



Transfrigoroute International



Annual General Meeting 2019

Towards a
#sustainable #reliable #responsive
food logistics

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What is Freight Leaders Council

Freight and Logistics Council is a logistic industry-driven, independent nonprofit association established in 1991 to bring together shippers, producers and supply chain service companies to analyse current topics and best practice contributing to the development and competitiveness of sustainable logistics.



The goal of Freight Leaders Council

The association aims to be a "meeting point on the pathway to solutions", making available best experiences and professionalism of its members - key actors, both public and private - which are able to provide a "cross-sectorial" analytical capability delivering an overall comprehensive snapshot of the sector.



What is it logistics:
is the industry of the
industries







The demand for refrigeration is raising

Main trends pushing the sector are:

- Increased demand for fresh and locally-produced food.
- Increased demand for refrigerated pharmaceuticals and biological.
- Higher attention for refrigerated food and pharmaceutical products.
- Consumer demand for environmental in shipping and production.
- Increased prominence of third-party logistics carriers (3PLs).

Customers want to know what they are
buying and how it moves



Customers want to know what they are buying and how it moves

This translates into more customized orders, shorter delivery windows, tighter compliance standards (on the part of major retailers, for example), and an overall intolerance for any shipment that's late, incorrect, damaged, or otherwise unsatisfactory.

Today's logistics network is moving closer and closer to the customer.



The on-demand supply chain



The on-demand supply chain

With the rise of immediate, customer facing food delivery companies like JustEat and Deliveroo, the modern consumer has access to and expects more immediate returns from food supply chains than ever before.

Companies with agile, responsive supply chains are the main actors in this economy of immediacy. Food supply chain networks will need to become efficient, smarter and move faster than ever before.

The challenges

- Consumer preferences are becoming more complex and personalised
- Companies are producing more customized orders
- E-commerce channel continues to grow globally
- Delivery windows for orders that are shorter than ever
- Companies must be able to ship everything from full pallets of goods right down to single orders to be delivered right to an end user's home
- Order to shelf towhead cycles that have tightened, particularly for retailers (and, subsequently, their suppliers)

The list goes on...



Consumers are the drivers of the change



Consumers are the drivers of the change

Consumers are more and more interested in locally sourced, fresh, organic, natural and sustainable products.

Furthermore, consumers are increasingly expecting food companies along the value chain to be responsible environmental stewards and corporate citizens.

The impact of demand



The impact of demand

The impact of demand-side changes on food industry logistics will likely be amplified by continual disruptive supply-side innovations designed to offer fast, accurate fulfillment of customized orders.

The ability to deliver new logistics solutions to meet the supply-chain challenges of the “new demand” will become a key strategic differentiator for companies that want to remain competitive and gain market share.

Demographics



Demographics

Expanding urbanization is changing geographic demand patterns

Generational differences in technology use, flavor preferences, expectations about corporate social responsibility.

The “everything for everybody” paradigm is over.



Food consumption habits



Food consumption habits

The definition of what is “healthy” is expanding.

A significant and growing number of consumers have specific dietary restrictions.

Consumers know about and demand a greater variety of products within many categories.

Definitions of “local” vary and consumers are more interested in, and more willing to spend on, products that are locally grown or raised.

Clean labels—products demand is exploding.



Higher convenience



Higher convenience

Growing consumer expectations for freshness require shorter farm-to-fork times and distances.

“Uber-type” on-demand deliveries in a one- to four-hour timeframe are also coming to market.

Food on the go is expanding.

Consumers want freshly prepared foods wherever they are and wherever they go and managing the supply chain for shorter-shelf-life foods is of growing importance.

Transparency before all



Transparency before all

Cross all industry supply chains, accurate and digestible information is the key to building successful customer relationships, and food is no exception.

Customers are reportedly demanding to know more about their food: where it comes from, what's in it and where it's been.

Companies have to ensure product quality integrity (e.g., freshness, temperature or consistency) isn't compromised during transportation, a key risk that can impact a brand's reputation, consumer satisfaction and future sales.

The power of data



The power of data

In the last three years, the amount of data generated in the world exceeded by a dramatic margin all the data previously created in the history of humanity.

Tracking every case, pallet, vehicle, item and customer in the supply chain will continue to create a vast amount of data.

This huge amount of detailed data will provide the perfect evolutionary conditions for a whole new generation of machine learning and optimization.



How logistics can meet these challenges?



How logistics can meet these challenges?

From smaller, closer-to-market and more responsive distribution and consumption sites all the way to entire production systems built on predictive demand analytics and real time information, the field of food and beverage logistics is changing rapidly.

- Real time track & trace capabilities
- Technology and data analytics
- Communication, collaboration & sharing
- Performance management

How food supply chain can cope with that?



How food supply chain can cope with that?

There are right now significant opportunities for companies that work with their logistics providers to create agile, flexible, and efficient transportation chains.

- Cooperation
- Sharing
- Food supply chain ecosystem

Logistics is no longer a cost



Logistics is no longer a cost

But rather a differentiator enabling food industry companies to set apart from competition.

Opportunity lies in getting these products to the marketplace timely in a cost-effective manner.

The very basis of logistics network design will need to change in order to meet changing consumer demand patterns in terms of:

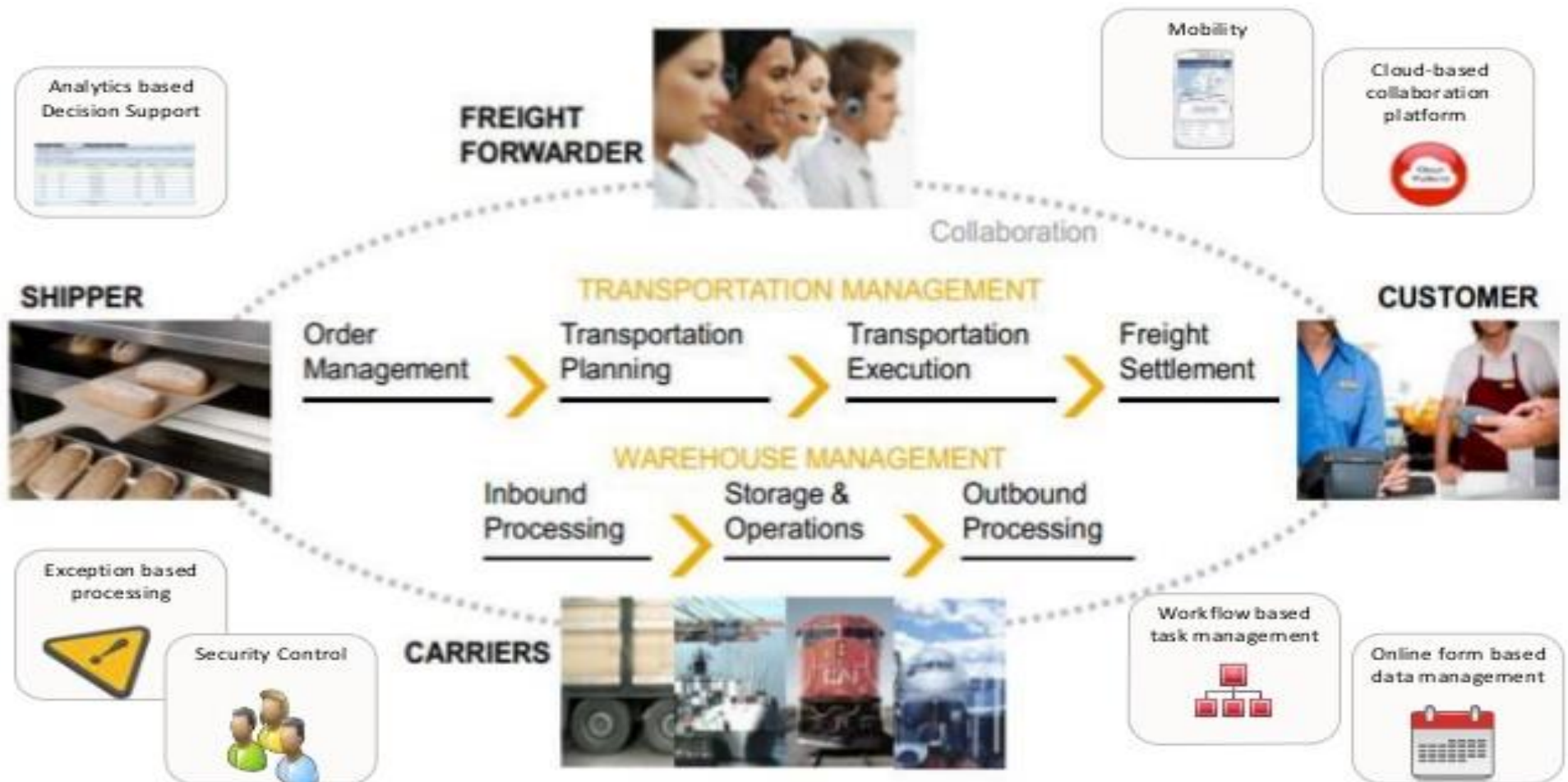
- Mode
- Frequency
- Facilities
- Capacity and rates

Predictive logistics



Sharing logistics

Logistics Collaboration Platform



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