

SAMILIC

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A RETAIL CONSOLIDATION CENTRE
FOR RETAILERS IN
LINKÖPING
CITY

LINKÖPING (SWEDEN) - 136,000 inhabitants

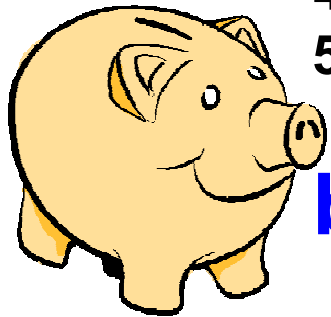
Small amount of goods is
unloaded at each unloading bay

Generates:

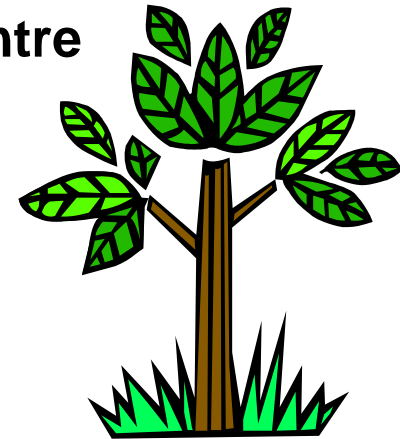
- Many stops per lorry (**costs a lot**)
- A lot of inner city traffic (**environment problem**)



- 1) Co-ordinated distribution to the city centre
- 2) Both parcels and mixed cargo
- 3) Consolidation centre outside the city centre
- 4) A common company
- 5) Other users



better profitability + **better environment**



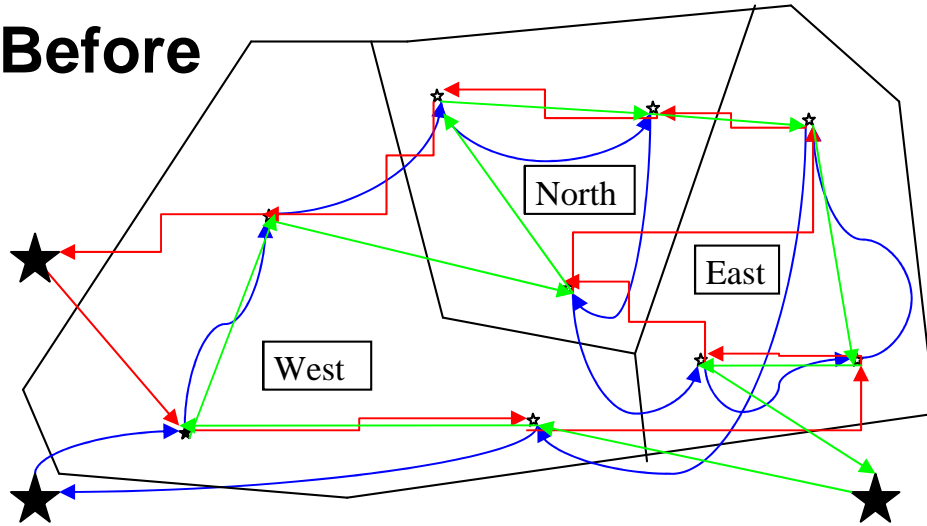
- 1) Three big freight forwarders participate
- 2) The city centre is partitioned in three distribution areas
- 3) The try period is: March 29 – May 28, 2004 (nine weeks)
- 4) The consolidation terminal is one of the participators
- 5) Mixed cargo to the city centre
- 6) Parcels to three shopping centres (one in each area)
- 7) Inform the retailers about the try

Purpose: Collect data and get experience before planning a permanent system

The pilot try - distribution

vti

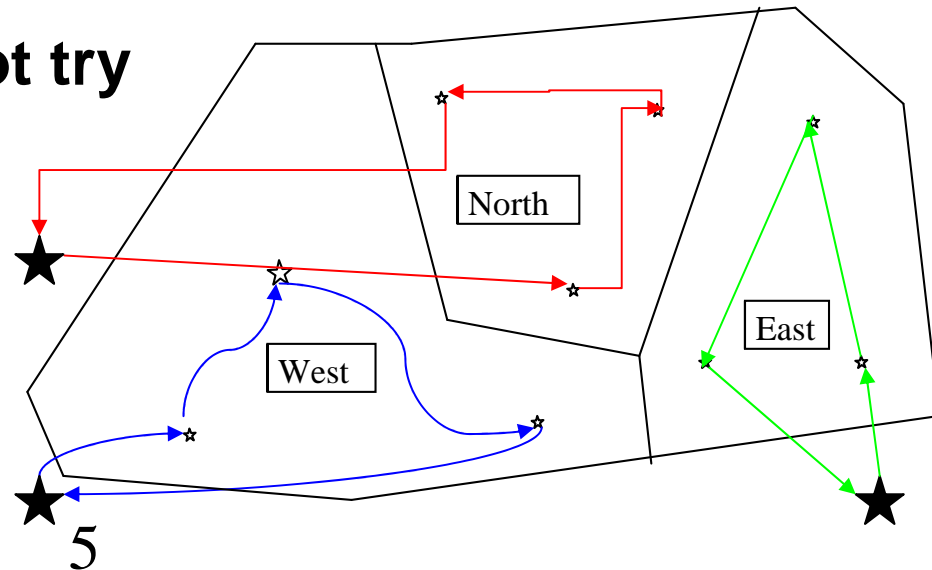
Before



Every retailer gets goods from up to 3 freight forwarders

The pilot try

Every retailer gets goods from only 1 freight forwarder



The pilot try - results

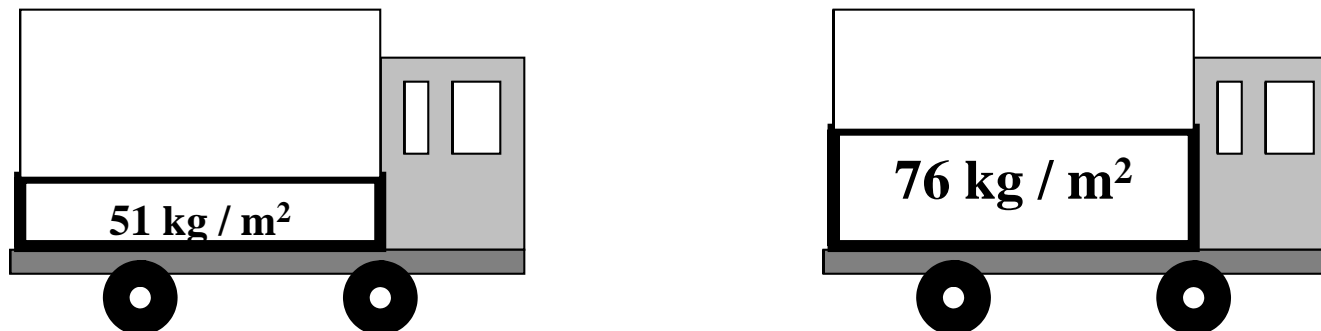
vti

- The number of stops decreases to **2/3**
- Total time at the loading bays decreases to **4/5**
- The number of driven kilometres in the city centre decreases to **1/2**
- Total time in the city centre decreases to **3/4**
- (The average waiting time at the loading bays was **4 min** / day & vehicle)

Loading

increases 50 % (from 51 kg to 76 kg/m²)

⇒ Reduction of the number of lorries: 33%

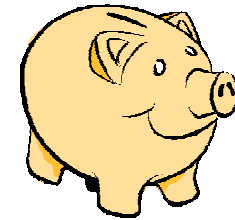


	without	with coordinated distribution
pallets/lorry	38,3%	50,1%
kg/pallet	28,3%	32,5%
kg/lorry	10,8%	16,3%

Advantages of co-ordinated distribution (1 & 2)

The distributors

Fewer lorries are needed \Rightarrow better profitability
Fewer stops \Rightarrow better working environment (drivers)



The city

Less lorry driving in the city \Rightarrow better environment



Advantages of co-ordinated distribution (3)

Retailers

Fewer small deliveries \Rightarrow less disturbances

Knowing when the goods is coming \Rightarrow better planning

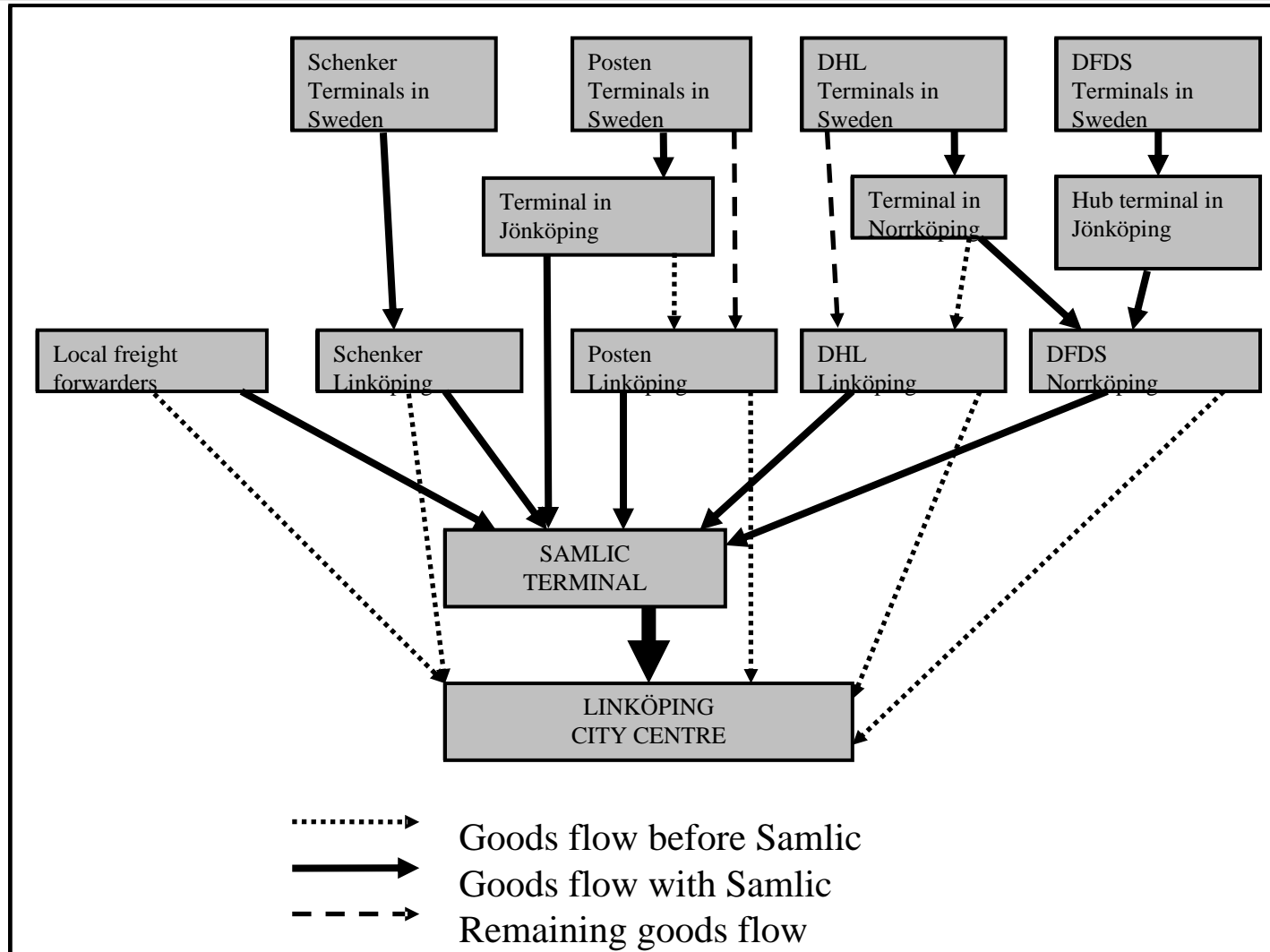
Knowing the drivers better \Rightarrow better working environment



- Choose type of company
- Establish a debiting and an economic model
- Acquire an IT/IS and an accounting system
- Staffing the company
- Define the sorting of goods procedure
- Settle time frames and lead times
- Routines for
 - a) goods reception/delivery
 - b) loading material management
 - c) complaint unravelling etc.
- Signing of agreements

SAMLIC – goods flows

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Changes in the logistic chain ⇒ a lot of extra unloading/loading avoided

decrease of cost – most important, the number of lorries decreases **from 9 to 6**

Increase of cost – extra costs for terminal, staff, administration etc., corresponds **roughly 1,3** lorries

Savings: corresponds costs for **1,7** lorries = **20 %**

SAMLIC – the actors decisions vti

Locally all actors (+1) would continue with a permanent system.
On the (inter)national level:

- » **Actor 1** – ok
- » **Actor 2** – IT/IS should be tested first
- » **Actor 3** – ok
- » **Actor 4** – trade mark is too important

Web address

vti

www.vti.se/samlis