NAME OF CASE

Mutual Distribution Service departing from Le Havre

KeyWords:

Freight consolidation and transhipment; Business to business (B2B) solutions, cooperation; Competitive aspects: collaboration (with competitors), prioritisation on infrastructure and in nodes; Communication between businesses and authorities: coordination, consultation

Case Logo or Picture:

Description:

Shipping companies Buffard Logistique and Bostyn, freight forwarder BLD International, and shippers Braid Logistics and Chauss’Europe are united in an SME group to economically manage their Le Havre import and export flows.

To reduce costs, five hauliers, freight forwarders and shippers have pooled their flows departing from Le Havre. A platform groups members’ orders and then breaks them down according to needs in or outside the network. The system must be able to collect lots, transport them and ensure bundling if necessary.

Benefits:

The experiment has allowed a mutual distribution system (MDS) to be defined and created for optimised collection and distribution of lots. It saves time in terms of organising shipments, guarantees a better filling rate and allows routes to be optimised. Therefore, the framework in place can respond to a request for transport capacity within half an hour. In the low range, it is estimated that the number of lorries on roads easily decreases by 15-20%.

Success Factors:

The charter of corporate behaviour doesn’t create any coercive setting, but it creates a necessary climate of trust. The trusting relationship between members is essential, as well as the reliability of services and the involvement of management and teams from each company.

The role of consultants was instrumental in designing the information system and framing contractual relations, especially between competing partners.

Supported Strategic Targets:

Ideal utilisation of infrastructure; Competitive logistics and transport system; Balanced provision of goods and services; Increased efficiency/productivity of logistics processes; Increased company profitability; Increased competitiveness; Increased safety and security; Limited climate change; Reduced emissions

Starting Point/Objectives/Motivation:

The story began in the summer of 2007, when the Port of Le Havre quays were burdened with containers, and Le Havre shipping companies were facing a shortage of lorries. So the objective was to pool the flows departing from Le Havre in order to reduce costs as well as carbon emissions.

Previously, each company chartered a lorry to eight destinations (including Lille, Orléans, Lyon, Rennes, Montpelier and Barcelona), equal to 48 lorries on the road. Since establishing the mutual service, the companies load shipments in one lorry for a single destination, so there are eight lorries on the road.

This mutual distribution service allowed for the shipment of more than 600 pallets in 10 months.

The possibility of additional companies joining would increase volumes and convergence. In fact, a study of flow shows that the potential for consolidation is estimated at 270,000 pallets or 120,000 tonnes. A “toolbox” was developed to help professionals who wish to initiate this type of approach.

European funds have helped get it off the ground. The State and public territorial actors also gave subsidies.
While Bostyn takes care of the collection and distribution of its goods and those given to it by Chauss’Europe, Braid Logistics and BLD International, at the port of Le Havre and throughout France, Buffard Logistics receives packages, adds its own cargo and consolidates lots. It also carries out transit, customs and vehicle search operations for the five partners.

This mutual distribution service is based on a charter of corporate behaviour, co-written by each of the participants. Companies that might otherwise compete with each other are committed to working within a framework of respect for competitors and exchange of information.

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This action is based on collective and individual support from the five Le Havre SMEs (hauliers, logistics service providers and a shipper) and was the subject of the tool boxes made available to the companies (design, implementation, a common information system, navigation actions and digital prototype specifications) to learn everything there is to know about collaborative logistics adapted to this type of MDS and so they could reproduce the model elsewhere.

Transport mode or supply chain elements:
Each member navigates to one or more destinations departing from Le Havre, a destination where he has a performance requirement with regard to the delivery of goods on time.

Actors:
- hauliers
- freight forwarder
- shippers
- logistics consultants

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