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Belgian chocolate producers announce smart transport bundling for distribution to the United Kingdom from a value added logistics cluster

Chocolates and pralines producers Caluwé Artisan Chocolatier and Italo Suisse signed a Memorandum of Understanding (MoU) in which they commit themselves to jointly transport their volumes to retailers in the UK. This transport pooling leads to a substantial improvement in the utilization of the deployed trucks which results in more cost-efficient and sustainable logistics. The initiative is linked with a collaborative logistics cluster that aims to strengthen the position of Belgian chocolatiers in export markets. POM Antwerp initiated this project with support from the European "CO3" project, the Flemish Region and the province of Antwerp. TRI-VIZOR and H.Essers are acting respectively as neutral orchestrator and logistics operator.

The Development Agency of the Province of Antwerp (POM) is responsible for promoting sustainable logistics activities in the province. Freight flow bundling offers significant opportunities in this field. To raise awareness by facilitating innovative pilot projects, is one of the main priorities of the POM Antwerp.

The idea of an Integrated Chocolates Platform (ICP), proposed by H.Essers and TRI-VIZOR, was initially explored in a project commissioned by POM Antwerp. This concept was found to be viable and was developed further with support from Collaboration Concepts for Co-modality (CO3), a European program that aims to develop, professionalize and disseminate information on the business strategy of logistics horizontal collaboration. In CO3, a consortium of 18 European organizations, including TRI-VIZOR, work together to deliver a concrete contribution to increasing vehicle load factors, reducing empty movements and stimulating co-modality through horizontal collaboration between shippers. The goal is to reduce cost and transport externalities such as congestion and greenhouse gas emissions without compromising the service level. The CO3 consortium promotes and facilitates matchmaking and knowledge-sharing through conferences and practical workshops. It also wants to apply innovative tools and best practices in real-life test cases, in order to increase the market acceptance of collaboration.

The ICP platform bundles a number of value added logistics activities, such as co-packing, inventory management, shipping, and now also temperature controlled transport for multiple shippers. Transport bundling of product flows is a lot easier when it starts from a logistics cluster, because then goods can be co-loaded and shipped from the same address.

The ICP is an example of smart logistics. The integration of value added logistics services in a cluster creates economies of scale. This allows small and medium sized chocolatiers to excel also in logistics. Thus, the ICP can contribute to strengthen and anchor production of a high quality product, in this case Belgian chocolates, in a regional economy. "POM Antwerp responds here to a practical need from the industry. POM has already made its mark in the chocolates business. A few years ago we won the Air Chase competition of VIB (the Flemish Purchasers Association) with a project in the city of Lier, where two peers, Gudrun and Leaf Distribution, share space on the same industrial site", explains Luc Broos, director of POM Antwerp.

Neutral orchestrator TRI-VIZOR guided the pilot. "A survey of the industry showed that chocolatiers often struggle with their logistics, it is clearly not their core business. They are willing to outsource logistics services, including transportation. They are also open for horizontal collaboration in this area", says Bart Vannieuwenhuyse from TRI-VIZOR.

Logistics service provider H.Essers was selected to perform the specialized logistics operations at their site in Kampenhout. "In recent years our site in Kampenhout has become a cluster for co-packing for various chocolatiers. Pooling of transport to different markets from a common platform is much easier. Through the project of POM Antwerp and using the best practices of CO3, we were able to prepare a regular shared bus service with the help of orchestrator TRI-VIZOR", says Erwin De Pooter of H.Essers.

Chocolatiers Caluwé Artisan Chocolatier and Italo Suisse were the first to sign a Memorandum of Understanding (MoU) in which they engage to bundle their volumes to the top five retailers in the UK. A regular and punctual service was started up with 3 dedicated trucks a week. For that transport H.Essers makes use of transport services of own and external transporters. TRI-VIZOR acts as neutral trustee and orchestrator. "For us it is particularly interesting that for all the logistics services we have one single point of contact", says Koen Caluwé. "Our various partial loads can be injected into the regular bus service. This allows us to avoid the much more expensive groupage tariffs", adds Kevin Hoorne from Italo Suisse.

The inventory and transport bundling creates both an efficiency improvement through better utilization of trucks deployed and an improvement in service to the customer (the retailer) by a higher delivery frequency. Instead of a delivery of only once a week, now for the main destinations a frequency of three times a week is guaranteed via the bundled shuttle. This increase in delivery frequency allowed the chocolatiers to convince their retail customers to accept a lower safety stock. "Through this shared corridor we can offer our Belgian chocolatiers smarter logistics solutions, making them stronger and more attractive for their retail customers in the UK. This clustering concept is fairly easy to copy to other markets", continues Luc Broos from POM Antwerp.

The savings in total logistics (transportation and inventory) cost for the chocolatiers are substantial. In this particular case, heavy weight products of Italo Suisse are combined with lower density products of Caluwé. This makes the improvement in truck capacity utilization even more substantial.

Through simulations, it was shown that the total number of trucks required to transport products to the UK can roughly be cut in half. Before bundling an average load of 13 pallets per truck was reached. In the shared shuttle service this number of pallets per truck can be doubled. The better utilization of truck capacity means a serious reduction of vehicle kilometers, resulting in nearly 100 tonnes of CO2 eq. savings per year. A good example of the role of horizontal collaboration in sustainable transport.

The collaborative chocolate shuttle to the British retail market will undoubtedly attract a lot of interest from other shippers. Other chocolatiers who join the community will benefit from the consolidation and gain sharing effect. "This is an open invitation to join this chocolates cluster. This pilot project is closely followed by the other POMs in Flanders. We intend to join forces and share experience to make this project a success", says the director of the POM Antwerp.

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