

CO³ : New Co-modal Test - Newsletter no. 1.2013

The project CO³ is driving the transition towards more collaborative freight transport in Europe. The latest insights on the added value in ICT logistics for horizontal collaboration and the first results of the synchronized intermodal shift of a collaborative community between Spain and Belgium are summarised below:

1. **Deliverable - Added value in ICT logistics horizontal collaboration:** This position paper describes and evaluates the role and added value of ICT in creating sustainable transport. The CO³ consortium is developing and testing a number of innovative concepts to organise sustainable freight flow bundling (LTL co-loading, FTL mode conversion) and FTL flow synchronization (backhauls, roundtrips and continuous asset moves) across multiple supply chains or logistics networks. An effective use of specialized information and communications technology (ICT) is a major critical success factor in achieving repeatable and scalable success in horizontal collaboration. An [executive summary](#) is available on the CO³ website and the full report is on request.
2. **Conferences:** CO³ will present at:
 - a. CO³ Workshop targeted at companies in the automotive sector (Valencia, May 2013). Please email contact@co3-project.eu if you wish to participate.
 - b. CO³ presentation in the [International Logistics and Material Handling Exhibition SIL](#), Barcelona, 18th-20th June 2013.
3. **New test case: collaborative community for synchronized intermodal transport between Spain and Belgium.** In April 2013, CO3 concluded a breakthrough test case for collaborative intermodal transport between Belgium and Spain. During a test period of 3 months, 4 major international shippers (Ontex, Baxter, Colruyt and Eternit) have successfully been working together to synchronize and balance their FTL shipments in both directions, creating “closed loops” with maximum asset utilization and minimal empty kilometres. Whenever possible, the shippers used short sea transportation between Zeebrugge and Bilbao, reducing total CO2 emissions by more than 30% in comparison with road transport. Logistics Service Provider C. Geerts Transport was selected by the shipper community to organize the door-to-door transport while Transfennica was responsible for providing the short sea know-how and capacity. CO3 partner TRI-VIZOR acted as neutral community manager and online trustee, optimizing and synchronizing the transport flows of the community in real-time. Between January and April, more than 60 trailer loads have successfully been shipped and delivered. As a next step and based on the collected test data, CO3 partners Argus-I and Kneppelhout will provide the collaborative community with the Shapley gain sharing solution and multilateral transport contract. A detailed report about this test case is foreseen to be published in the summer of 2013.
4. **New test case: Nestlé, Pepsico and STEF form partnership for collaborative retail distribution of fresh and chilled products.** On Feb. 26th in Bruges, at the 16th conference of the European Cold Storage and Logistics Association (ECSLA), PepsiCo and Nestlé announced that they have entered into a collaborative community for pooled retail distribution of temperature controlled products in Belgium and Luxembourg. This project already went live in Q2 of 2012 but was only recently announced after it successfully concluded its first year of operation. Pepsico and Nestlé have pooled their inventory of fresh and chilled products (Tropicana products, Herta packaged meat,...) in a multi-user distribution centre near Brussels and selected French logistics service provider STEF to create warehousing and

distribution synergies. Instead of using a traditional groupage model, the shippers and STEF are using an innovative joint pricing system to enable transparency of volume effects and gain sharing. CO3 partner TRI-VIZOR with support from the Belgian Association of Brand Manufacturers (BABM) helped the partners to set up the community and is acting as offline trustee to audit the gain sharing on a regular basis. The community is currently looking for additional fresh and chilled shippers, in order to expand the synergy effects. In the coming months, CO3 will use the learning from this test case to further fine-tune Shapley gain sharing and multilateral contract aspects. A detailed report is foreseen to be published after the summer of 2013.

www.co3-project.eu

CO³ POSITION PAPER:
ADDED VALUE OF ICT IN LOGISTICS
HORIZONTAL COLLABORATION:
IDENTIFYING THE NEED FOR AN INTEGRATED
APPROACH

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$$\varphi_i(v) = \sum_{S \subseteq N} \frac{|S|!(n - |S| - 1)!}{n!} (v(S \cup \{i\}) - v(S))$$