

The Potential for a Regional Electronic Logistics Marketplace: The Case Of Wales

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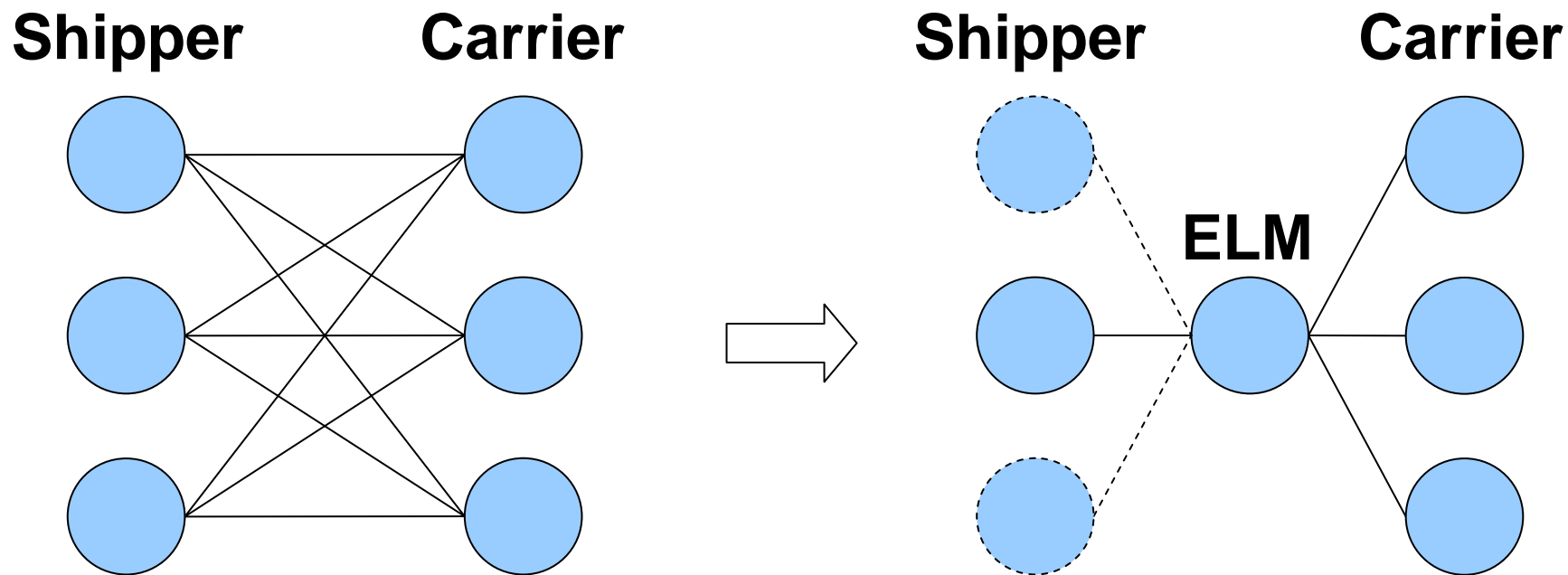
LRN Conference 2008, Liverpool



Coverage

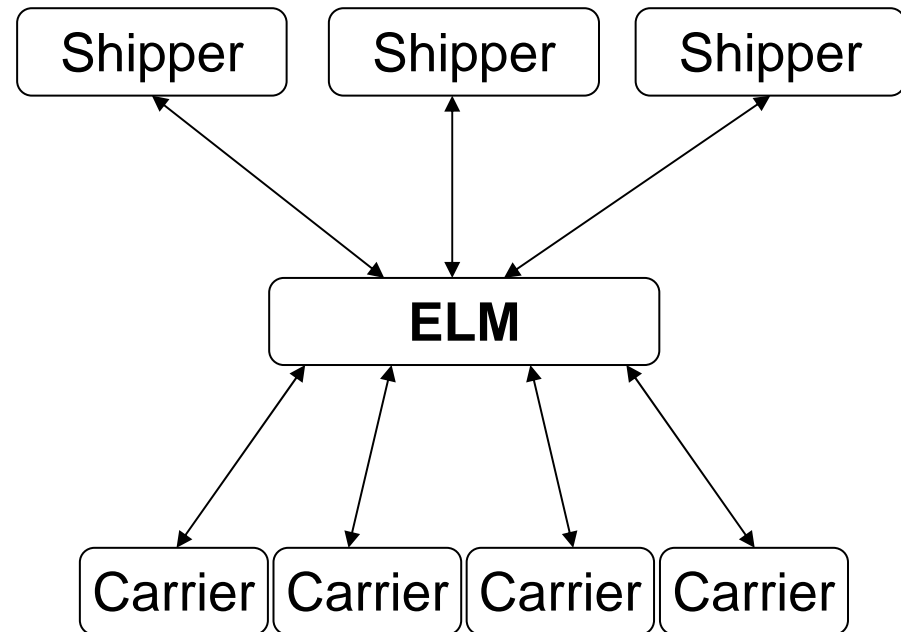
- Introduction
- Motivation for the research
- Method
- Findings
- Learning Points and Conclusion

Definition



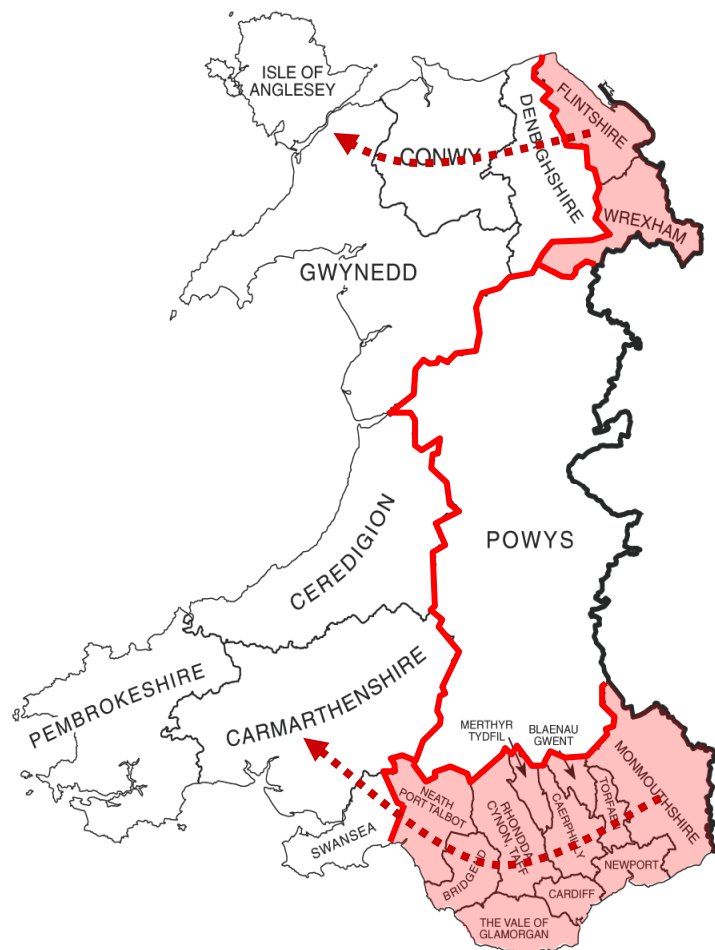
Concept of a Regional ELM

- Most ELMs are led by a member of the supply chain
- With a regional ELM,
 - Ownership remains independent (neutral)
 - Focus on a geographical region
 - Some government involvement
- Limited number of examples
 - Twintowns.com
 - RegWa.net
 - e-Freight Logistics



Road Freight in Wales

- Volumes
 - 60 mt domestic flows
 - 30 mt to Wales
 - 30 mt leaving Wales
- These volumes are dominated by food transport, with bulk products such as steel, building materials and timber also important.
- Largely focussed into two main areas



Motivations for Study

Government

- Wales Freight Strategy focuses upon sustainable distribution
- Suggests an electronic information service
- Many SMEs which may not be able to afford their own ELM

Research

- Limited studies on closed ELMs
- Even fewer on regional ELMs
- Focus upon systems that already exist

Research Questions:

- What are the technical, managerial and attitudinal capabilities of potential users of the regional ELM?
- How do these affect the development of a regional ELM?

Method

- Qualitative
 - Three focus groups and 6 semi-structured interviews, covering key sectors;
 - automotive, steel, timber, road haulage and food
- 3 case studies
 - Case A: a piloting pan-industry ELM in Scotland.
 - Case B: an unsuccessful regional ELM in the UK.
 - Case C: a physical, urban consolidation centre.

Barriers and Enablers

Enablers for use	Freq.	Barriers to use	Freq.
Clearly defined and demonstrated benefits	14	Culture change needed for collaboration	16
Broad scope and functionality	11	Nature of the Welsh logistics network	12
Target at powerful players	8	Value proposition currently unclear	12
Complement other business objectives	6	Potential impact on profit margins, especially carriers	11
Encourage long term relationships, no auctions	4	Constrained by current capabilities, networks and attitudes	11
		Critical mass needed	6

Case Findings

- **Case A: a piloting pan-industry ELM in Scotland.**
 - Look to improve competitiveness from network optimisation
 - Most small carriers use telephone/fax and so need training for the ELM
 - Scepticism and reluctance from carriers
- **Case B: an unsuccessful regional ELM in the UK.**
 - Needs to be developed at the right time, to the right customers and with the right functions
- **Case C: a physical, urban consolidation centre.**
 - Strong leadership and sufficient funding needed from government
 - ELM and physical consolidation are compatible but the links should be developed later

Generic Learning Points for Regional ELMs

- They need strong initial support to demonstrate benefits
- A critical mass of users needs to be developed over time
- Users need to have the capabilities to utilise the system
- Need to have complementary flows
- What is meant by regional?

Conclusions

- Regional ELMs do offer an alternative to company orientated systems
- However, it is important that the system is appropriately designed and that there are clear benefits
- Despite being neutral, carriers are still reluctant to participate
- In Wales, there are issues related to the
 - Nature and capabilities of the logistics network
 - Product related constraints affecting optimisation

Future Activities & Research

- WAG is helping to support ELM introduction in a number of companies
- The Wales Freight Strategy has an emphasis on multimodal transport
- More research is needed on how ELMs can enable this
- There are also opportunities to look at further best practice in Europe

Thank You!

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