

Co-operate/collaborate scenario

Routes to a greener future
Towards more sustainable freight transport



Main menu

**The freight industry in the
21st century - Impacts and Risks**
10 mins

Responses
10 mins per case

Conclusion
5 mins

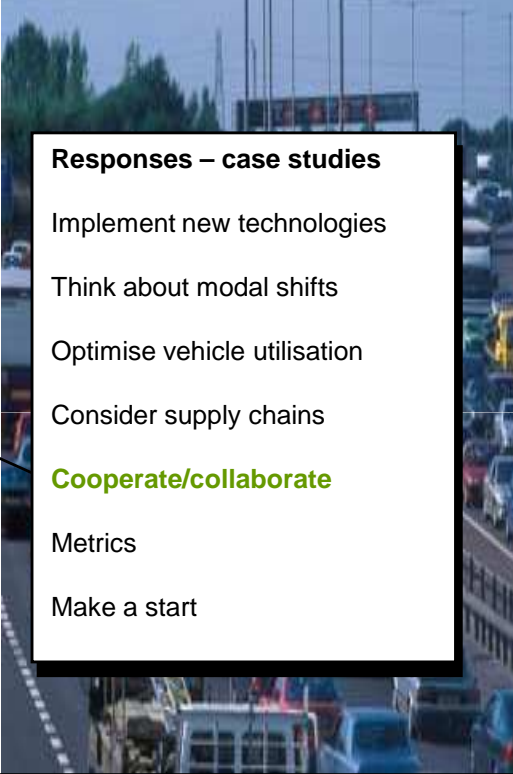

Links

Relevant legislation
Sources of loans and grants
Accreditation bodies
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Responses – case studies

- Implement new technologies
- Think about modal shifts
- Optimise vehicle utilisation
- Consider supply chains
- Cooperate/collaborate**
- Metrics
- Make a start

◀ ▶

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Co-operate and collaborate

This case study is about sharing information between partners in a supply chain to facilitate more environmentally sensitive freight transport.

The case emphasises, once again, that sustainable transport cannot be the responsibility of any one party within the supply chain, but must be the responsibility of all, if commercial and environmental benefits are to be achieved.

[Click here to start.](#)



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Introducing Nicole

Nicole is a Key Account Manager with Fast Tracks (FT), a large logistics provider. She is responsible for FT's customers in the electronics sector and is measured by the profit she generates. Nicole's role includes establishing an annual strategic development plan for each her customers. She would like to improve relationships with her customers as well as include some environmental goals in the next year's plan, though she knows that the latter is difficult as there is considerable pressure on prices in the transport industry and FT's services are very similar to those offered by its competitors.



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The learner clicks on each option to see arguments "For" and "Against" each one. In this case there are no clear right or wrong answers.

A poor relationship

At their regular review meeting, Nicole's boss tells her that he is unhappy that things are not going well with one of her customers, Sibellion Electronic, and FT loses money on the account. As a result, there is little trust between the two companies and very little information is shared. If there is no improvement in the next few months, FT may have to terminate the contract with this customer.

What would you suggest that Nicole does?

- Focus on other customers
- Talk to Sibellion about the possible consequences if nothing changes
- Analyse the situation to find out where the inefficiencies are
- Discuss the situation with colleagues


For	Against
Might be good for the other customers – they will get more attention and thus the business with them might go better.	This does not really solve the situation and thus does not give any insights into why things became bad – no learning effect – it could happen again.

For	Against
The customer will become aware of the situation and has a chance to influence it from his side.	This kind of information might not be received well by Sibellion. It might add to the already existing tension between both parties.



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Talking to colleagues


Nicole decides that she doesn't want to give up on Sibellion. She decides to exchange experiences with colleagues at Fast Tracks to understand their perspectives on customer relationships, information sharing and cooperation.


Click on each person to hear their opinion.


The learner clicks each person in turn. After they have clicked on all of the characters, they see feedback.

We cannot share information because we don't have the right systems for doing this.












Opinions about this kind of issue will vary widely in any organisation. People in different roles, levels and departments will have varying perspectives on the issues. So it is important to have a wide range of discussion to get a balanced perspective.

Sibellion have never given any indication that they want to share information with us – just look at their last marketing campaign – they didn't tell us till the last minute.

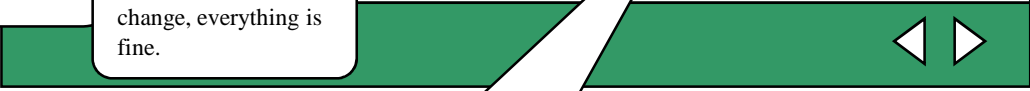







There is no need to change, everything is fine.

That's the way we have been doing business in all these years. It has brought us large success until now so it will continue to do so in the future as well.



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Internal issues


Nicole is concerned that many of the issues are the result of FT's own business procedures. So she carries out an investigation, and starts to prepare a summary of the issues for Giuseppe, her boss.

Drag each heading onto the report.

Report headings

- Competing targets internally
- Departmental rather than company optimisation
- KPIs do not reflect modern approaches to supply chain management
- No KPIs that reward environmental performance


Fast Track's business development staff have been trying to sell as many new services as possible to Sibellion even though our Key Accounts staff have already been tasked to improve margins on existing services. This has caused a loss of faith between the two organisations.



The learner drags a heading onto the "report", to match the heading with the report paragraph. If the heading is not correct, it slides back to its original position. Each time a new heading is added, a new paragraph appears until all are complete.

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Key stakeholders

Nicole is beginning to feel that she understands the key issues, so before she goes to talk to Giuseppe, she arranges to speak to some of the key stakeholders at Sibellion.

Identify which stakeholder might make each of these statements by clicking on them.

Product Manager

Environmental Manager

CEO

Procurement executive

The learner identifies who might have made each statement, by dragging it onto the appropriate person. The speech balloons slide back into place if the learner selects the wrong one.

We didn't get anything like the value we should have from our last marketing campaign. Of course some things are going to change at the last minute - your people just don't seem to be able to react quickly enough.

If only our packaging people could talk to you when they are working on designs! Then they could make sure that the packaging was the right size for your pallets. If we had known you were planning to change to Euro pallets we could have made sure that the cartons would fit without all that wasted space.

If only we had really regular meetings we could do more to optimise your loadings. It is terrible that we get so many half empty deliveries.

My management is getting concerned about its carbon footprint these days. But transport is quite an important part of that and we don't really have any influence over Fast Tracks. They don't seem to have any way of providing us data about emissions.

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Identify which stakeholder might make each of these statements by clicking on them.

That's right. Note that, just as within FT, within Sibellion there are many different views about the kinds of information that needs to be shared: packaging design, optimising loadings, marketing and pallet sizes were all mentioned. It's important that Nicole is clear about what needs to be prioritised.



Product Manager



Environmental Manager



CEO



Procurement executive

The learner receives feedback when all speech balloons have been dragged to the correct person.




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First the learner explores the options by click on each one. There are explanations for each similar to those shown here...

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What to do first?

Giuseppe is impressed by what Nicole has achieved, and tells her to submit a formal project plan identifying which issues should be prioritised

If you were Nicole, which do you think are the most important problems to sort out. Roll the cursor over each option for more details.

- Trucks to one particular Sibellion region often travel half empty...
- Need to communicate better about pallets and packaging
- FT doesn't want to share data such as fuel consumption
- FT and their subcontractors have no emission calculation system but Sibellion would like to have this data

1


2

4

3

5

OK



Furthermore, the trucks are often going back totally empty. Fast Tracks uses a subcontractor in the region in question, but the business relationship between Fast Tracks and this subcontractor is very weak and limited to ordering transports for Sibellion.

Fast Tracks also know that they cannot demand similar information from their subcontractors. This is information which is not shared between Fast Tracks and the subcontractor.

Then the learner prioritises the problems.

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NOTE: this is the same screen as shown on the previous slide.

Having prioritised the problems, the learner clicks on each one to see a possible response.

[Feedback] This is very important in the short term and could be addressed by better information sharing. Alternatively it might be possible to subcontract work in this region to another haulier who has spare capacity.

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What to do first?

Giuseppe is impressed by what she has achieved, and tells her to submit a formal project plan identifying which issues should be prioritised

>> Now click on each problem for feedback

- Trucks to one particular Sibellion region often travel half empty
- Need to communicate better about pallets and packaging
- FT doesn't want to share data such as fuel consumption...
- FT and their subcontractors have no emission calculation system but Sibellion would like to have this data



[Feedback] This is fairly important but probably not top priority. FT should discuss with Sibellion what would incentivise them to share data and whether a confidentiality clause would help.

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An expert's view

Finally, Nicole seeks the advice of Dr. Rasmusson from the Institute for Transport, Innovation and Sustainability. Dr Rasmusson comments that these are the most common issues relating to information sharing between organisations:



Click each one to find out more.

- Companies work in isolation
- Lack of networks
- Users of logistics services have little incentive to ask their suppliers improve their environmental performance
- Addressing just one aspect of a system cannot bring sustainability

Companies typically think about their own requirements and place too little value in the overall system. They often feel that they can solve everything by themselves and that they must react completely independently.

There are unfortunately few networks for buyers and providers of transport services and where they could exchange experience and share information away from the pressures of day to day business.

If transport is seen as an external service provided by a third party and as having nothing to do with the company that buys those services, then neither side may feel any responsibility towards issues of sustainability.



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Time for action

Having now heard Dr. Smith's advice, Nicole prepares her final list of recommendations. Giuseppe congratulates her on her proposal, which suggests that Fast Tracks should:

- Provide data on emissions to clients
- Hold regular joint discussions with client in order to share information
- Establish networking with other logistics companies (including subcontractors) in order to explore capacity issues
- Introduce internal environmental KPIs
- Review departmental targets in order to make them internally consistent

OK



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Conclusion and further information

That's the end of this scenario. It looked at a range of issues in the area of sharing information. The main areas covered were:

1. Gathering opinions and perspectives from within your own organisation
2. Understanding the business objectives of customers and suppliers
3. Prioritising actions that can bring results

You can access various resources from the main menu or from here:

A [pdf summary](#) of this case study

A [powerpoint presentation](#) of the main points made in this case study

A set of [weblinks](#)

