift” towards a new era of working together**

The fundamental breakthrough for this success has come from the willingness of the industry to cooperate over the last two years, and identify the most efficient way of working together. Thanks to the EU Horizon 2020 fund, the partners were able to build a consortium and dedicate the time and resources necessary to develop and validate a concept relatively new in the logistic market.

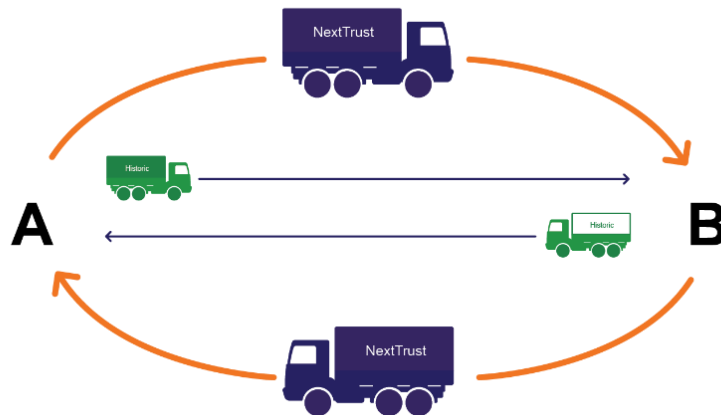
Crucial for this success was the NexTrust partners’ commitment to follow the NexTrust protocol, a conceptual collaboration framework intended to build “trusted transportation networks” with like-minded partners, even competitors, in a legally compliant environment. The shippers and carriers share the same values in terms of innovation and cooperation and this allows them to follow the NexTrust business model.

Fundamental change in the management of transportation sourcing and operations requires shippers, with the support of carriers, to make an actual “mental shift” de-coupling from their own networks first and then agreeing to re-connect with other shipper network flows designed to drive increased efficiencies.

*“When I joined the NexTrust project in January 2016, I believed it was the time to break the ice and knock down the barriers hindering effective collaboration. Now after having worked in multiple pilot cases successfully, I feel we are now on the edge to achieve an exciting breakthrough in logistics”* says Zoltan Balogh from Mondelez International.



### FTL (full-truckload) pilot categories



### **NexTrust innovative business model with neutral “trustee function”**

The key prerequisite of the innovative business model is the neutral “trustee function”, which is absolutely critical in guaranteeing legal compliance with competition law, while ensuring that companies’ own legal compliance rules are respected, e.g. controls are in place, allowing the exchange of non-commercially sensitive information between trusted collaborative partners.

*“In every collaboration undertaking, it must be safeguarded that the means of collaboration are legally compliant and especially respect anti-trust and privacy law. Together with the NexTrust partners, in our capacity as a multi-disciplinary law firm we established a collaboration model which is legally compliant and at the same time commercially feasible for all participants.”* - says Niko Oertel, from Kneppelhout & Korthals Lawyers.

In NexTrust, independent supply chain experts, with the support of legal advisors, are coordinating the creation of these new trusted networks, identifying opportunities using digital IT platforms, and facilitating the implementation of more efficient networks in market conditions.

Collaboration is not just a buzzword and is not only about IT. Actually, *“the project has moved beyond pure optimization IT platforms to a scalable model that drives market stickiness. This solid foundation brings real world benefits to the logistics industry”*. says Dr Patrick Stumm, Greening business developer, leading the FTL intermodal collaboration cases.

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About NexTrust:

NexTrust is funded by Horizon 2020 and brings together 31 partners to drive collaboration in the logistics industry.

- Its objective is to increase efficiency and sustainability in European logistics.
- It will create interconnected, trusted networks that collaborate together along the entire supply chain.
- NexTrust is developing a new way of working. Its innovative business model aims to create long-term solutions which solve real problems in the logistics sector.

Website: <http://www.nextrust-project.eu>

The full consortium comprises:

2degrees, Arcese, Beiersdorf, BLUEWAVE, Borealis L.A.T, Colruyt Group, CRITT Transport et logistique, Delhaize Le Lion/De Leeuw, ELUPEG, EVO Dutch Shippers Council, Fiege Logistik, Giventis International, Greenyard Foods-Pinguin, GS1 Belgium & Luxembourg, GS1 Germany, GS1 Switzerland, Kimberly Clark, Kneppelhout Korthals Lawyers, Mondelez, Norwegian Logistics, Panasonic Europe, Pastu Consult, Scala, TRI-VIZOR, TX Logistik (Coordinator), Unilever, Vlerick Business School, VU University Amsterdam, Wenzel Logistics, Wolters Kluwer Transport Services, YSCO.

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