Developing and Implementing an Urban Freight Consolidation Centre, the Norwich Experience
23rd April 2008

South London FQP Consolidation Centre Workshop, Croydon

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Outline

- Background and context
- Consolidation: the concept
- Applying the concept to Norwich
- Partner Procurement Process
- Introduction to Foulger Transport
- Our approach
- Progress to date
- Some examples
- Lessons learnt
The City of Norwich

‘A Fine City’
- A thriving regional city
- A major commercial, retail and tourist centre
- A historic city with many listed buildings
- City retains a medieval street pattern
- Largely pedestrianised retail core
- Population of circa 160,000
- Regional population of circa 500,000
The City of Norwich

Challenges and Issues

- Central road system not well suited to use by LGVs
- Time and size restrictions on vehicle access
- Conflicts between pedestrians and LGV’s
- Poor air quality in some central areas
  - vehicle emissions a significant contributor
Situation without consolidation

All supplier deliveries are made directly into the city centre with freight vehicles competing for space with other road users.
Supplier deliveries are made to an out of city consolidation centre, where deliveries are grouped together for onward delivery.
Research

- Studied Bristol (CIVITAS-VIVALDI) experience
- Bristol scheme a success in terms of:
  - customer recruitment and satisfaction
  - environmental benefits
  - political support and public recognition
- But concerns about financial sustainability
- Meadowhall (The ARC)
- Heathrow
Concept Applied to Norwich

- Scheme to target retail deliveries to city centre
- Form commercial partnership with logistics company
- Use existing infrastructure and fleet to minimise costs
- Use funding to develop and promote the scheme
- Charge for deliveries from consolidation centre
Partner Procurement Process

Stage 1 - Expressions of Interest
- Letters to all organisations with a goods vehicle operating centre for 10+ vehicles in Norfolk
- Advertising in logistics trade press
- Information sent to trade associations (RHA, FTA)
- Eight expressions of interest received

Stage 2 - Formal Tender
- Three companies invited to submit formal tenders
- Tenders received from DHL and Foulger Transport
- Foulger Transport selected as preferred bidder
Partnership with Foulger Transport

Norfolk County Council
- Project management (Mott MacDonald)
- Funding for employment of Development Manager
- Funding for marketing and promotion

Foulger Transport
- Employment of full time Development Manager
- Engagement with businesses to recruit customers
- Operation of Norwich Freight Consolidation Centre from existing Snetterton premises
Foulger Transport - History

- Established in 1935 by Wilfred Foulger
- Norfolk based
- Privately owned
- Served local agricultural economy
Foulger Transport - Today

- Located at Snetterton, 20 miles from Norwich
- 320,000 sq ft warehousing
- Fleet of 70 vehicles
- Regional distribution throughout Norfolk and Suffolk
- National distribution operations
- Palletline network
- Agriculture still very important
  - sugar beet
  - chicken / turkey litter for power stations
Location of Norwich

20 miles = 32 km
Journey time ~30 minutes

Location

London 96 miles
Birmingham 140 miles

Consolidation Centre

Norwich

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Norwich City Centre

Location

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Retailer contact

- Start with the two shopping Malls
- Meetings with Mall managers to:
  - introduce concept
  - secure support
  - introduce scheme to tenants
  - obtain contact list
- Initial contact with retailers in the Malls commenced in August
- Two months of contacting and visiting retailers
Retailer contact

- Initial contact at local branch level:
  - 191 initial introductory letters
  - 136 followed up by phone
  - 65 meetings with retailers
- Provided detail of inbound operations
- Not decision makers
- Generally referred to head office
- 98 head offices contacted
- 26 requests for quotation
- 2 customers so far (3 delivery points)
- 2 likely to start in next 2 months (7 delivery points)
Barriers to success

- General sense of apathy towards the scheme
- Main concerns (real or perceived):
  - Additional Cost
  - Delay
  - Increased handling (security / damage)
- Significant proportion of inbound via parcel carriers (TNT, DHL, City-Link etc)
- Of 115 companies:
  - 12 supplier responsible for inbound
  - 65 have own dedicated systems
  - 57 use parcel carriers
  - 60% of parcel traffic with TNT / DHL / UPS
Barriers to success

- Congestion, delay, pedestrianised core and access restrictions in Norwich are not generally seen as a problem
- Companies won’t change system for one location
- Nothing to force participation
- Limited incentive to encourage participation
- Participation is optional
Likely areas of success

- Where an operator sub-optimally sends a vehicle to Norwich
- Where there are a number of drops in Norfolk which can be taken to NFCC so retailer then increases utilisation of vehicle and driver
- Where Foulger can collect from retailer’s DC on a backload basis or via Palletline
- Where for that individual retailer Norwich is a problem (e.g. distance, time constraint)
- Where retailer wants to stop delivering to the ‘high street’
- Where there is a cost saving and this is the priority
Some examples

Whittard of Chelsea

- First customer
- Two stores in Norwich
- Off peak weekly vehicle delivery from Northampton DC to stores (230 mile round trip)
- Peak deliveries twice weekly (8 weeks to Christmas)
- NFCC solution:
  - weekly backload collection
  - store pre-picked stock locally
  - provide 2+ deliveries per week to stores
Some examples

Lush Retail

- Second customer
- Keen to support initiative without adding cost
- One store in Norwich
- Off peak weekly delivery from Poole DC via pallet network
- Peak deliveries five times per week
- NFCC solution:
  - Collection via Palletline as required
  - Delivery via Foulger’s existing delivery operation
Julian Graves

Current
- Weekly delivery from Midlands warehouse to:
  - Three stores in Norwich
  - Five other Norfolk stores

Proposed
- Julian Graves deliver to NFCC and to two stores (King’s Lynn and East Dereham)
- NFCC deliver to three Norwich stores plus Diss, Great Yarmouth, Sheringham

Outcome
- Julian Graves believe this to be an environmental project (as Bristol) for which there should be no charge
Lessons learnt

- Slow process
- Resistance to change
- Decisions not made locally
- Difficult to engage decision maker
- Approach often seen as a commercial sell
- Reinforce message that scheme is an initiative supported by both the City and County Councils
- Currently no stick and very little carrot
- Have to identify key benefit to user
- Familiarity with similar schemes (e.g. Bristol, Meadowhall, Heathrow) is no guarantee that a retailer will engage with a proposal for Norwich
Thank You

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