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Collaboration, digitisation and standardisation discussed at the ECG Spring Assembly

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The 24th ECG Spring Assembly (Sorrento, Italy, 23rd- 24th May), showcased a sector with a clear vision of the future of finished vehicle logistics, Ben Waller reports.

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Over 200 delegates attended the 24th ECG General Assembly at the Hilton Sorrento Palace Hotel, Italy. The two-day agenda addressed both near-term industry concerns and a range of topics that highlighted the breadth of innovation that is set to transform the finished vehicle supply chain over the coming decade.

Storm clouds and electrification

The ECG member survey highlighted a decline in European movement in the first half of 2019, and Justin Cox of LMC suggested that the

storm clouds are not expected to lift anytime soon. As Cox said, the 'hard to watch soap opera' of Brexit remains unresolved, a weakening of global GDP growth is expected to impact global production and sales over the next twelve months, and the ongoing trade war between the US, China and Europe risks shrinking global vehicle flows. However, Cox also offered hope of a stronger second half of the year for production in Europe as more models pass through WLTP approval. Cox also pointed to the ongoing structural change in global powertrain mix, a trend that will inevitably require investment from LSPs and new ways of working. The gradual shift to electrification is picking up pace in China, where over 160 models of pure Battery Electric Vehicles (BEVs) will enter production in 2020. The number of new models arriving in the market in 2020 will also see a range of competitors to test the brand value of Tesla. Decarbonisation will also mean changes to the finished vehicle supply chain itself, and Gzim Ocakoglu, (Deputy Head of Unit, Maritime transport and logistics, DG Move European Commission), highlighted the scale of innovation and expenditure by member states and industry that will be required to build a sustainable European transport and logistics infrastructure. Antonio Errigo (Deputy Director, ALIS), presented the work they are doing to create pan-European intermodal corridors and Tom Antonissen of ECG updated the conference on wider EU affairs including the timeline for the establishment of a new commission in November following the EU elections.

Investing in people and safety

Mike Sturgeon emphasised the role of the ECG in supporting investment in people, and Steve Thomas, (General Manager, Vehicle Logistics at Toyota Europe), reported on the progress of the safety working group that he and Jan van Assen (of Koopman Logistics) launched in March 2018; "We are striving for industry buy-in. I want to ensure, one by one, all safety risks are tackled, once and for all". The next step for the group is to create a common audit and governance process for LSPs and OEMs based on developed standards, and the outputs presented at the ECG October conference.

The logisticians of tomorrow

Students of the 13th ECG Academy course graduated at the conference dinner, and Mats Eriksson updated attendees on this and other ECG work in education and training. The ECG Academy course now extends to twenty-four days over five modules, each held in a different location. The education programme also includes a one-day course in Brussels on compliance to EU competition law, and ECG is to add an advanced negotiation course that will build on the success of the ECG's negotiation academy course launched in 2018. A group of the academy graduates presented their vision for using blockchain to deliver end to end supply chain visibility, and confirming their thinking, Jon Kuiper, CEO of Vinturas, explained that their newly launched Vinturas platform does exactly that. Warning that unless the sector itself actively takes control of digitalisation, the entry of outside tech giants threatens a commoditisation of industry data. Kuiper explained that their platform has been designed to mutualise the commercialisation of the real time supply chain data generated by its users, and invited IT providers to get involved.

Digitisation and standardisation

Hervé Moulin, (Project Leader for the use of telematics in finished vehicle logistics for the Renault Nissan Mitsubishi Alliance), and Michael Bünning (of BLG), together reported on progress in a number of areas by the ECG Digitisation Working Group. Trials currently underway include e-damage reports, close-range vehicle identification, an e-gate project that aims to create paperless tracking and data flows, and a pilot at St Nazaire that is working on a solution to fill gaps in connectivity within vehicle compounds and processing centres. Anticipated benefits from standardised approaches and new tools include smoother workflows and resource planning for LSPs and customers. More than any other, this working group highlighted the collaboration required to make real and lasting change in the sector; members of this group include ten carmakers, eleven LSPs, the VDA and the AIAG. Dr Jan-Philipp Weers presented the Bosch Secure Truck Parking platform, which, as the name suggests, is a paperless and community-based platform for truck parking – essentially an Airbnb for trucks.

Ports and Project Caesar

René Eisbrich reported on the Management Systems and Quality Assurance Working Groups, whilst Bjorn Svenningsen explained the recent activity of the Maritime and Ports Working Group including a recent Brexit preparedness meeting in Zeebrugge in March which attracted over 80 participants, and the updating of the ECG report on the implications of the Global Sulphur cap which comes into effect in 2020, described as a game changer for the shipping sector. Christian Lang, (co-chair of the Capacity Working Group and Head of Finished Vehicles at DB Schenker Rail Automotive), announced the publication of the ECG standard delivery forecasting methodology, the outcome of Project Caesar, a 2018 ECG study of typical and best practice that involved in-depth interviews with carmakers and LSP's and which demonstrated both the need for industry agreed standards and the benefits of a well-managed forecast review process. Intended as a living document, the standard is a starting point for continuous improvement and the sharing of best practices and processes.

Prediction and process

Geert Rossaert (Vehicle Logistics, Mazda Europe) and Jörg Lenz (MOSOLF Logistics and Services) presented their piloting of the delivery forecasting toolbox and processes, and Rossaert said that the biggest barrier to introducing a standardised forecasting cycle had been in securing resource and time within the company. However, both he and Lenz said that they were convinced that the use of such a standardised process supported real improvements in delivery performance.

ECG President Wolfgang Göbel closed the event by thanking the record numbers of participants in the various working groups and teams, and with a call for members to continue to keep the ECG informed and focused on the challenges ahead. The ECG Autumn conference will be held at the Hotel Palace Berlin, 17th to 18th October 2019.

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