

Green Logistics

- the race to a better world -

VLM March 9h, 2009



Summary

Sustainable logistics will remain crucial from an environmental and above all economic perspective:

- energy prices will not remain as “low” as today
- almost anything that is done today from a sustainable perspective will generate a cost saving;
some of them may even apply for a stream of subsidies

Technology & Business Improvement



Sustainable initiatives are either or both:

- Technological achievements, focused on the long term:
 - asking for high initial investments
 - and most of them tend to have a long lead time
- Improvement of the quality of business processes:
 - being “smarter” will result in an higher efficiency,
 - achievable on the short term.

Drivers

The main drivers for companies and divisions to apply with Green Logistics will:

- Reduce costs and/or obtaining subsidies
- Improve and sustaining corporate image
- Conform to environmental regulations
- Create new market opportunities
- React to competitors' actions

Green Logistics - I

Technique

1. Cleaner fuels and emissions
 - H+
 - Bio Diesel
2. Use sustainable infrastructures (optimise asset utilisation), for example with more sustainable
 - sites,
 - buildings,
 - or warehouses (see examples VDR / BREEAM).

Process Improvement:

1. Reduction of kilometres: “if you pollute, then minimise it in a smart way”:
 - Optimise planning to avoid empty miles
 - Share information
 - Share “clean” transport means for the last mile(s) (consolidate)
2. Lean = Green



Green Logistics – II: Lean = Green

Minimise, by applying the Lean philosophy, the following Lean wastes



DOTWIMP:

1. Defects
2. Overproduction
3. Transportation
4. Waiting
5. Inventory
6. Motion
7. Processing

Real life cases



Technique

- Bio fuels

LCA scan GSM phone

- Energy scan giving insight in energy consumption
Waste scan to get insight in a companies' waste and associated costs
Digiscan (showing logistical performance and improvement opportunities)

Critical Success Factors green initiatives

1. Focus on win/win factors to all parties.
This will guarantee the success of an integral approach
2. Co-operate between public and private parties (where applicable)
3. Make innovating for sustainability a part of your company's vision and formulate a strategy with sustainability at its heart
4. Embed sustainability in every part of your business
5. Bring your stakeholders on board and motivate your people / employees
6. Join the networks and use the sustainability environment rankings or monitors to gain recognition in the market.
 1. The Global 100 Most Sustainable Corporations in the World
<http://www.global100.org/>
 2. Dow Jones sustainability index (<http://www.sustainability-index.com/>)
 3. De Duurzame 100 (<http://www.trouw.nl>)

Be aware, one type of ECO label still lacks!

Main succesfactor

Walk the talk:

- Emphasize actions, not words
- Set up a body at board level with the power to make sustainability matter
- Set firm rules

Emphasize actions, not words.

Don't wait for the next new, even fancier technique, but start with today's possibilities!

