

# FREIGHT INDUSTRY TIMES

Night time is increasingly the right time for logistics

**Peter Ward** Chief Executive Officer, United Kingdom Warehousing Association



Logistics is a great career for women

**Anna Kozłowska** CMILT  
Founder of Myway Enterprises

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**Dr Nigel E Kirkwood**

Technical Director, Tachograph Analysis Consultants Limited



## Palletways outlines ambitious growth plans



Luis Zubialde

Michael Parry reports

Europe's largest provider of express palletised freight services, Palletways, expects to transport in excess of eight million pallets this year across its pan-European operations, an average of 36,000 pallets each day with seasonal peaks reaching 40,000.

Now the group has unveiled key developments in its growth strategy including infrastructure investment and expansion into new markets. These initiatives follow the group's best year to date for pallet volumes across its European network, which represent an increase of some 12 per cent compared to the previous 12 months.

Palletways is also continuing the roll-out of its award-winning Digital Information Hub across its operation in Europe. Launched last year, the web-based platform optimises the use of real time data to provide greater operational efficiencies by reducing downtime on telephone calls, increasing vehicle utilisation and enhancing traffic management. A new online booking facility for customers has also been introduced.

The network is also further developing its European capabilities. In the past 18 months new regional hubs have been established in Northern Italy and Holland, plus a fulfilment warehouse (located at the Holland hub) to service the Benelux countries and the Ruhr Valley. It has also extended its hubs in Madrid and Bologna. New hub facilities in central Germany, southern France and Eastern Europe will also become operational within the next few months.

Looking further afield the group's distribution network will expand into the Nordic countries. This will enhance the company's geographical footprint, following recent expansion into Poland and the Baltic countries of Estonia, Latvia and Lithuania in June and Bulgaria and Romania in August.

Palletways UK's managing director Luis Zubialde explained: "This is an exciting time for our network as we continue to expand, reinforcing our market leadership, our reputation for service excellence and our pan-European capabilities in support of our customers' growth ambitions.

"Our growth into new markets has been supported by our significant and continuous investment in new infrastructure in the UK and abroad and the development of improved communications technology

to extend the reach of the business and drive efficiency and performance. We will continue to build on these solid foundations over the coming 12 months."

"We are already the market leader in terms of both service and volume, our European activity now represents 40 per cent of our overall volumes which is more than the total UK and European volume of any other competitor in the UK. This confirms our group strategy."

Being the most mature business in the network, the UK operation handles the bulk of the network's total volume. The group has now confirmed that its new central hub in Lichfield is fully operational – Fradley Terminal 2 is located only 500 metres from the existing HQ hub. It will increase capacity by 8,000 pallets per day and enable a faster turnaround of customers' goods for onward distribution to delivery destinations.

Palletways' operations director Mike Harrison added: "Our investment in new infrastructure is a core component of our growth plans. The introduction of the new Terminal 2 in Lichfield, together with plans for new facilities in Europe, will provide significantly more capacity and business opportunities for our network.

"The seamless introduction of this new facility has increased our members' efficiency by extending their window of operational opportunity through later collection times and earlier departures.

"As we expand, our investment in these core components will play an essential part in ensuring that we continue to deliver our high standards of service excellence for all our customers."

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# Driver shortage could bring sector to a standstill

**Jon Milton** Business Development Director, Comensura

Recruiters are predicting a 10 per cent increase in driving staff demand while the sector continues to suffer a low availability of candidates.

Research conducted by Comensura recently revealed that the UK transportation industry could become gridlocked due to a growing driver shortage, largely caused by an ageing workforce and young candidates being dissuaded by the cost of the Driver Certificate of Professional Competence (Driver CPC).

The research we carried out surveyed specialist recruitment agencies, from the largest well-known agencies to local, niche SMEs, contracted to supply temporary drivers of all grades and other transportation staff.

Half of specialist driver recruiters cite a low candidate availability, coupled with the rising demand that creates a staffing gap in the sector. Availability is the lowest for Moffett, HIAB and ADR drivers – with up to nine out of ten recruiters saying that there's a low availability for drivers of these vehicles, while in contrast nearly half claim that there is an excess of standard van driver availability.

Around half of recruiters claim that the time it takes to fill a driving role has increased by over a week compared to 12 months ago, suggesting that the increasing lack of candidate availability is consuming more time for the sector and reducing efficiency. Two out of five recruiters also say that the time that it takes for a candidate to register with an agency and to be 'cleared to work' has increased by a week too, showing that added bureaucracy can lengthen the process of allocating candidates to jobs.

The escalation of pay rates can complicate the process too, with four out of five recruiters claiming that candidates demanding higher pay adds to the challenge.

Around three quarters of respondents claim that the introduction of the Driver CPC is another challenge in recruitment; this is the £2,000 qualification that all bus, coach and lorry drivers must pass before working. The demand for higher pay could be due to the considerable

cost of the course that drivers must pay for and then go through regular renewals to remain qualified.

Over 60 per cent of LGV drivers are 45 years old or above, and the average age of an LGV driver is 53, meaning that workers in this sector represent an ageing workforce and many are nearing retirement.

Four out of five recruiters cite newly qualified candidates getting work experience as a challenge when recruiting drivers, showing that experienced candidates are valued much more highly than those at entry level, a factor that could be hindering younger generations from advancing their skills.

Over half of recruiters also say that it is a challenge finding drivers able to do manual work: another factor that dissuades young people to enter the profession, in addition to uncomfortable working conditions, such as lack of lavatory facilities, and the lifestyle impacts of long and difficult shifts.

Comensura recommends the following five points to help businesses with driving requirements narrow the gap between the supply of drivers and demand:

1. Find a balanced pay rate: establish what the average pay rate is for drivers and try to match it for your staff. But equally, determine how much you can afford to pay them. By finding a balance between the two, you can attract candidates while not paying them over the odds
2. Look at the long-term: forecast your needs over the next 12 months, taking into account workers' holidays and times when demand is high
3. Consider the company's wider picture: ensure that you have realistic expectations of your drivers and don't promise your clients anything that the driving staff can't deliver
4. Contact recruitment agencies promptly: procure the candidates you need as early as possible to maintain a constant flow of staff



5. Look within the organisation: instead of looking externally for candidates, see if there is anyone internal to fill the vacant roles. Carry out in-house training to make individuals who already work for you suitable, which you may be able to do by gaining support funding

The entire logistics industry is worth more than £74 billion to the UK economy and employs around 2.2 million people in over 196,000 companies, so it's playing a big part in helping our economy recover. It seems vital that the sector attracts more young people and equips them with the skills to become competent professional drivers so that it isn't held back in the future by a lack of skilled workers.

It's worrying that the driving sector is suffering from staff shortages and that the majority of recruiters believe it will increase. But provided that organisations carry out our recommended guidance, they can effectively manage their demand to ensure that they recruit the right number of candidates when they need them, which will help to minimise driver shortages.

A review of the industry as a whole is in order to consider whether it's qualifying drivers in the right way and how well it's attracting people to enter the profession.

**For further information visit:**  
[www.comensura.com](http://www.comensura.com)

## Tachograph technology: Why operators should adopt a 'compliance-first' approach

**Andrew Tavener** Head of Marketing, Descartes Systems UK

With the DVSA having announced its intent to focus on the worst offending transport operators, there is a growing recognition that technology can help organisations demonstrate to the authorities that they are actively managing their compliance.

Caroline Hicks, DVSA Head of Enforcement has commented: "We want the cost of compliance to be relatively low, relatively steady and relatively known. As soon as you choose to be non-compliant the costs will increase and they will keep increasing so that no business can afford to sit in that non-compliant area."

DVSA commissioned research has identified six types of operator:

1. Exemplar
2. Compliant
3. Compliant with support
4. Potential rule breakers
5. Non-compliant
6. Seriously/seriously non-compliant

Those operators categorised as Potential rule breakers downward are the ones that are much more likely to be targeted on the road.

The DVSA has announced an initial step towards this with the trial of 'earned recognition' for HGV fleet operators. Under the trial, transport operators making their records available to DVSA to view online could gain recognition as a compliant operator so, removing the need for the DVSA to perform roadside checks on them.

The earned recognition system could reduce the burden on fleets freeing up the Agency's time to tackle serious and seriously non-compliant operators.

Tachograph analysis and compliance management technology can help operators demonstrate to the DVSA that they are proactively managing their drivers and transport operation and taking all reasonable steps to prevent infringements and breaches of complicated tachograph and drivers' hours regulations.

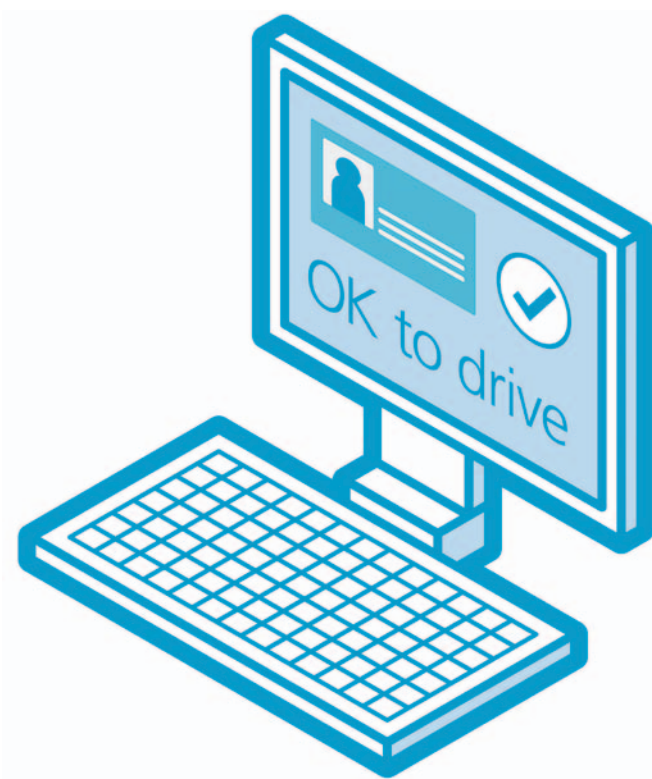
Technology can also help reduce the cost for fleets and the impact of their business. A national supermarket chain claimed that each roadside check cost its business more than £4,000 due to the just-in-time nature of their deliveries.

The key is to take a holistic, 'compliance first' approach. From tracking driver hours to checking licences and ensuring pre-journey vehicle inspections are undertaken, embedding these processes within day-to-day operations makes these essential aspects of compliance business as usual.

For example, automatically and routinely checking a driver's licence – including points – against DVLA records, not only saves time but avoids the risk of out of date information from the now discarded paper licence counterpart. With up to date, accurate information, a company can rapidly assess the level of risk it is carrying based on overall driver endorsements and the potential impact on insurance. Moreover, for those drivers with more points and therefore a greater risk profile, the company can instigate more frequent checks, ensuring compliance is maintained at all times.

In addition, DVSA estimates that 85 per cent of roadworthiness infringements could have been avoided if the driver undertook an effective walk-around vehicle check before starting the journey\*. And while it can be hard to ensure these checks are undertaken, companies can remove the risk associated with management by trust by using an App to record a driver's pre-journey inspection of tyres, windscreen wipers, lights and so on.

Of course the biggest issue is tracking and managing driver hours. And with the shortage of HGV drivers, the



opportunities for individuals to work longer continue to grow. Drivers may face pressure from some firms to work extra hours; while some drivers may decide to take that risk themselves. Either way, the potential business impact is huge. Companies need to not only enforce the limit but also ensure that measurement is done accurately and effectively, creating an audit proof record for the DVSA and gaining that 'earned recognition'.

Finally, by ensuring that compliance is 'baked in', it is far easier for organisations to optimise journeys and meet customer demands. Dynamic appointments can be offered, reservations met and the entire customer experience enhanced with no fear of accidentally pushing the limits - and paying the price.

#### Reference

\*DVSA Effectiveness report, 2012 – 2013: <http://www.fleetnews.co.uk/news/2014/7/18/dvsa-no-government-licensing-regime-for-vans/53032/>

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