Agenda

1. Why Citylogistics in the City of Copenhagen?
2. From idea to concept
3. From concept to reality
4. Status of the project "Citylogistik-kbh"
5. ?
Why Citylogistics in the City of Copenhagen?

Our 3 overall goals:

• Green growth
• CO$_2$-neutral by 2025
• Green mobility

(The City of Copenhagen Municipal Plan 2011)

"To make mobility in Copenhagen more efficient and green in order to stimulate growth, contribute to a CO2-neutral city and to ensure a good life for Copenhageneros"
Why Citylogistics in the City of Copenhagen?

Challenges:
• A medieval city centre with narrow streets
• Congestion
• Air and noise pollution,
• Safety issues

Possibilities:
• Use existing infrastructure more efficiently
• Using existing technologies and knowledge to run transport operations in the city centre in a more intelligent way
From idea to concept

- The Citylogistic-kbh project is one of 12 initiatives in the City of Copenhagen’s "Strategy for Heavy Goods Vehicles" from 2009.

- The Dutch concept "Binnenstadservice" as an inspiration has been included in the Ministry of Transport’s "Efficient Transport in the Cities" ("Effektiv godstransport i byerne" okt. 2010)
From idea to concept

Involvement of stakeholders

Partners in the project:
• Copenhagen Business School
• Technical University of Denmark
• Roskilde University
• (City of Copenhagen)

Co-financed by the Danish transport Authority

Workshops and meetings:
• Dialogue with shopowners
• Dialogue with transport operators

Advisory-board
• Kjøbenhavns Vognmandslaug
• Københavns Speditørforening
• DI Transport
• Danske Speditører
• Fagudvalg Lager og Teknologi
• Dansk Transport og Logistik
• Dansk Erhverv Detail
• Københavns City Center
• HORESTA
• Indre By Lokaludvalg
• Miljøpunkt Indre By
• Göteborg Kommune
From idea to concept

Consolidation center concept

Without UCC

Supplier

Shop/Customer

Supplier

With UCC

Shop/Customer

Citylogistik®
From idea to concept— Win Win Win

**Shops**
- Knowledge of when the shipments will arrive and also the possibility of having many bundled deliveries. This makes it easier for the shop to plan their day and allocate resources to handle the shipments upon arrival.
- Driver with knowledge of the city centre and the shop.
- Possibility of external warehouse facilities and removal of waste (empty boxes, plastic etc.). This gives the shop possibility to optimise the use of expensive m2 in the city centre.
- Possibility of getting additional logistic services from the Citylogistic operator.
- Possibility of a green profile.
- The city centre becomes more attractive to visit and shop in.

**Transport operators**
- Saving cost and time with delivery to urban consolidation centre instead of the city centre.
- Possibility of better consolidation in transport operations.
- Avoid restrictions in city centre.
- Improved delivery conditions at the urban consolidation centre.

**And for the City of Copenhagen….**
From concept to reality

Find the entrepreneur

New consortium:
Citylogistik-kbh (the service and transport provider),
Technical University of Denmark (DTU Transport),
The Transport Innovation Network (TINV)
Copenhagen Business School (CBS)

• The consortium have received funding from the Danish Transport Authority for a 3 year demonstration project in the inner city of Copenhagen with startup in June 2013.

• The aim is to assure a sustainable business that assures that the concept of City Logistics will exist in Copenhagen beyond the 3 year demonstration period.

• If Citylogistik-kbh does not show confident results after the first 1 ½ year, the Danish Transport Authority have the possibility of closing down the demonstration project.
From concept to reality

- Start up in Copenhagen with first customer in September 2013.

- The City Logistic provider Citylogistik-kbh have an existing Urban Consolidation Center and electrical cars.

- Perfect location of Urban Consolidation Center (Close to the Highway and close to City Center).

- Use of electrical cars for delivery (Buddy and Peugeot Partner van).

- Same 2 drivers in the inner city every day = building up trust to the shop owners.

- Being in the inner city every day the drivers are getting a lot of valuable information about potential customers and the general transport and delivery situation in the inner city. The drivers use this information to work as sales managers at the same time.
From concept to reality

**Getting customers:**

- Since start up 10 customers have joined.
- Difficult to find the right person in charge that is able to make the decision of using the Citylogistik-kbh service.
- Longer response time than expected from first contact with the shop is made to the first actually delivery (average 3 months).
- For some costumers there is a need to have Citylogistik-kbh approved by their suppliers as a new transport operator.
- Using Citylogistik-kbh is initially an additional cost to the shops.
- Low earnings in the shops make them sensible to extra costs.
From concept to reality

The services:

• Citylogistik-kbh focus in explaining the customers how the extra cost of using the City logistic service can add value to the shop in e.g. time saved, storage saved etc..

• Citylogistik-kbh provides the following initial services:
  – Coordinated deliveries to the shop
  – Checking the shipments on behalf of the customer
  – Handling the shops shipments out of the city
  – Handling the returnable packing waste of customers

• More services will be introduced when Citylogistik-kbh have more experience in handling the goods.
From concept to reality

Every customer has special needs:

• Since every customer have different volume of goods and needs setting the right price is more difficult than expected.

• Customers are offered a 3 month trial period at what is believed to be half price.

• After 3 months the customers have had the chance to see how using City Logistics actually add value to their business, and a realistic price can is agreed with the customer.

• Citylogistik-kbh try to get customers in relatively same area to optimize their daily transport.

• Citylogistik-kbh is experiencing that the initial customers spread the news of the benefits of using the concept to neighboring shops.
From concept to reality

Other suppliers and transport operators

• In addition Citylogistik-kbh has just started cooperating with a local network of transport operators. This gives them the possibility of handling goods deliveries of other transport operators to the inner city. In reverse they use the other transport operators for deliveries outside the city center.

• Citylogistik-kbh is trying to get contact to some of the major suppliers to shops in the inner city in order to offer them the use of the City Logistics service.
From concept to reality

Stakeholders and co-creation:

- Citylogistik-kbh and partners have agreed to shift from a traditionally involvement of stakeholders to a more active co-creating perspective with stakeholders.
- So far different stakeholders with different perspectives on City Logistics have been invited to participate in the co-creation of the concept in Copenhagen.
- The aim of getting stakeholders to take active part in the co-creation process is to ensure a better end product (a sustainable concept of City Logistics in Copenhagen) and local ownership.
From concept to reality

Main Challenges for now:

• Getting a critical volume of goods in order to change from smaller electrical vehicles to a larger electrical truck.
• Getting enough customers!!
Questions
Contacts

Copenhagen Business School
Christina Bech Godskesen Andersen
cbga.om@cbs.dk

Citylogistik-kbh
Capser Svensson
cs@citylogistik-kbh.dk

City of Copenhagen
Tanja Ballhorn Provstgaard
tanpro@tmf.kk.dk

And more info is on the web-site: www.citylogistik-kbh.dk