

CASE STUDY

WORKING COLLABORATIVELY TO CREATE SUSTAINABLE RETAIL SOLUTIONS



M&S is one of the UK's leading retailers, with around 21 million customers visiting their stores each week. M&S sells high quality clothing, home products and outstanding quality food.

With over 700 UK stores, a growing online business and an expanding international business, M&S employs over 81,000 people in the UK and abroad. DHL Supply Chain has a long established relationship with M&S spanning over three decades. Both companies have a commitment to environmental initiatives and a collaborative partnership was developed.

CUSTOMER CHALLENGE

Retailers are faced with growing pressures to reduce carbon emissions and improve carbon efficiency. Creating sustainable retail solutions is fundamental to the retail industry and will help companies to meet their environmental goals.

M&S and DHL jointly developed the DHL GoGreen and M&S Plan A partnership, an industry leading platform helping to improve efficiency and reduce carbon emissions across their transport operation. There were a few key challenges to work towards. M&S wanted to be the world's most sustainable retailer by 2015 as well as produce 0% to landfill and achieve 100% of waste recycled by end of 2012. For fuel efficiency, M&S wanted to improve the fleet's fuel efficiency by 25% by 2015, based on a 2007 base line. Innovation was important and both companies wanted to be at the forefront of the trialling and implementing innovation to reduce carbon emissions.

CUSTOMER CHALLENGE:

- To make M&S the world's most sustainable retailer by 2015
- To contribute to M&S 'Plan A' commitment by focusing on the carbon emissions generated from the retail supply chain
- To address logistics environmental impacts

DHL SUPPLY CHAIN SOLUTION:

- The alignment of the M&S Plan A and DHL GoGreen objectives to deliver savings through various transport innovations
- The implementation of the control tower
- The joint pioneering of the teardrop trailer design, creating a benchmark for aerodynamics

CUSTOMER BENEFITS:

- A joint partnership resulting in new ways of thinking through the Plan A and GoGreen programs
- An overall 7% saving to M&S on operating costs
- Improved MPG of 10% through tear drop trailers and CO₂ savings across the fleet of 1,248 tonnes
- Loose Loading has saved 1,562 tonnes of CO₂



DHL SUPPLY CHAIN SOLUTION

The Control Tower:

Using a Paragon planning system, Isotrak vehicle telematics and DHL's bespoke systems, DHL has helped M&S to drive operational efficiencies, consolidated deliveries, and implemented additional controls over fuel use and driving standards. Two fleets (in-bound and out-bound) have been integrated as part of the control tower process.

Teardrop Trailers & Loose Loading:

M&S and DHL pioneered the teardrop trailer design, which now accounts for 58% of the fleet. Setting the benchmark for aerodynamics in the logistics industry, the teardrop trailer's aerodynamic design has improved fuel consumption by 10% (independently verified at MIRA) and delivered CO₂ savings of 1,248 tonnes across the fleet in 2011. Double-deck trailers are still used for certain store deliveries, trunking of equipment and pallets. Loose loading is about making sure all trailers are filled to their full capacity and use all available cube through loosely hanging garments.

MPG Improvement:

DHL has improved MPG from 9.94 to 10.52 by using technology improvements in areas such as Isotrak telematics, fuel technology, and E3 Plus bars (trial) which all have saved 1183 tonnes of CO₂. Every driver is debriefed on his driving performance, MPG, harsh braking/acceleration, cruise control time, idling and over revving.

Railways:

DHL designed and patented a hanging solution for use on single leg rail trips, to cut down on empty miles. Transport of hanging garments by rail is complex due to the use of containers. However DHL designed and implemented an innovative 'rail kit' solution, which can be assembled and disassembled by one person in 10 minutes.

CUSTOMER BENEFIT

The DHL GoGreen and M&S Plan A partnership has been highly successful and has resulted in M&S becoming carbon neutral in their UK and Irish operations.

The DHL/M&S partnership has identified new best practice while benefitting both parties. For DHL it has meant learning how to implement loose loading and optimise retailer integration. Also through a collaborative approach, an overall 7% saving has been made to M&S on their operating costs. Through the control tower process, fleet integration saved 500,000 miles and 584 tonnes of CO₂.

The introduction of loose loading, has meant 1,562 tonnes of CO₂ has been saved. In conjunction with this, the newly designed tear drop trailers have also significantly helped to improve productivity and have provided an improved MPG of 10% and CO₂ savings across the fleet of 1,248 tonnes. The 'rail kit' solution has further reduced empty miles and made savings of £175,000 per annum and reduced CO₂ by 500 tonnes.

The future remains strong for the partnership and to further improve the quality of the operation, DHL intends to make greater use of rail in the future and will work closely with customers to identify opportunities to backhaul.

QUOTE

"The importance of compliance within an environmental program is central to strategy and DHL's wide reaching expertise provides a knowledge and capability source that enables this to happen quickly, efficiently with limited transport downtime and within budget. Where most environmental strategies focus on CO₂ emissions this program seriously targets other harmful emissions and takes into consideration safety, social and community responsibility and human health."

Mike Watkins, Head Of Operations,
Food Logistics & GM Transport, Marks and Spencer

For further information

Contact our supply chain experts:
supplychain@dhl.com
www.dhl.com/supplychain