

COLLABORATE TO SUCCEED

Lyall Cresswell



Collaborative logistics is key to easing the driver shortage issue, says Lyall Cresswell, managing director of **Transport Exchange Group**, the operator of two of the UK's fastest-growing independent freight exchanges, Haulage Exchange and Courier Exchange.



Much has been said recently about the driver shortage issue that currently faces the road transport sector, exacerbated by CPC training requirements and an increase in Christmas peak demand. The problem has for once even made it into the mainstream press, with talk of empty shelves in the High Street and understocked distribution centres across the country.

However, there have been few tangible solutions put forward that can tackle this potential impact on capacity within the UK supply chain within a reasonable time frame or do not require a long-term step change in how the industry is perceived by would-be entrants to the driver pool.

Any initiative designed to attract new blood to the sector, even if successful, is unlikely to have much

impact for a number of years, so what are operators expected to do in the meantime to overcome this skills shortfall? There is unlikely to be a single answer, but improved collaboration within the marketplace could deliver immediate results by maximising efficiency and utilisation from within the existing fleets of UK road transport operators.

A research paper published at the beginning of 2014 by the Centre for Sustainable Road Freight, a joint collaboration between Heriot-Watt and Cambridge Universities, claims that almost a third of HGV miles are driven without a load, which represents a 3% increase over the last 13 years. This suggests that much of the required capacity does exist, the challenge is finding an effective means of tapping into this under-utilised resource.

CHALLENGES

Of course challenges exist, and not all empty capacity will be accessible by any means, but companies do have the opportunity to achieve more by having an open mind-set based around collaborative efficiency as long as they are able to access the necessary mechanisms for sharing information and working together.

Freight exchanges have been helping road transport businesses to fill empty vehicles and trailers for a number of years and recent developments are making interactive co-operation between trusted business partners even more achievable.

Whether through providing access to the general transport marketplace or a more restricted closed user group of known trading partners, a freight exchange platform like Haulage Exchange can help connect operators to take advantage of available resources at any given time in the market. This approach also provides immense scalability to flex activity up and down where required. It encourages users to not just trade together but act collaboratively by providing the technological,



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billing and administrative support to develop trusted relationships and share the necessary operational data.

Furthermore, with the ability to integrate with complementary supply chain systems including vehicle telematics, freight exchanges are increasingly becoming a central hub that connect people, assets and data. By embracing and combining with the latest technology innovations and other essential business and operational tools it is becoming possible to create trusted networks, boost operational efficiency and increase profitability simply by being better connected.

Integrating a freight exchange with vehicle telematics systems provides an effective way of increasing levels of trust as well as achieving complete confidence that any loads will be delivered on-time and meet expected service levels. By making the live vehicle tracking data viewable directly via the freight trading platform, accurate location and status information of loads in transit can be shared between trading partners and customers in real-time.

Meanwhile, it is possible to match precise vehicle locations with already posted loads or even receive email notifications of new jobs that are suitable based on current or planned positions.

Freight exchanges can offer a highly flexible, responsive and simple to use solution that enables haulage and logistics operators to quickly and effectively share information about empty vehicle capacity and available work. All of this is making it easier to fill available space, eliminate wasted capacity and maybe just ease some the burden many operators are facing as a result of driver shortages.

There is often a view that the road transport sector is simply not set up to collaborate, but it has been robust enough in the past to adapt to changing market conditions. What is clear is that operators will need to find and deploy all of the unused or under-used latent capacity within the market if they are to meet growing demand, so effective collaboration could just hold the key. ■

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