

BESTFACT BEST PRACTICE CASE QUICK INFO URBAN FREIGHT

N° CL1_074

NAME OF CASE

Binnenstadservice Nederland: Inner city deliveries in The Netherlands

KeyWords:

Urban Consolidation Centres; Clean vehicles; Cooperation; Collaboration; Last mile delivery; Value added services; Access restrictions.

Case Logo:



Description:

Binnenstadservice Nederland is an innovative concept that has been applied for five years in 15 cities in the Netherlands. Binnenstadservice manages an Urban Consolidation Centre (logistics depot and distribution service) on behalf of retailers and other organizations located in the city centre. Goods destined for these retailers are delivered to this consolidation centre, by freight operators. At this centre, goods are bundled and delivered to shops in the city centre. Simultaneously empties/packaging/paper are returned to the consolidation centre.

Benefits:

- *Financial: reduced stockholding at expensive shop spaces, reduced time needed to receive/ship goods, reduced time loss for last mile delivery, thus about 10% cost reduction*
- *Benefits in the field of services: shop keeper pay a small fee for time consuming activities such as the collection of packaging material, empties, paper*
- *Benefits for society: less congestion, fewer delivery journeys, more liveable city centre, about 40% reduced CO₂ and pollutants emission*

Success Factors:

- *Cooperation of retailers to create a critical mass needed to set up such a service*
- *Start-up subsidy from local authorities*
- *Retailers pay for value-added services*
- *Ultimately: it leads to cost reduction for retailers, transport companies and shippers.*

Supported Strategic Targets:

- *More attractive inner city*
- *Reduced emissions*
- *Increased company profitability*
- *Increased efficiency/productivity of logistics processes*

Starting Point/Objectives/Motivation:

The main problems of urban goods distribution are externalities such as noise, congestion and lack of available parking and road space, accidents, air pollution and CO₂ emissions. This is normally caused by the fact that transport companies enter the cities for only a limited number of clients or a limited amount of cargo. As a consequence the number of freight vehicles is much higher than practically needed, resulting in mentioned externalities. Binnenstadservice Nederland developed a concept in which goods are delivered to a consolidation centre on the edge of the city centre. From there goods are bundled and the last mile to the retailers is performed with a high load factor, high density of delivery points and, where possible, with clean vehicles (bicycle, (e)cargo-bike, electric vehicles, natural gas vehicles).

Solution

Binnenstadservice started in the city of Nijmegen, as a non-profit initiative. Substantial efforts were needed to achieve sufficient retailer users and goods throughput. The concept is market-driven, although restrictive rules on urban freight transport clearly help to motivate both retailers, shippers and transport companies to look for more efficient urban freight transport. An innovative aspect of the Binnenstadservice approach is that it was a 'bottom-up' concept based on the needs of the retailers who decided that they wanted to receive their goods via the consolidation centre, as this provides them with many benefits.

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Case Description (Cont.):

The business model is based on the fact that the shopkeepers don't pay for the delivery of the goods. They however have to pay for the additional services provided by Binnenstadservice (collection of packaging material, empties, paper). It is the transport company that used to deliver the freight to the city centre customers that now has to pay a fee to Binnenstadservice. Then Binnenstadservice bundles the freight and contracts it out to one logistics service provider per city. Binnenstadservice needs a lot of retailers to join to create the critical mass to make it successful. In many cities Binnenstadservice started with a public subsidy to allow time to encourage the shopkeepers to participate.

Case Description (Cont.):

In addition it would be helpful if shippers required their logistics service providers to deliver their goods to the Binnenstadservice consolidation centre, and not direct to the shopkeepers in the city. Binnenstadservice does not operate its own warehouses and vehicles, instead the operations are subcontracted to one logistics service provider in each city.

In the five years since the launch of Binnenstadservice in Nijmegen, it has been rolled out to 13 other cities in the Netherlands. The approach should be transferable to other cities across Europe.

More information:

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Transport mode or supply chain elements:

- Road transport
- Urban distribution/consolidation centre

Main actors involved

- Retailers
- Transport companies
- City authorities

Pictures:

Binnenstadservice van and operations in Tilburg, NL



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BESTFACT 2013