

Forecasting is the future

If we can better align capacity with demand, efficiency throughout the distribution chain would improve dramatically, writes **Costantino Baldissara**

“**V**ehicle logistics providers need better forecasts; this was one of the main conclusions of the ECG Efficiency Survey, carried out in the second quarter of this year to seek members' opinions on how to improve our industry.

One respondent was particularly succinct: “Inadequate and insufficient forecast accuracy from OEMs results in misalignment of capacity to demand, in turn creating inefficient fleet utilisation, capacity shortfalls and associated hidden costs for OEMs and LSPs. Furthermore, proactive information from the LSP towards the OEM is not given based on insufficient data to prepare for alternative scenarios.”

Better forecasts can help when calculating prices for tenders or the required storage area for vehicles. They can help eradicate hidden costs, such as emergency measures to fill gaps in capacity. Just think of the cost savings, both in terms of equipment and personnel, if we could work together to reduce or even eliminate seasonal and month-end peaks.

Many other ideas for potential efficiency gains were also identified in the survey. A number revolve around the potential of standardising OEM handling procedures, such as those for gears, keys and handbrakes when parking in compounds, as well as lashing, loading and safety requirements. Why not standardise quality checks? Differing inspection criteria can be quite confusing for staff handling a number of different brands. It's easy to see how drivers, stevedores, terminal operators and ship crews could benefit. Progress towards common standards would save time and reduce handling errors and training requirements – all of which would combine to improve efficiency.

Collaboration leads to improvement

At the end of June we presented the results of the survey to the OEMs of the ACEA Automotive Logistics working group and also shared it with those OEMs not represented in this forum. Undoubtedly, the next step requires a collaborative approach and we hope to see the formation of cross-industry working groups to progress specific areas for the benefit of all.

The efficiency survey will, I believe, turn out to have been a great investment. Collectively, ECG members have given their time to suggest ways we can all reduce costs and streamline distribution and the objectives are in line with ECG's mission



statement. Now we need to take these ideas and work towards turning ideas into actions that will change the way we work.

Lobbying continues

Efficiency is not the only topic on our minds as autumn draws in. We continue to lobby lawmakers, both in Brussels and the various national capitals, on issues that would benefit our sector. For the sceptics among you, I must point out that such lobbying can have concrete results. The recent change of law over cabotage in the UK is a great example: after three years of lobbying the UK and EU administrations, laws introduced in 2010 have now been relaxed for car carriers to bring in foreign transporters around market peaks, allowing logistics providers to operate once again as they did pre-2010.

The ECG's next primary lobbying goal is close to the heart of many of our members across the continent. Ideally, we would like to harmonise national legislation across Europe and have one common EU standard for the loaded length of car transporters: 20.75 metres is our target number.

Those who have attended our events in the European Parliament in recent years will have seen the map we use to show the many different laws currently in force (*above*). The patchwork of colours represents different permitted loaded lengths – from 18.75 metres to 25.25 metres. Harmonisation won't be easy as we risk treading on toes, though I believe we must attack this issue with confidence. The EU prides itself on being the largest, most sophisticated single market on Earth. Harmonisation of loaded lengths for car transporters should be well within the reach of Brussels lawmakers and I hope to be able to report on positive progress towards this goal in future editions of this magazine. ◊