Bord Bia
Irish Food Board

Supply Chain Strategy

Workshop

Model Logic Limited

21st February 2018

European Hub

Handout

How would you prioritise the factors for locating a European Hub?

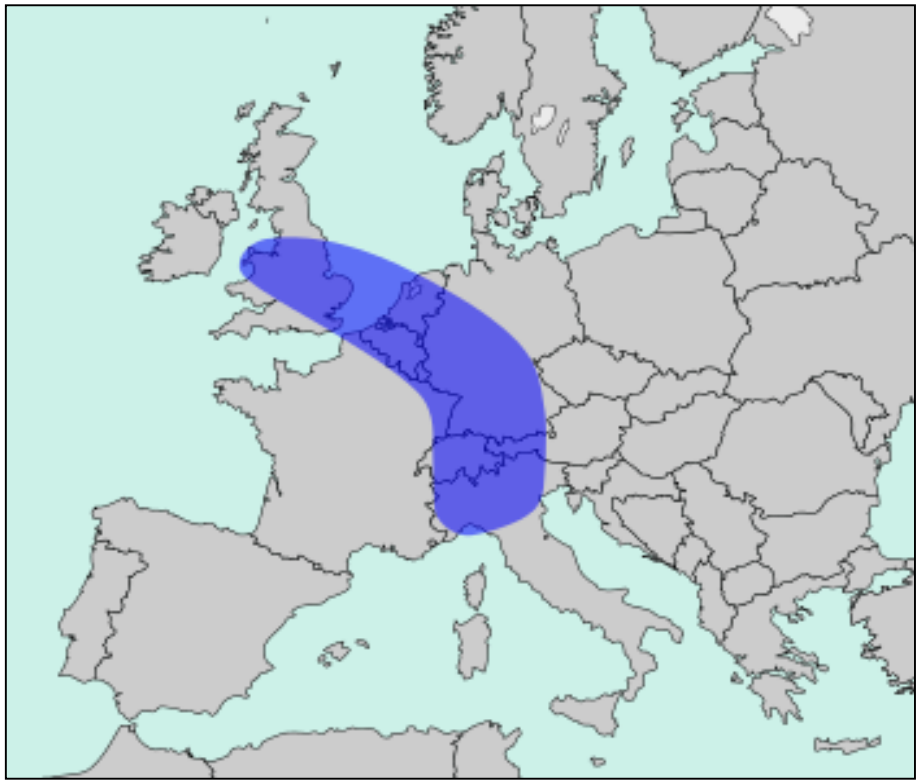
Location Selection Factor	Score
Infrastructure and Accessibility accessibility to European ports and market entry points and the quality of existing transport infrastructure	
Market Access the size and depth of the surrounding catchment area in terms of population, GDP and forecast GDP growth	
Operational Costs basic operational costs including comparable labour, rental and land costs	
Labour Market Capacity size of working population and volume of unemployment	
Logistics Competence specialised workforce and logistics indices	
TOTAL	**100**

European Hub – Location Scorecard



Hub	I&A	MA	OC	LMC	LC	Score Total	Grade
Dusseldorf	10	2	30	5	7	79	1
Brussels	6	4	34	10	3	78	1
Venlo	16	3	26	3	10	77	1
Rotterdam	1	7	38	7	8	76	1
Antwerp	2	9	27	13	11	75	1
Liege	13	5	20	16	23	74	1
Amsterdam	3	8	40	8	9	73	1
Lille	8	10	21	11	26	70	1
Hamburg	4	13	33	18	1	68	1
Frankfurt	27	1	37	19	2	65	1
Paris	14	11	39	1	4	63	1
Milan	15	15	31	4	19	59	1
Le Havre	11	16	22	35	28	57	1
Lyon	18	12	28	27	27	57	1
Bratislava	26	18	5	20	25	54	2
Munich	35	6	35	23	17	52	2
Rijeka	17	19	13	40	34	52	2
Barcelona	12	25	25	12	14	51	2
Prague	34	14	12	33	12	51	2
Budapest	22	22	9	29	22	51	2
Istanbul	5	37	18	2	5	47	2
Valencia	7	30	16	25	32	47	2
Upper Silesia	33	21	4	14	36	47	2
Poznan	31	20	3	37	31	46	2
Marseille	19	23	23	28	29	45	2
Bologna	28	17	29	31	20	44	2
Kiev	25	28	2	21	37	43	2
St Petersburg	9	33	15	24	40	41	2
Tricity (Gdansk, G	23	31	8	36	30	38	3
Warsaw	32	27	11	32	13	37	3
Moscow	20	32	17	9	39	36	3
Madrid	29	26	36	6	16	35	3
Izmir	21	38	14	15	6	35	3
Rome	36	24	32	17	21	32	3

European Hub – Blue Banana



City	Population within 9 hours drive
Frankfurt	190 m
Dusseldorf	163 m
Liege	153 m
Antwerp	143 m

Assumed driving speed of 80 kph (50 mph)
Populations as at 2013

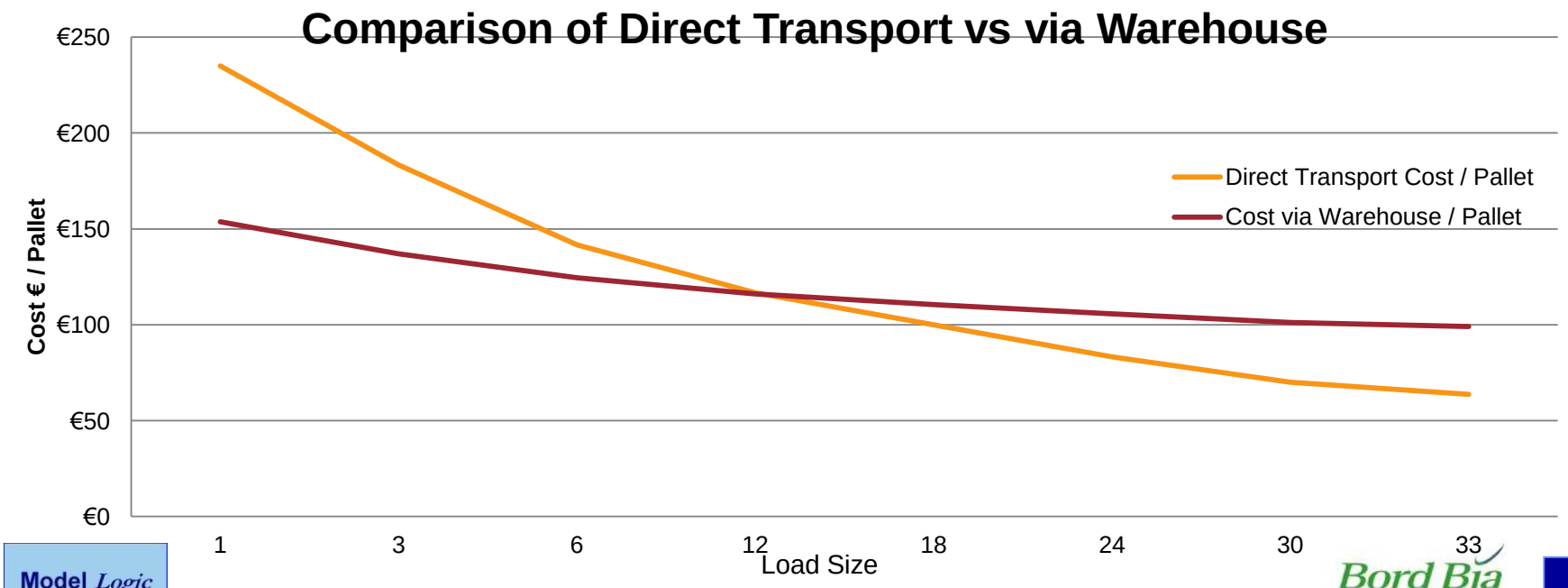
European Hub – Activity Costs

Handout

Cost Element	Rate	Units
Single pallet transport from Dublin to Dusseldorf		€/pallet
Full truckload (FTL) transport from Dublin to Dusseldorf		€/FTL
Single pallet transport from Dusseldorf to Germany (average)		€/pallet
Full truckload (FTL) transport from Dusseldorf to Germany (average)		€/FTL
Warehouse cost - receive, handle, despatch (RHD)		€/pallet
Warehouse cost - storage per day		€/pallet/day
Warehouse cost - other (insurances, damages, etc)		€/pallet

European Hub – Cost Comparison

Load Size Pallets	Direct Transport	Direct Transport Cost / Pallet	Primary Transport FTL / Pallet	Warehouse / Pallet	Local Transport	Local Transport / Pallet	Cost via Warehouse / Pallet
1	€235	**€235**	€64	€15	€75	€75	**€154**
3	€550	**€183**	€64	€15	€175	€58	**€137**
6	€850	**€142**	€64	€15	€275	€46	**€124**
12	€1,400	**€117**	€64	€15	€450	€38	**€116**
18	€1,800	**€100**	€64	€15	€575	€32	**€111**
24	€2,000	**€83**	€64	€15	€650	€27	**€106**
30	€2,100	**€70**	€64	€15	€675	€23	**€101**
33	€2,100	**€64**	€64	€15	€675	€20	**€99**



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Collaboration / Co-opetition - Opportunities

Handout

What are the practical opportunities for Collaboration in Export Supply Chains?

No	Collaboration Opportunity
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Collaboration / Co-opetition - Opportunities

What are the practical opportunities for Collaboration in Export Supply Chains?

- Share ideas and strategies
- Share LSP research and selection process
- Sharing primary transport to markets
  - Improved rates
  - Use of double-decked trailers
  - More frequent deliveries
  - Consolidation for suppliers
- Sharing In-market warehouse
  - Single point of delivery – improved transport rates
  - Common systems
  - Opportunity for scheduling and splitting loads to optimise fill rate
- Sharing intermediate warehouse (Hub)
  - As In-market warehouse
  - Option becomes cost effective
  - More frequent deliveries
    - Lower stock
    - Improved date profile

Collaboration / Co-opetition - Issues

Issues to be Addressed

- Legality
- Sensitivity of information
- Control – how to plan collaboratively?
- Conflicting objectives
- Setting of priorities
- Allocation of costs
- Resolution of problems (delays, leaking pallets)
- Geographical challenges (Cork – Donegal)
- Consolidation centre vs multiple collection points
- Contract owner

Collaboration / Co-opetition – Alternative Strategies

Alternative Strategies

- Establish Joint Venture Company
- Use Irish Agent or Distributor, acting on behalf of a number of Irish companies
    - Consolidates in Ireland
- Use same “in market” Agent or Distributor
- Use Freight Forwarder or Transport Coordinator
- Use of Online Marketplaces

Smart Systems for Export Supply Chains

What will be the features of future Supply Chain Systems? **Discussion.**

