

Press Release

Frozen Cross Chain LTL Collaboration reduces huge amount of CO2

- **LTL road bundling of frozen goods – process and results from NexTrust pilot case study – 6 month pilot using ‘State of the Art’ 4PL Control Tower processes and technology**
- **9,000 Pallets of Frozen Food from 3 Belgian based Manufacturers delivered to German and Austrian Markets**
- **Saving 46 percent of greenhouse gas emissions (GHG) and up to half of vehicle movements**

Brussels 13 April 2018. Frozen Food manufacturers Ysco, Greenyard and Agristo serving the European market from the Benelux (Belgium, the Netherlands and Luxembourg), worked with the EU funded NexTrust Horizon 2020 logistic research project to collaborate on a project to consolidate Less than Truckload (LTL) shipments through SmartWay Logistics, a leading 4PL Control Tower provider.

The pilot, which ran from February to August 2017, demonstrated how LTL shipments from the Flanders region of the Benelux to common destinations in Germany and Austria could be combined to create sustainable trusted collaborative Full Truck Load (FTL) movements. The results were significant and highly scalable:

- 45 percent less GHG emissions
- Increase of number of full truck loads from 19 to 153
- Almost 50 percent saving of transport kilometers

For this to happen, shippers had to accept a shift in transport capacity risk from the carriers, who traditionally covered the risk of poor truck fill for LTL lanes by charging premium tariffs for these shipments. 4PL Control Tower’s “smart visibility” was used to support change in how the participants operate and to manage the carriers through a single, automated process.

Under normal circumstances, each of the Pilot participants would individually plan FTL and LTL shipments from their factories in the Benelux to customers in 25 countries across Europe. The high percentage of LTL deliveries means that despite purchasing premium LTL services from specialist LTL carriers there is no guarantee of better utilization. This situation



is exacerbated by the retail trend towards smaller more frequent deliveries to manage inventories and improve availability. For manufacturers supplying temperature controlled products the challenge is to be able to provide an improvement in service levels by offering shorter lead times for smaller delivery quantities – at similar cost to larger, less frequent shipments – in an operationally more complex, constrained and expensive environment than conventional ambient food delivery.

The pilot has proved that using a Control Tower can meet NexTrust's objectives of reduced carbon emissions, costs and vehicle trips – without loss of service. The larger the pool of participants and volume, the greater the resilience of the collaboration in delivering benefits. To implement effective collaboration between competitors, confidentiality and Anti-Trust rules need to be established and agreed at an early stage. This is overseen by a neutral trustee – who ensures compliance with all regulations.

The trustee Giventis and Eluepeg are also crucial to guaranteeing there is a structured repository for data from participants, and that data is managed, collected, used and analysed in the correct way. The control tower accesses the data in order to extract, manipulate and interpret it, thereby allowing it to plan shipments and journeys efficiently. Having this structure in place enables the pilot leaders to model future participants' involvement.

The carbon saving aspect of the Pilot has been exceptional. The pilot project team worked with Vrije Universiteit Amsterdam (VU Amsterdam) to apply the EN 16258 standard and the guidelines from the Global Logistics Emission Council to assess Green House Gas emission savings. The intention is to commercially pursue new, smaller shippers, on the basis of this ongoing study, and to further improve on the degree of cross-shipper consolidation and vehicle utilisations achieved to date.

Interested companies should contact info@nextrust-project.eu.

Background

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. The key prerequisite of the innovative business model is the neutral “trustee function”, which is crucial 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.

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About NexTrust:

NexTrust (www.nexttrust-project.eu) is funded by Horizon 2020 and is administrated by the EC's Innovation and Networks Executive Agency (INEA). The project duration is 42 months. NexTrust's objective is to increase efficiency and sustainability in logistics by developing a flexible innovative business model with interconnected, trusted, collaborative networks along the entire supply chain. The pilot cases cover a broad cross section of the entire supply chain (from raw materials to finished goods to retail inbound and to end consumers) for multiple industries. NexTrust expects its pilot cases to reduce 40 percent of lorries, 15 percent of delivery vehicles, 70 percent of greenhouse gas emissions and increase load factors by 50 percent.

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 GS1 Belgium & Luxembourg, GS1 Germany, GS1 Switzerland, Kimberly Clark, Kneppelhout Korthals Lawyers, Mondelez, Norwegian Logistics, Panasonic Europe, Pastu Consult, Scala, TRI-VIZOR, TX Logistik (Co-ordinator), Unilever, Vlerick Business School, VU University Amsterdam, Wenzel Logistics, Wolters Kluwer Transport Services, YSCO.

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