



Working together TDG, Kimberly-Clark and Kellogg's are saving 380,000 kg of CO₂ each year

Turning Collaboration Plans into Reality

Leveraging the benefits of collaboration may be on the agenda for many companies; however Kimberly-Clark, Kellogg's and TDG have created one of the UK's first blue chip examples of collaboration - actually progressing from simply talking into action. Delivering commercial and environmental benefits to all parties; this three-way working partnership demonstrates how a modern business approach generates significant value.

The story is a compelling one. By putting aside traditional approaches and bringing together senior supply chain decision-makers with the will to work hand-in-hand with other parties, the three organisations have succeeded where others may have struggled. To date, the project is generating an annual reduction in miles travelled of 270,000 and a corresponding drop in diesel consumption of over 30,000 gallons

per year. Additionally, the combined environmental benefit equates to annual savings of 380,000 kg CO₂ – all as a direct result of the collaboration.

The premise is simple: Kimberly-Clark and Kellogg's share many small independent and multiple retail customers. Both also have long term partnerships with logistics specialist TDG. Bringing key players together from all three parties to discuss synergies and find options to share logistics capability was a logical first step. This happened back in 2005 and proved the beginning of a fruitful partnership.

From roundtable talks to action, progress has been swift. All parties agree that a key factor in the results achieved from the outset has been the 'can do: will do' attitude shared across

the board. Once initial ideas and requirements were on the table, TDG utilised its hi-cube transport platform and warehousing network to find practical ways to consolidate Kimberly-Clark and Kellogg's orders and delivery schedules without impacting on customer service expectations across their individual bases.

Pat Lally, TDG Operations Director comments: "This was a great idea in principle; however, these arrangements only bear fruit if the right processes and infrastructure are in place on the ground – and all parties have the vision and ability to work together on an equal footing. By applying our operational expertise at a macro and micro level for both manufacturers, we've made it work."

The project kicked off in 2006. TDG began overnight trunks of Kellogg's products from manufacturing units directly into the Kimberly-Clark distribution centre at Northfleet. Kellogg's loads are cross-docked overnight, consolidated with Kimberly-Clark deliveries and matched to small independent and small multiple customers across London and the South East. For retailers, the result has been seamless, as Peter Surtees, Kimberly-Clark's Director of European Supply Chain explains.

"We understand the pressures on smaller retailers to compete and maintain good relations with their consumers and their local communities. Simply by organising one joint delivery instead of two, we have reduced congestion, reduced miles travelled, reduced the amount of empty trucks on the roads and focussed on reducing our environmental impact. At the end of

the day the retailers benefits because we have ensured shelves are stocked more frequently with consumers favourite brands.”

The collaboration, having been tried and tested in the South of England is now being rolled out across the rest of the country and this month, Kimberly-Clark, Kellogg's and TDG are announcing a project for the North of England, utilising Kellogg's Trafford Park distribution centre, managed by TDG.

“Everything really stacks up,” comments Colin Ridler, Supply Chain Director of Kellogg's. “TDG's 2008 proposal enabled us to consolidate our stock holdings under one roof and accommodate and extension of our already successful venture with KC. The whole package delivers meaningful savings for us, as well as the environmental and efficiency benefits achieved. We are now discussing additional opportunities and looking for new ways to extend the collaboration agenda even further.”

Also playing a key part in this collaboration is pallet provider, LPR, whose distinctive red pallets are used exclusively on all the deliveries for both Kimberly-Clark and Kelloggs. This not only simplifies pallet stock levels but also creates further savings on empty running because of LPR's partnership agreement with TDG to bring pallets back in empty trucks to its pallet sorting facilities in the North and South of England.

Sharing services makes sound commercial sense with both manufacturers enjoying a 7% reduction in transport costs which is vital in an

age of rising fuel and raw material costs. However, perhaps most compelling is the environmental story – with empty trucks off the road, reduced truck miles, lower CO₂ emissions and simplified ordering for retailers, It really is a win-win.

So when the competition for share of the consumer purse takes place on the shelf not the truck, the opportunities for shared logistics is not limited to non-competitive products either. “Our experience here (and with other TDG customers) is proof on all counts that collaboration is an effective way for already efficient organisations to achieve even better results,” concludes Lally.

About TDG

At TDG, we work to create value by aligning our customers' supply chains to their business strategy. We work in partnership with our clients to deliver strategic goals and our success is linked to theirs.

Our expanding capabilities in end to end supply chain management and freight forwarding are complemented by our strong operational skills in traditional logistics management.

We are actively seeking to develop our business in the areas of speciality chemicals, paper and packaging and temperature controlled services where we can offer capability, flexibility and improved service. Equally, we are committed to supporting and growing our traditional customer base so they continue to recognise us as a top tier performer.

We have a reputation for excellence in health and safety, continuous improvement and change management and are active in six countries across Europe.

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