

# **Steve Agg**

## **Chief Executive**

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# CILT - the professional body for everyone in logistics and transport

- ✦ Encouraging the development of leading edge thinking and best practice in all areas of the supply chain, logistics and transport
- ✦ Facilitating the development of personal and professional excellence
- ✦ Providing relevant and valued services to members and employers
- ✦ Raising the profile of the profession

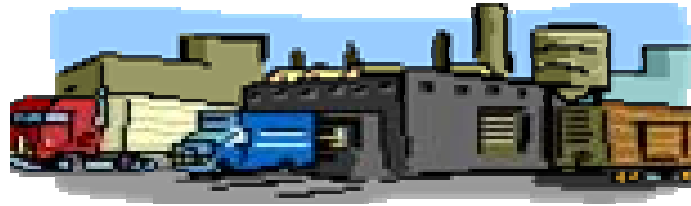


Can we create a truly harmonised transport system that integrates seamlessly across all levels from manufacture to end user?

.....and back again.....



# Food from Field to Fork



Professionals at  
work



# Supply chain dimensions

- Costs of service
- Quality of service
- Sustainability
- Capability



# Challenges for logisticians

- † Global warming
- † Growing world population
- † Burgeoning economies
- † Longer more complex supply chains
- † Congestion
- † What will we use for fuel?
- † Skills shortages



# Manufacturing goes east...

- ✦ Technology enables automated manufacture
- ✦ Labour costs rising everywhere
- ✦ Transport costs rising
- ✦ Carbon impact of off shoring is negative
- ✦ Make it locally for local consumption
- ✦ Behavioural change



# Automotive logistics- the new car distribution market is unsustainable?

- ❖ OEM's want lower prices, increased capacity & better visibility
- ❖ Transporters need higher prices and better margins to afford to invest in new capital equipment
- ❖ The utilisation of car transporters is 13%!



# Setting the scene

- ✦ Lack of co operation between car makers and the transporters
- ✦ Transporters see collaboration as another mechanism for OEM's to reduce cost
- ✦ Trust is in very short supply
- ✦ Protective and restrictive practices rife

What should the finished car  
distribution business look like  
in 5 years time?



# OEM Feedback

- † Sustainable, efficient, multi modal service that knows no borders and is customer focussed
- † Quality – damage free and customer focussed (dealer, consumer, OEM)
- † Affordable and efficient and with more suppliers to choose from
- † Delivery service to run to time multi-modal, good capacity, flexible, pan-European, good communications, integrity, keep to lead time and if problems occur make everyone aware of the situation
- † Management through track and trace. The LSPs/3PLs to control flows as they have all of the information.
- † Environment – greener in every way.



# Feedback from Transporters

- † Increased utilisation of assets, dealers to be open 24/7
- † Standardisation; better planning, smoothing of peaks, different service levels and prices. For example standard and express, menu pricing,
- † Common IT formats
- † Standardised terms and conditions and contracts between countries. Deadlines not lead times
- † Industry forums/associations; free markets, joint lobbying, breakdown of national borders
- † Collaboration must give joint benefits – sustainable pricing for a sustainable industry



# Common Issues Identified

- ✦ 24/7 dealership opening
- ✦ Sustainable/affordable pricing
- ✦ Visibility/Track & trace
- ✦ Pan European/cross border
- ✦ Customer focus



# Routes to success

- Collaboration
- Consider all modes for everything
- Rail
- Water
- Flexibility
- Network optimisation
- New thinking
- A fair deal for freight from regulators



Can we create a truly harmonised transport system that integrates seamlessly across all levels from manufacture to end user?

Yes, but we must attract excellent people into our profession; we must collaborate to succeed and we must find solutions together that focus on tomorrow and not yesterday.



**Thank you for listening**

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