LogOnBaltic

Status and needs of logistics users and providers in the Baltic Sea Region

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HAMBURG SCHOOL OF LOGISTICS

Wachstumsinitiative Süderelbe AG Metropolregion Hamburg

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The Baltic Sea Region

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Conclusion

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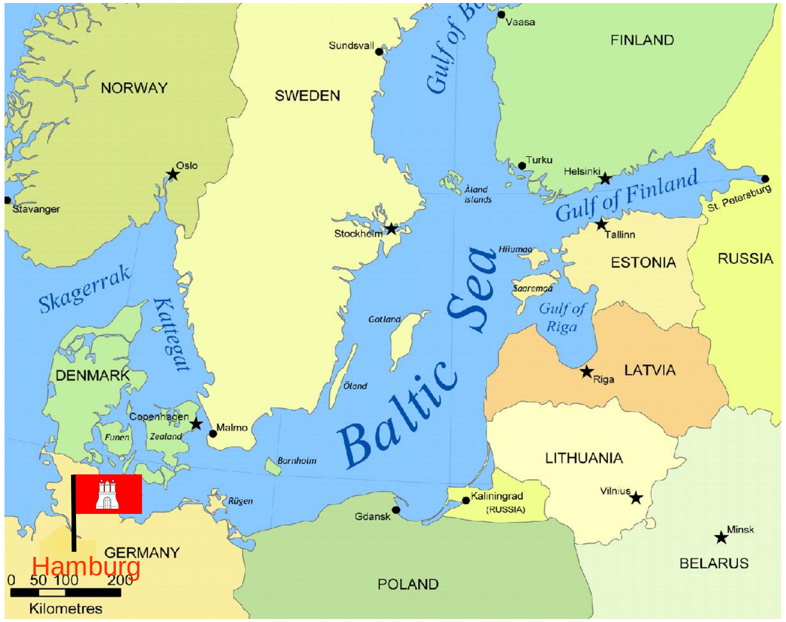
The Baltic Sea Region

- The whole Baltic Region has more than 295 million inhabitants.
- Depending on the definition and boundaries, between 50-70 million people live in the Baltic Sea Region.
- **The Baltic Sea Region is one of the most dynamic regions in Europe.**



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Discrepancies in regional development in the field of logistics

No comparable analysis of logistics available

Regional strengths in logistics are often unknown

30 partners in 9 countries and 10 regions

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Idea:

Creation of a comparable logistics data basis

Evaluation of the companies' needs and competences in the region focusing on the field of logistics

Target:

Improvement of the companies' competitiveness through regional development in logistics

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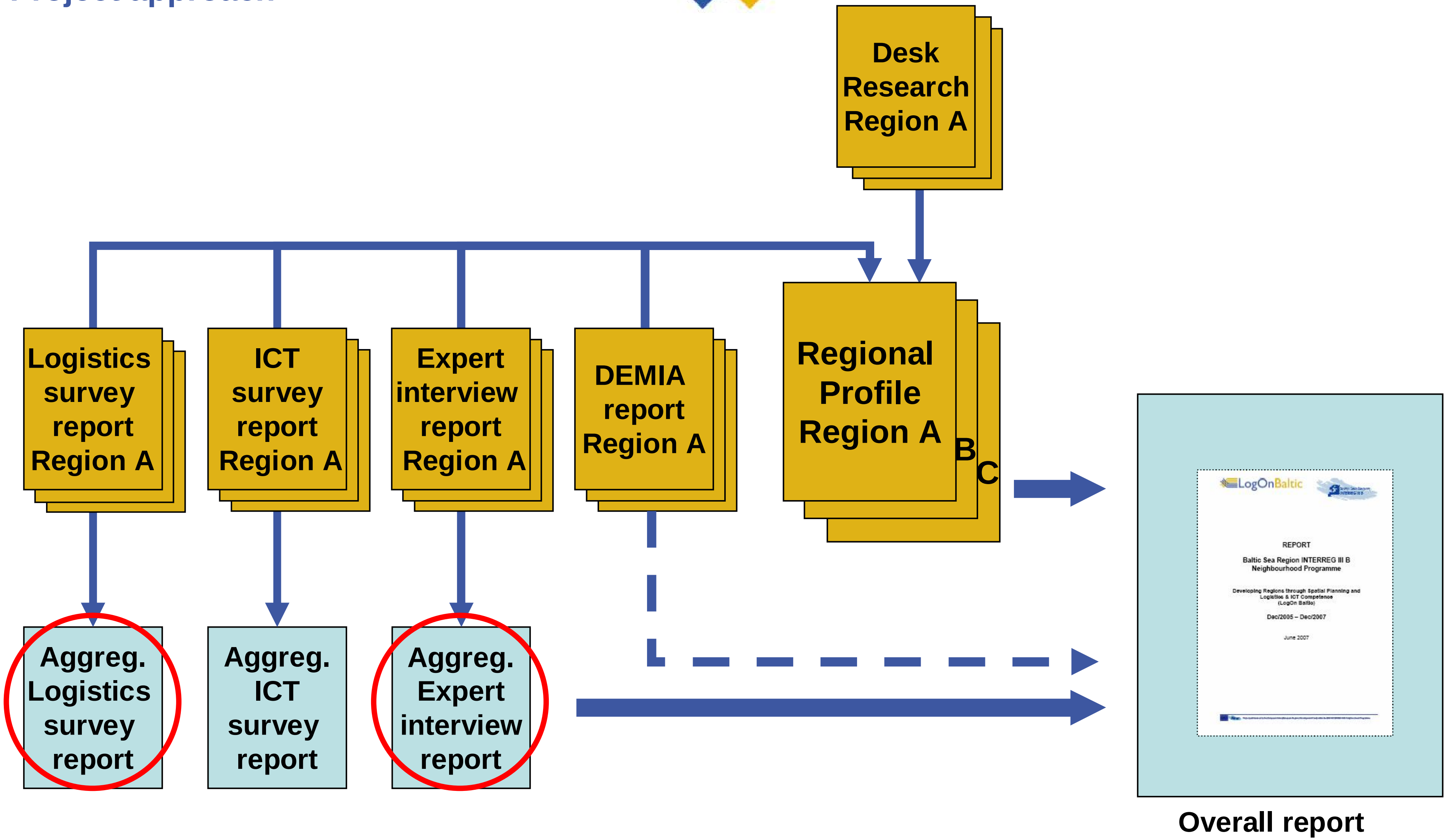
Project approach



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Logistics Survey

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Logistics Survey II

§ Explorative study with focus on the following topics:
- Logistics costs
- Outsourcing of logistics operations
- Costs and performance measurement
- Use of information and communication technologies

§ Web-based questionnaire with 25 questions, pre-tested in the region of Southwest Finland

§ Individual questionnaires for the following groups:
- Manufacturing companies
- Trading companies
- Logistics service providers

§ Survey period from January – March 2007

§ Dispatch of the survey link via e-mail (incl. 2 reminders)

XX. Bitte wählen Sie eine Sprache/ Please choose the language you would like to use. *

- Deutsch
- English

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Sehr geehrte Damen und Herren,

vielen Dank für Ihre Teilnahme an der von der EU geförderten Umfrage zu der Studie "LogOn Baltic" (De and Logistics & ICT Competence).

Als Dank für Ihre Unterstützung erhalten Sie auf Wunsch **kostenlos** einen detaillierten Bericht mit den Ha Logistik-Studie. Die ausgewerteten Ergebnisse werden im Dezember 2006 in elektronischen Form an alle E-Mail-Addresse angegeben haben.

Die Beantwortung des Fragebogens wird max. 20 Minuten in Anspruch nehmen. Es ist jederzeit möglich, späteren Zeitpunkt mit der Beantwortnung der Fragen fortzufahren.

Wir bedanken uns im voraus für Ihre hilfreiche Unterstützung und Kooperationsbereitschaft!

G1. Allgemeine Informationen

Name Ihrer Firma bzw. Geschäftseinheit

Postleitzahl *

E-Mail-Adresse (nur erforderlich, falls der Bericht zugesandt werden soll)

Ihre Position in der Firma:

(Bitte wählen Sie)

G2. Aus welcher Perspektive beantworten Sie diesen Fragebogen?

(Im Folgenden wird allgemein die Bezeichnung „Unternehmen" verwend

- Ich antworte für ein Unternehmen/einen Konzern
- Ich antworte für eine einzelne Geschäftseinheit

G3. Wie viele Mitarbeiter waren Ende 2005 in Ihrem Unternehmen beschäftigt? *

(Bitte wählen Sie)

A total of about 1,050 answers in all Baltic Sea Regions

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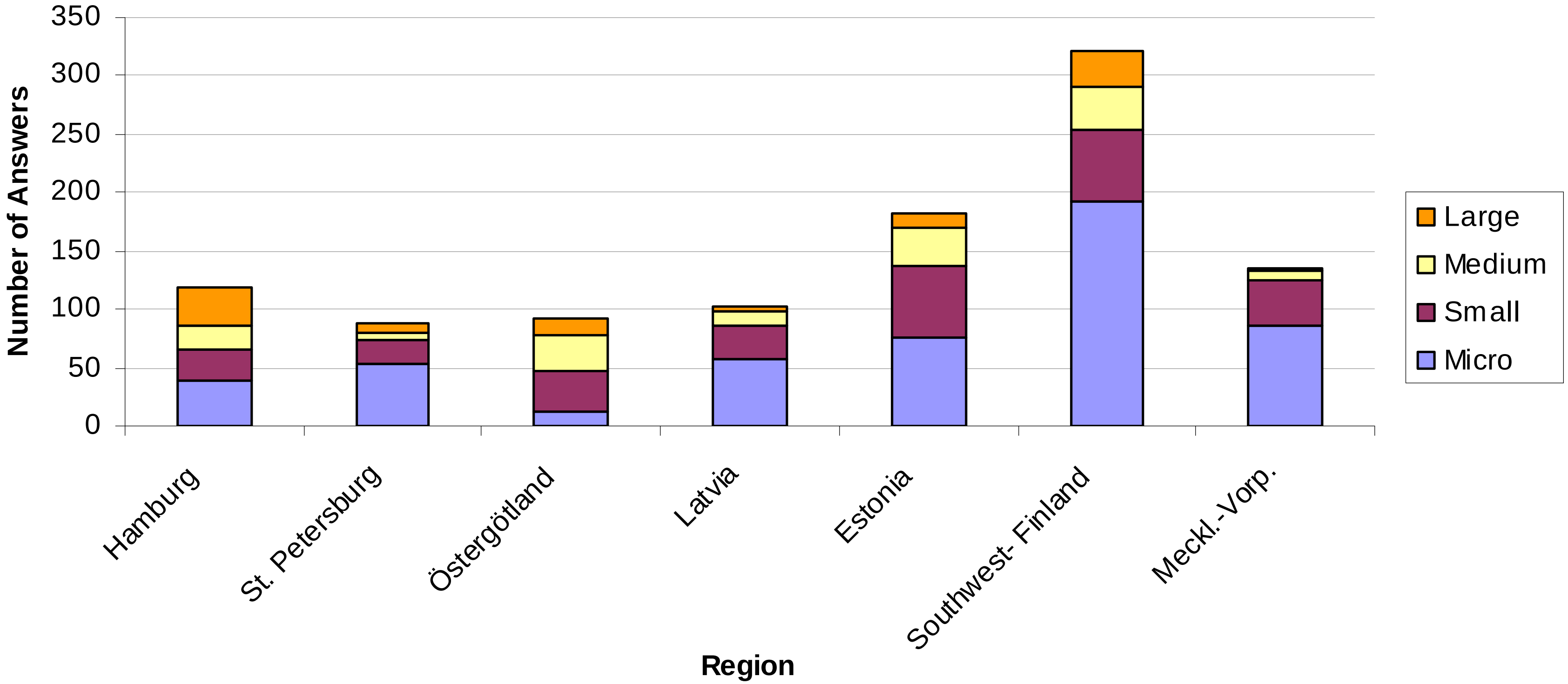
Empirical Findings I

Structure of the answers



- More than 1,000 companies in the BSR have responded to the logistics survey.
- Big differences can be found not only in the absolute number of participants but particularly in the response rate.

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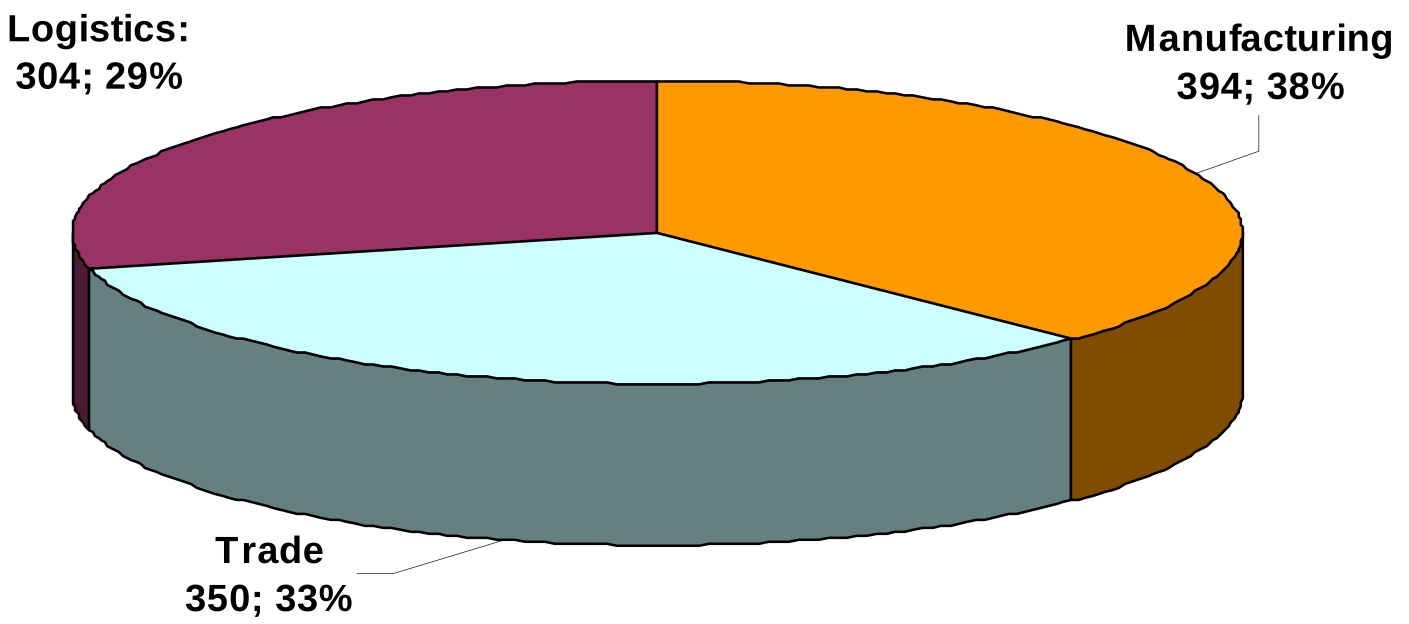
Empirical Findings II

Number of respondents according to the industry (turnover in 2005)



- Companies from manufacturing, trade and logistics have the same share and hence represent a realistic extract of the logistics sector.

About 90% of the respondents can be classified as SMEs.

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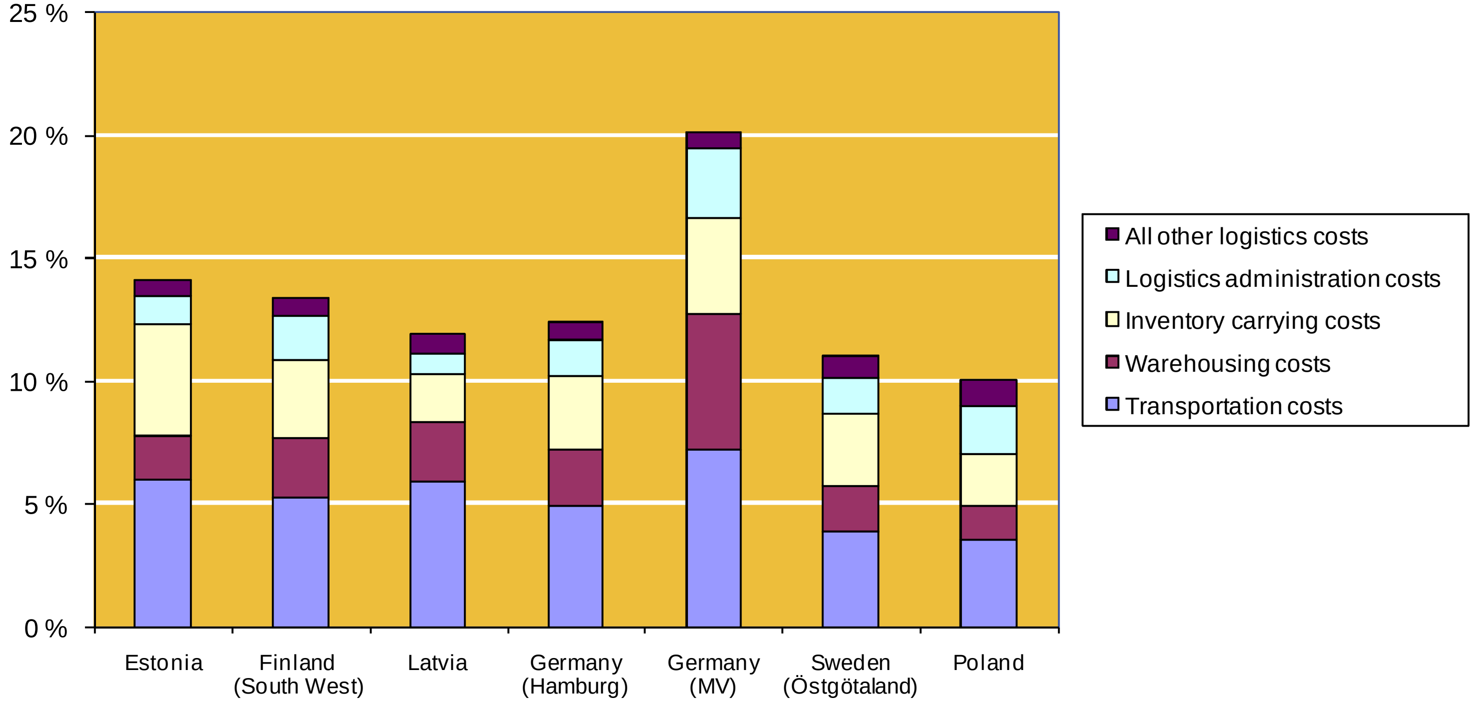
Logistics costs manufacturing companies



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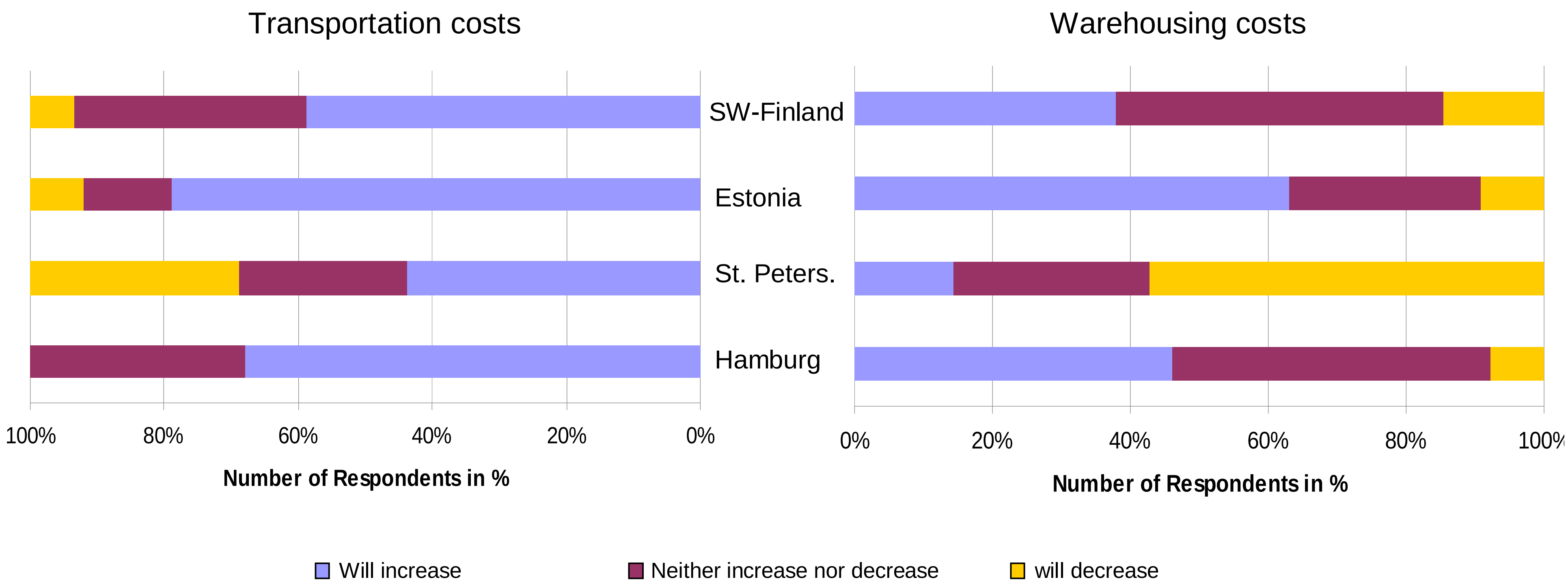
Logistics costs – expected development until 2010 (Manufacturing)



- The majority expects an increase in logistics costs, especially in transportation costs.
- A high number of respondents expect no changes or even a decrease in those costs that can be internally coordinated in an easier way, e.g. warehousing costs.

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Empirical Findings V

Most important development needs of the companies in the future (Manufacturing)

	Hamburg	St. Petersburg	Estonia
Priority 1	improvement of customer services	development of information systems	decrease of logistics costs
Priority 2	decrease of logistics costs	improvement of customer services	selection of logistics service providers
Priority 3	selection of logistics service providers/ increase of supply chain transparency	decrease of logistics costs	development of information systems

One important target of all regions is to reduce the logistics costs.

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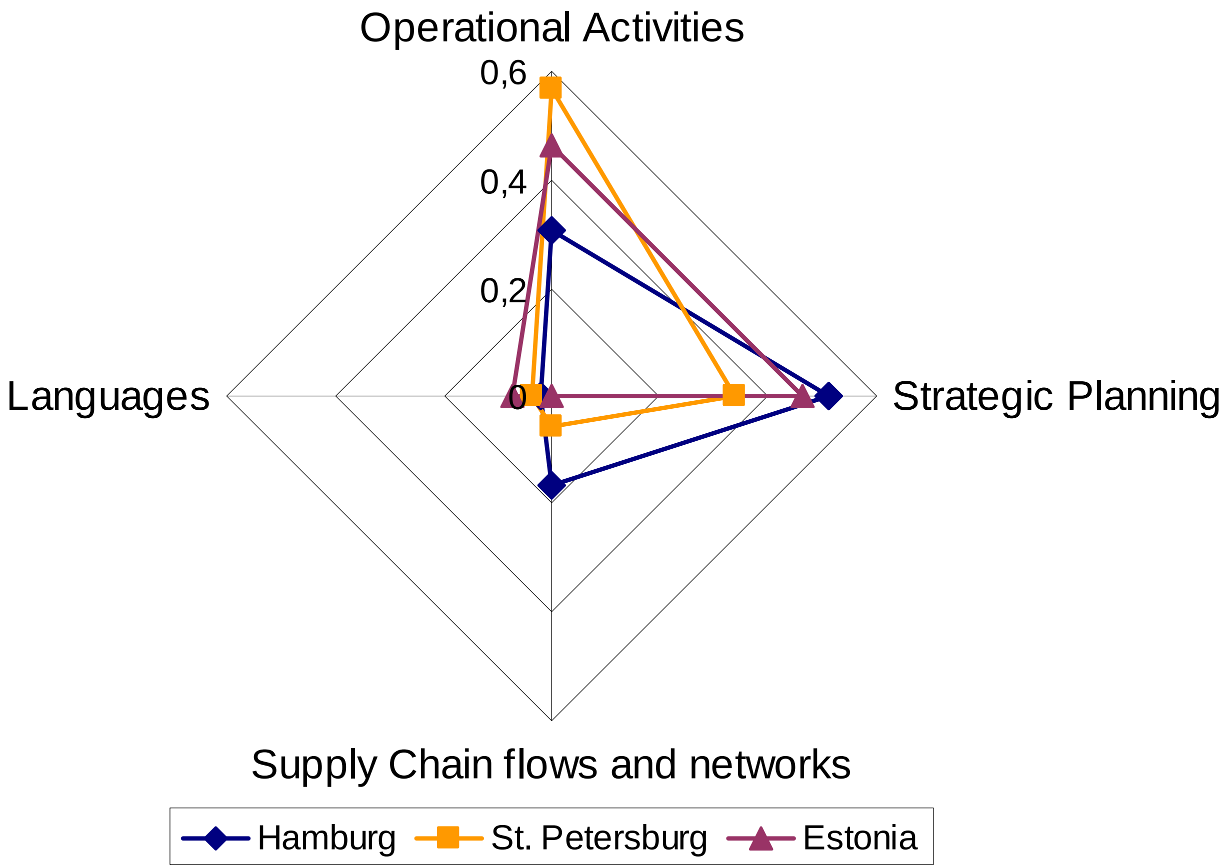
Development needs for personnel competence (Manufacturing)



- Strategic planning and operational activities are the most important development needs for manufacturing companies, especially for those that are located in regions with well-developed logistics.

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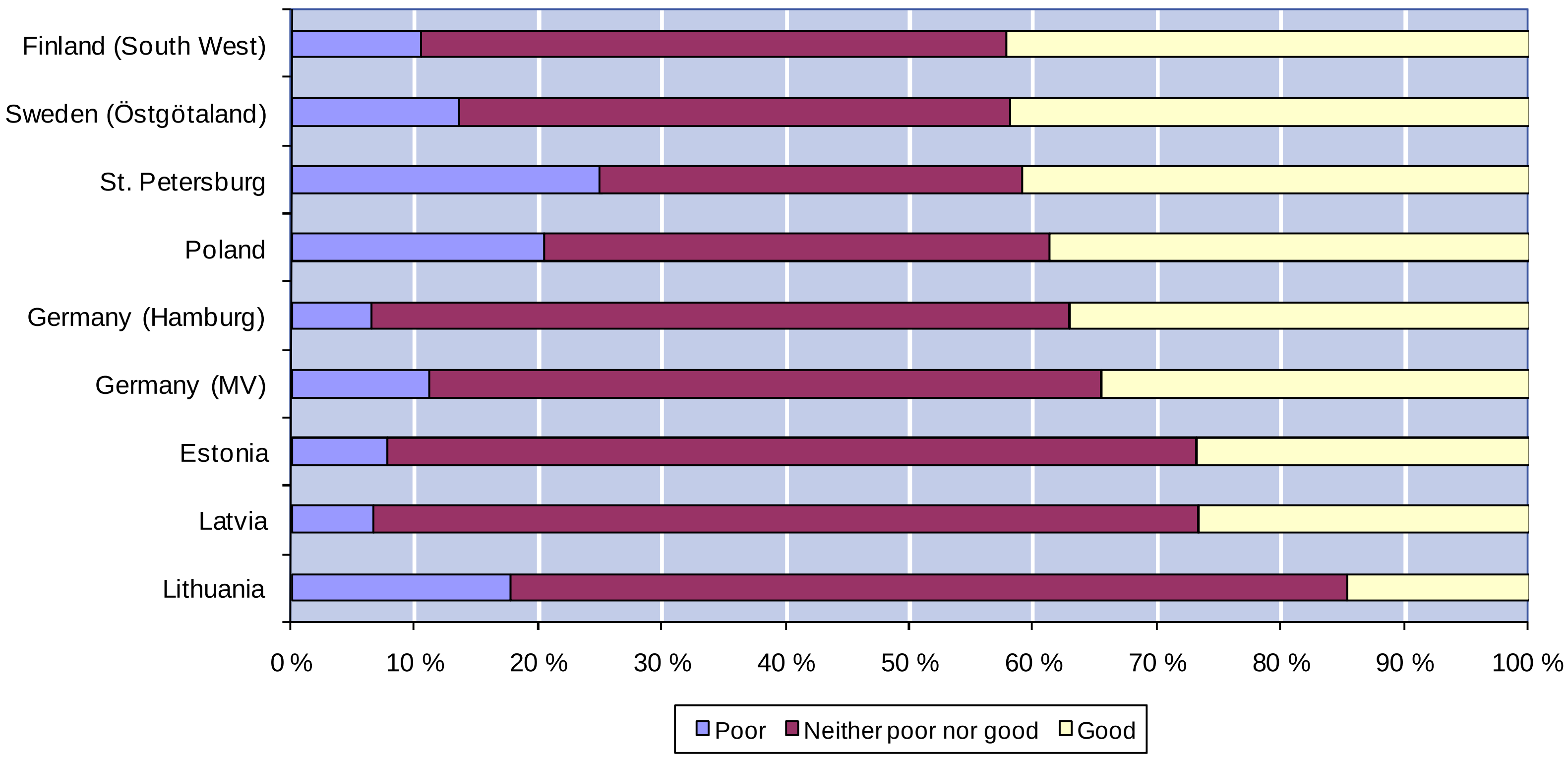
Operating preconditions, compared to competitors´ location



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Empirical Findings VIII

Outsourcing of logistics services*

	Hamburg	St. Petersburg	Estonia	SW Finland
Priority 1	domestic transport	product configuration/ final assembly	international transport	domestic transport
Priority 2	international transport	international transport	domestic transport	international transport
Priority 3	waste management/ recycling	domestic transport	waste management/ recycling	shipping/ forwarding services

* Logistics services that are allocated to external service providers to more than 75%

Domestic and international transport services are still the main activities to be allocated to external service providers.

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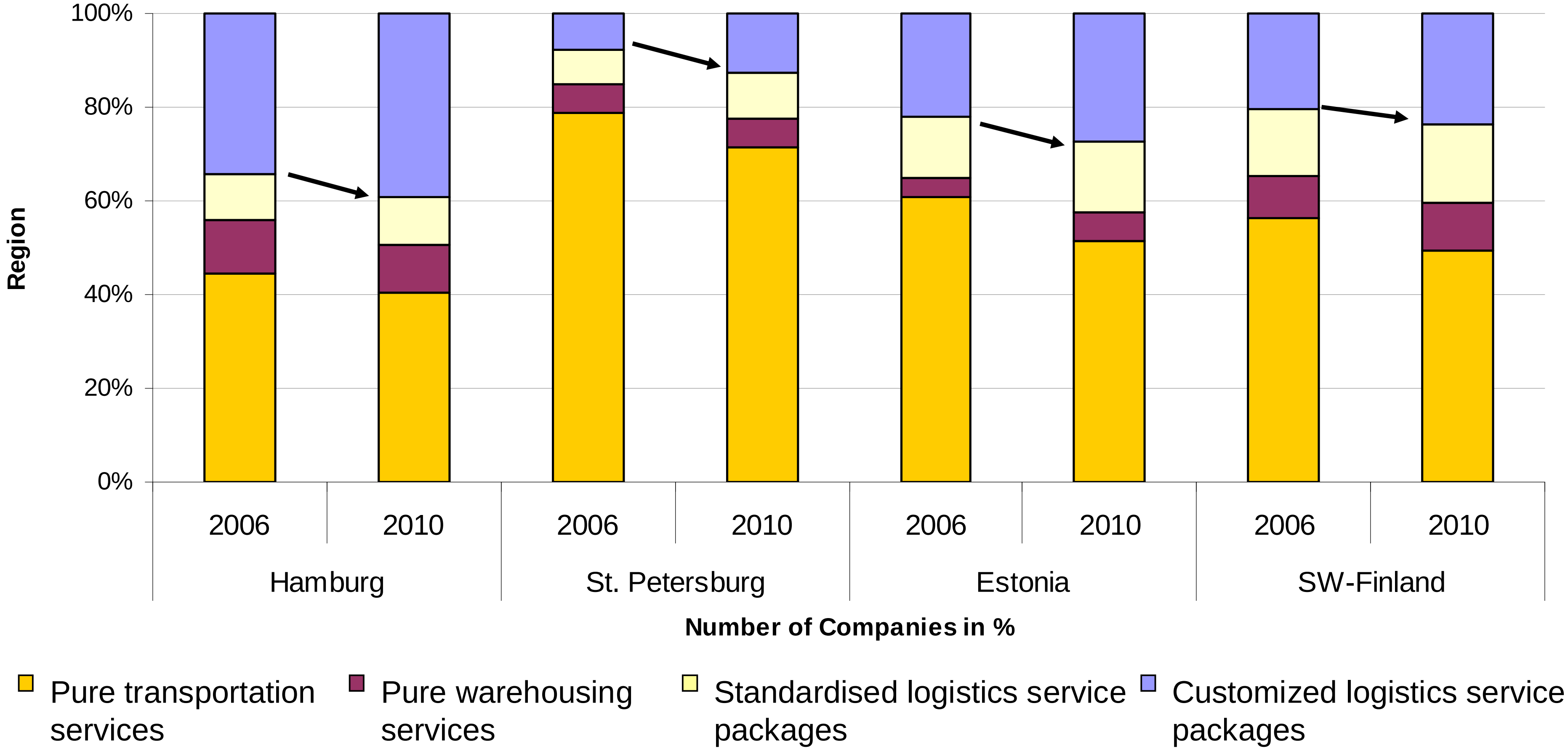
Distribution of turnover in logistic services companies for different types of services – 2006 and 2010



Pure transportation services currently dominate in all regions, however the demand for more individual products is expected to increase in the future.

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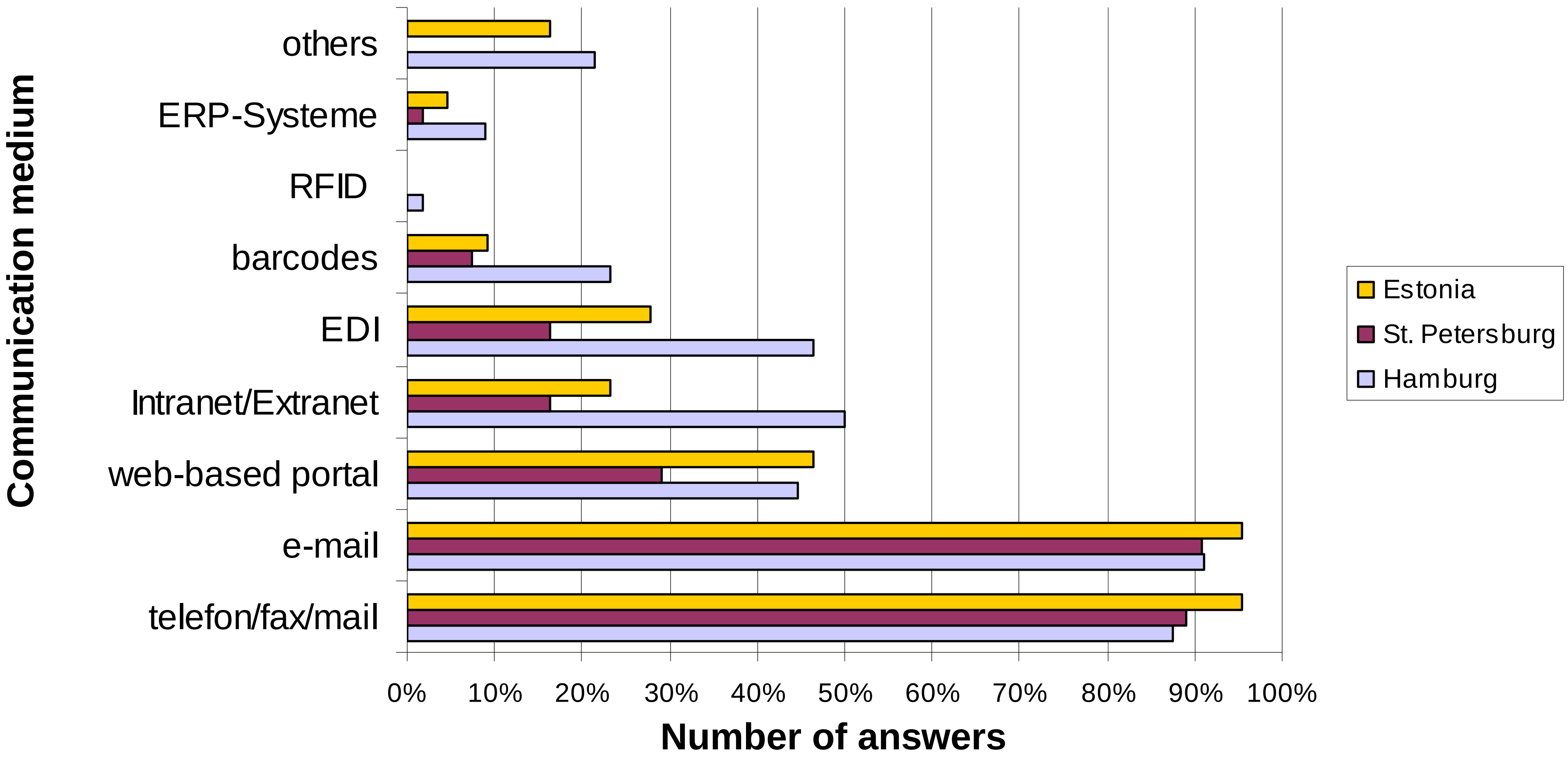
Use of communication systems (logistics service providers)



Traditional communication media like telephone and e-mail are still used the most, while new technologies like EDI and RFID are applied infrequently.

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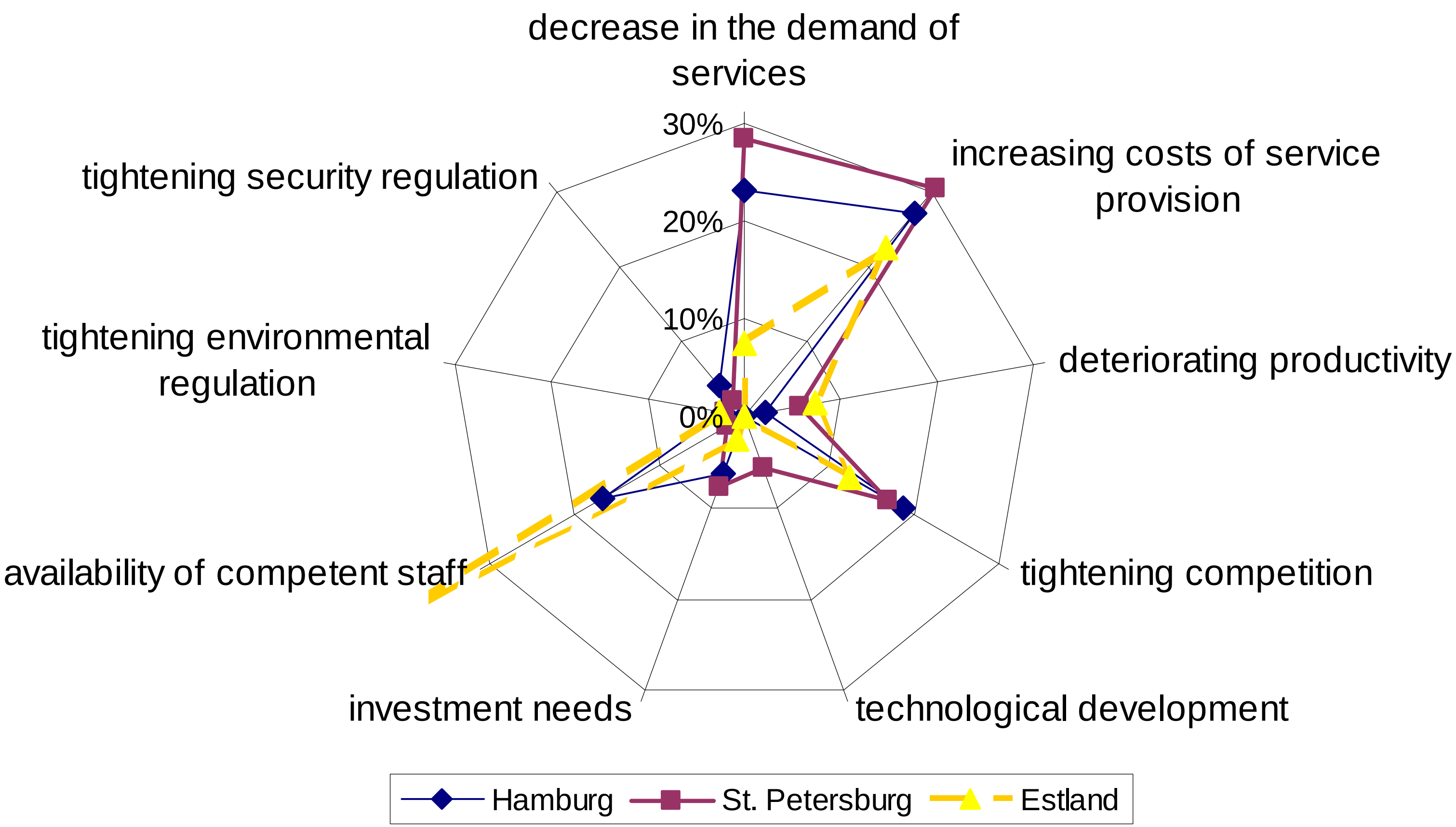
Empirical Findings XI

Threats to logistics service providers



- Logistics service providers regard nearly the same threats in the three regions.
- An urgent need for competent staff is expected in the Estonian region.

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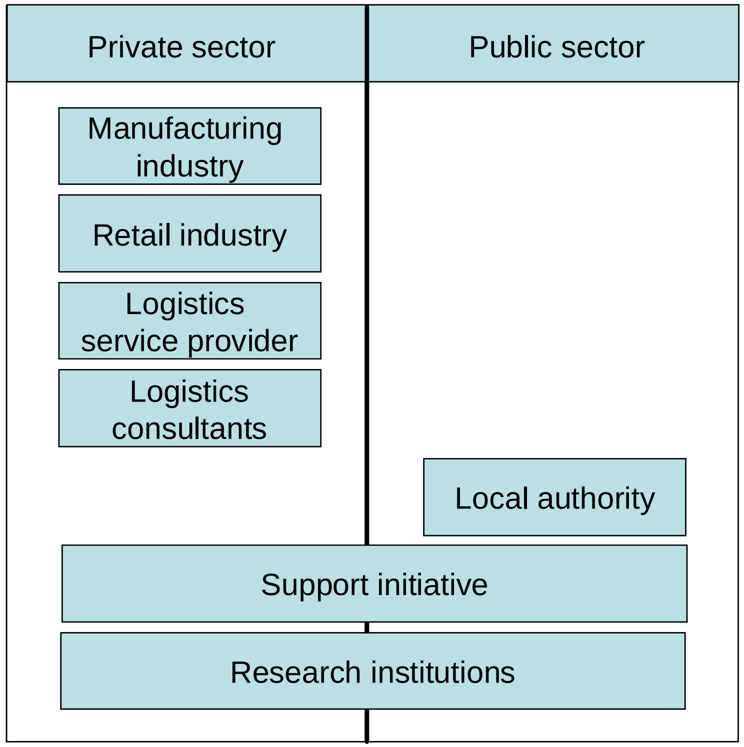
Empirical Findings XII

Characteristics of expert interviews

- 10 to 15 experts in each region
- Structured questionnaire with partly open questions and partly scaled response options
- Topics:
  - Trends in logistics and ICT
  - Business contacts in the BSR
  - Regional development with regard to logistics and ICT
  - Further education
  - Companies' expectations for policy
- Realisation of interviews from November 2006 until February 2007



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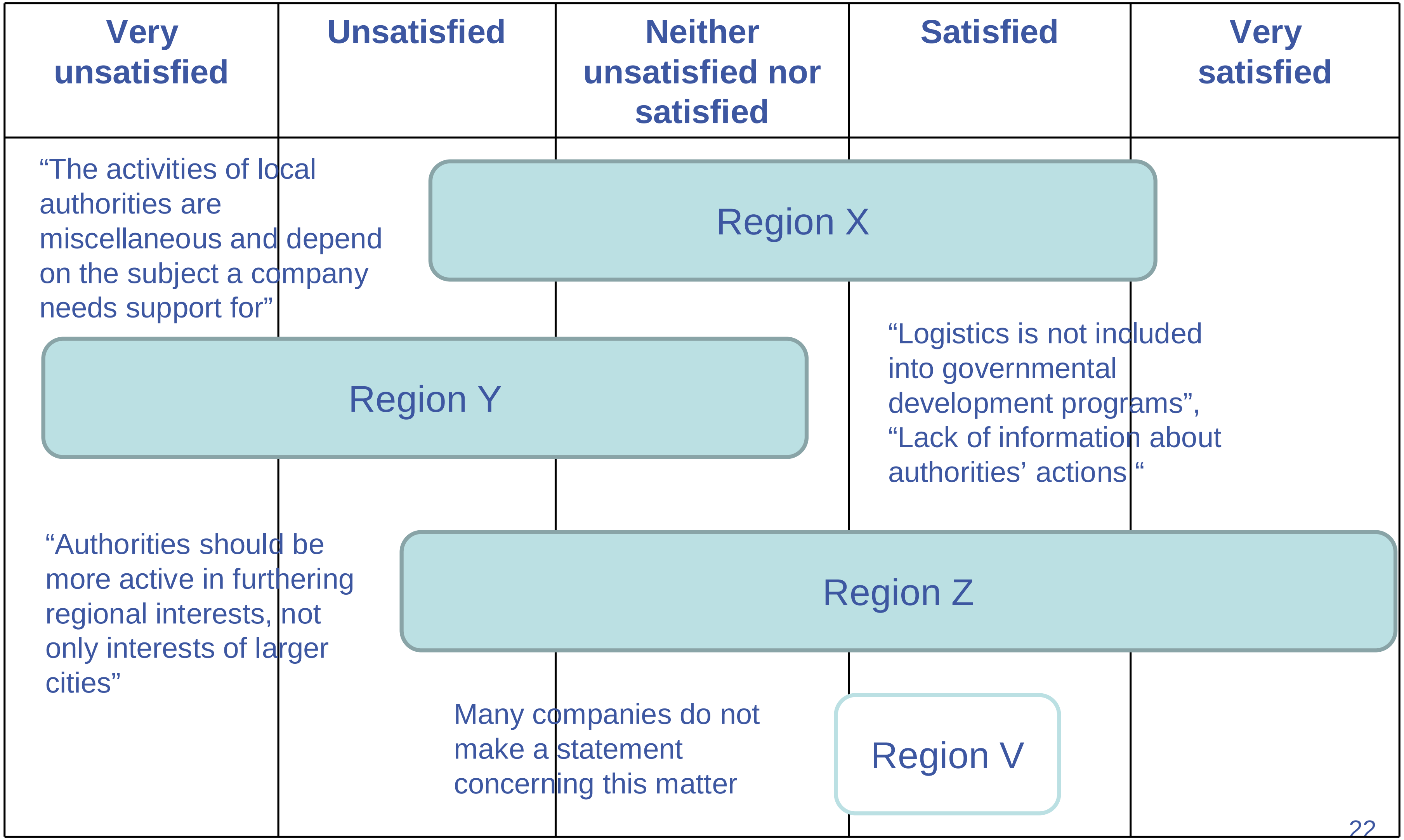
Empirical Findings XIII

Support of local policy



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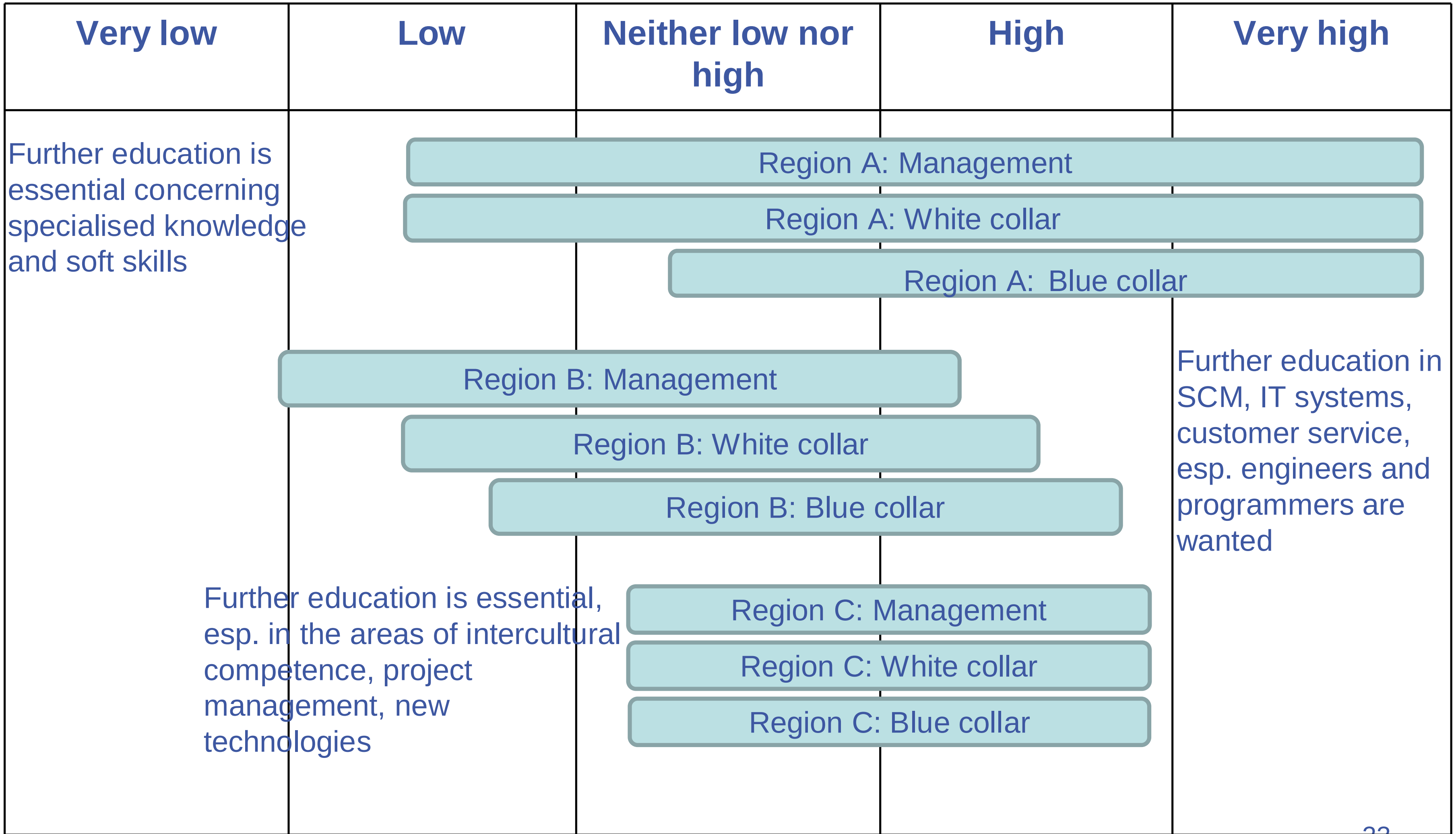
Empirical Findings XIV

Competence level of regions in the field of logistics



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Strengths and Weaknesses of the Regions

	Strengths	Weaknesses
Region A	+ geographical position + infrastructure + platform for logistics experts and companies through competence clusters	– available logistics space – demand for qualified logistics staff exceeds supply – realisation of infrastructure projects
Region B	+ openness vs. innovations + modern (IT-)solutions + well-trained staff + central position, good accessibility for customers	– problems with business connections with Russia – no economies of scale, since it is a small country – hardly any long-term planning of companies and politics
Region C	+ good connections to Scandinavian countries + efficient ports + good further education	– infrastructure lags behind big cities (esp. road and rail) – distance to continental Europe and other parts of the country à high transport costs

The topics infrastructure and education are of high importance to all regions.

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Project Introduction

Empirical Findings

Conclusion

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Conclusion

- There are discrepancies in the speed of the economic and regional development.
- The transfer of know-how and the interchange of best practice examples gain in importance in the near future.
- Different regions can learn from each other and profit from experiences the others have made.
- The results of the LogOn Baltic project enable first-time comparative analyses on these influencing factors.
- In some regions there is a need for action of regional institutions in the field of logistics and IT.

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Final Conference

- Location: Hotel Hafen Hamburg
- Date: 22nd November 2007
- Time: 9:30am–5pm
- Content: Presentation of the main project results
- Registration form and additional information can be found under:

www.hslog.de /logonbaltic

www.logonbaltic.info

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Key Note Speakers:

Axel Gedaschko
Senator for Urban Development and Environment of the Free and Hanseatic City of Hamburg

Kurt Bodewig
Former Minister of Transport, Member of Parliament, Chairman of the Board of the Baltic Sea Forum

Juho Savo
Executive Director of the Regional Council of Southwest Finland

Karin Jaanson
Vice Mayor Tartu

The detailed agenda can be found at www.hslog.de/logonbaltic

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