LOG!VILLE

WHITEPAPER

COLLABORATION IS KEY IN FUTURE OF LOGISTICS

The open ecosystem is the model of the future. Therefore, logistics companies are increasingly and continuously looking for new ways to collaborate in which they can actively share infrastructure and data and together build sustainable supply chains.

Proximus entered a debate about the challenges facing the logistics sector with some of the industry's leading players. It was no coincidence that the round table took place at Log!Ville, the innovation center for the logistics ecosystem of which Proximus is a partner.

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Hans Schurmans, Director Logistics Proximus

CO2-NEUTRAL
SUPPLY CHAIN

"Our ambition is clear," says Hans Schurmans, Director of Logistics at Proximus. "By 2030, we want to achieve the first CO2-neutral supply chain in Belgium." Proximus takes this ambition very seriously. Sustainability plays a central role in our strategy, just as the development of our network, as it is one of the key pillars that steers Proximus' actions of today and tomorrow. The green commitment is reflected in all kinds of initiatives: from the recycling of smartphones to the exclusive use of green energy.

BEYOND OUR
OWN BORDERS

Commitment to sustainability requires a company to look beyond its own borders. In order to achieve a CO2-neutral supply chain, Proximus has to eliminate not only the CO2 emissions of its branches and internal transport, but also those of external transport. In this context, Proximus is one of those involved in the CULT project in Antwerp. CULT is one of the drivers for the CO2-neutral transport of B2C deliveries from Proximus and successfully combines these with volumes from other partners.

A NEW LOOK AT LOGISTICS

According to Kris Neyens, Manager of Internationalization at VIL, the Physical Internet (PI) is the catalyst for emission-free logistics. The Physical Internet is "a system of systems" that aligns transport volumes and transport modes via the exchange of data. "We expect the PI's first mainstream applications in ten to fifteen years," says Kris Neyens. "But we already see an acceleration and traction at Belgian ports and airports. We realize that we need to reinvent ourselves and redefine our operating business model as the landscape, where sustainability is becoming a protagonist, is rapidly evolving."

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[Innovative technologies]

"The Physical Internet is essentially about collaboration," says Hans Schurmans. "Through the PI, you can always offer the best solution in terms of transport and logistics. This is very different from today's reality, where companies have a permanent contract with a transporter or a logistics service provider. The big challenge is having an overview of what is available to meet your specific needs."

The practical use of the PI still seems a long way off. "But we can already anticipate to its rise and think about its various aspects, such as security, data storage, and physical infrastructure," says Anne-Sophie Lotgering, Chief Enterprise Market Officer at Proximus. "It will be of the utmost importance to have the right data available and obtain the necessary insights." And that works best within the context of an ecosystem of partners. "Standardized services are also essential for this," complements Erik Lamoral, CIO of H.Essers, "otherwise you can't work together."

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We realize that we need to redefine our operating business model.

Kris Neyens, Manager Internationalisation VIL

SUSTAINABILITY BY DESIGN

The ambition to achieve an emission-free supply chain begins with the emission-free companies that make up that supply chain. One vision that contributes to this goal is that of sustainability by design. "It is an approach that allows the CO_2 footprint of a product to be taken into account right from the start," says Jurgen De Wever, Strategy Manager at Siemens. Instead of calculating the emissions at the end of the development cycle, the aim is to map the possible emissions during the design phase and to reduce them as much as possible.

New technology, such as design software, embeds the carbon footprint as an additional requirement for the design, just as there are requirements in terms of safety or user-friendliness. "Sustainability is not only about the green character of a product," says Jurgen De Wever, "but also about the conditions in which it was produced, human rights, and so on."

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Security really needs to be embedded in the digital systems, precisely because the value of the data is so important.

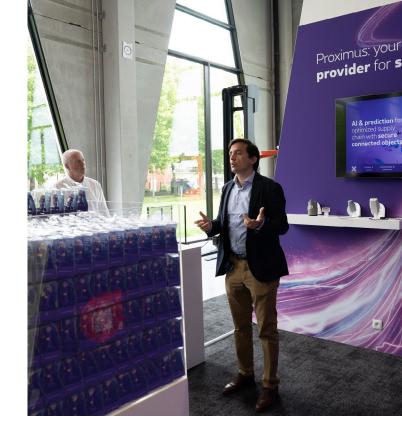Jurgen De Wever, Strategy Manager Siemens

STRATEGIC VISION

European companies can count on a great deal of support in their search for innovation, but at the same time they very often run into a sprawl of rules and procedures. Nevertheless, it is all about having the courage to rise and seize the opportunity, even if there is a chance that a project might fail. This requires a clear, strategic vision of sustainability.

New technology can play a crucial role here. Consider the potential of 5G within the logistics sector as an enabler of innovation, including the use of automatic vehicles and drones, the use of smart glasses and all kinds of automation based on IoT and AI. "5G makes it possible to leverage IoT with large volumes of connected things and drive new insights and business models," says Michael Dekegel, Sales Manager at Proximus. "5G-Mobile Private Network (MPN) in particular – where all data remains local in a secure and smart environment– offers a lot of new possibilities, even in warehouses."

NEW TECHNOLOGY, DIFFERENT APPROACH

Technology can make existing processes more efficient. "Our concrete challenge is that we are spread across different locations in the port," says Tamara Tanghe, Director Facility at Commodity Centre Belgium, "this results in a significant amount of inter-warehouse transport" In the same way, we see a lot of road transport between airports today. "That's really not sustainable," says Kris Neyens. "It proves that you should not view a supply chain as a separate entity, but as part of a larger whole. Perhaps technology can help in this respect."

However, the use of new technology often requires a different approach. "Imagine you want to count cars on the quay with a drone," says Anne-Sophie Lotgering. "The investment in barcodes means that it is currently cheaper to count manually. But if you can also read all kinds of other information through that barcode, the business case changes completely. It's about looking at the bigger picture."

DATA AS A RAW MATERIAL

After all, the data that becomes available in this way can form the raw material for something else. "We are already applying this principle to the refurbishment of aircraft," says Hans Schurmans. "We document the errors and damage we notice on the devices. This allows us to negotiate with the supplier, for example because we know what is prone to breakage on a device." This allows the producers to improve their production process.

"So, we no longer perform quality control at the end of the production line, but throughout the entire line," says Jurgen De Wever. Of course, it is important to have the right data – and in a secure way. "A policy on IT governance is therefore not enough," says Jurgen De Wever. "Security truly needs to be embedded in the digital systems, precisely because the value of the data is so important."

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SHARING DATA SECURELY

At the same time, it is this aspect that prevents companies from being ready and willing to share data. "In last-mile logistics, we see that companies shy away from sharing data," says Hans Schurmans. "And yet that's essential to make it work. There has to be a way in which companies can share their data securely with partners." PI Living Labs and Citadel are investigating this.

"They're looking at how you can keep your data safe on your own systems and share it exclusively with another partner in your ecosystem," explains Kris Neyens. "Security really does have to go to a higher level, and at the same time you always have to stay in charge of your own data."

PEOPLE AT THE CENTER

A mindshift is needed in the evolution towards an emission-free supply chain. In such a way that, despite all the automation and digitalization, we are still able to value the role of human beings. Employees remain essential to the success of a company. "But if you achieve success and want to scale it, you won't find the people to do that today," says Jurgen De Wever. "Furthermore, the shortage of the right profiles can perhaps be partially solved at the moment through automation and digitalization, but in the long run that won't be enough." Small businesses often face an even bigger challenge in this context.

"At Essers, we are looking at how we can deploy AI," says Erik Lamoral, CIO at Essers. "And we are doing that step by step, case by case." However, the pursuit of a more efficient, workable supply chain is not only based on the use of new technology. "To give an example," says Hans Schurmans, "at Proximus we went from D+1 to D+2 for our deliveries (delivery on the second day after the order – Editor's note). At the same time, customer satisfaction remained the same. In this way, we can remove unnecessary pressure from the supply chain." It turns out that customers do not always need their new devices delivered at home the very next day.

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