

CHAPTER 1: The environment of Last Mile Distribution logistics

UNIT 1: Scope and definition of Last Mile Distribution Logistics

Capsule 1.2.1

Stakeholders of the Urban Logistics Ecosystem



To be done prior to this capsule:

1.1.1

Capsule linked with:

All capsules

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Objectives of the Capsule

Understand the role of the main actors and stakeholders involved in urban logistics and the market areas in which they operate. The ecosystem of the demand side and the supply side.

Category (Arial 18)	E-learning	EQF		
		4	5	6
		X	X	X

Exercises included	YES
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Effort for the capsule	15 Minutes
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Contents

1. Who are the stakeholders in LMD?
2. Urban logistics conflicts
3. Stakeholders of the demand side and offer side

1. Stakeholders are critical in LMD

Last Mile Delivery (LMD) Stakeholders are individuals or groups that have an interest in the activities generated by logistics in urban areas, for example:

- Businesses
- Operators/carriers
- Local residents
- Interested parties
- trade groups
- city employees
- Unions
- City authority
- Regulators and enforcement, police



2. Conflicts in urban logistics

Urban logistics happens within urban environment, where a variety of people live and pursue different objectives. Very often, urban deliveries generate traffic and congestion and interfere with the activities of other actors.



In this picture, we can clearly see that the truck (transport operator) is stuck in the street and has affected a number of different actors:

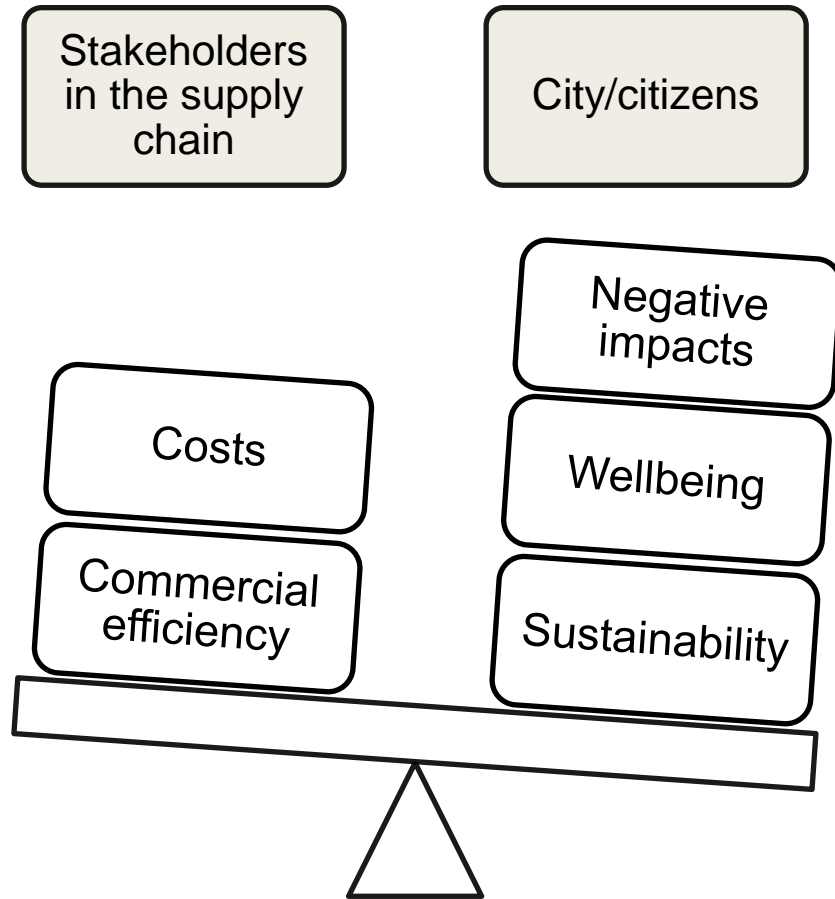
- Citizens/residents: they cannot cross the street
- Other street users: they cannot pass by because the street is too narrow
- Shops/business: customers cannot reach them

Photo by ITL

3. Urban Logistics: a very challenging environment (1)

- City deliveries involve **many different stakeholders**, both those within the urban area that are not directly involved in the freight transport movements (public authorities, residents, tourists/visitors) and the actors in the supply chain.
- The interaction between these different stakeholders, **each with their own interests** and own perceptions of the issues related to urban freight transport (UFT), increases the complexity in the search for solutions to achieve sustainable urban distribution.
- Each city has different regulations that regulate traffic within them. These rules create challenges for planners who must take them into account in order not to commit infractions.
- The urban environment challenges forwarders to select the best delivery vehicle. Based on the topology of the city, expedition planners should consider the most suitable means for each area of the city (e.g., historic center, industrial area, university zones, etc.).

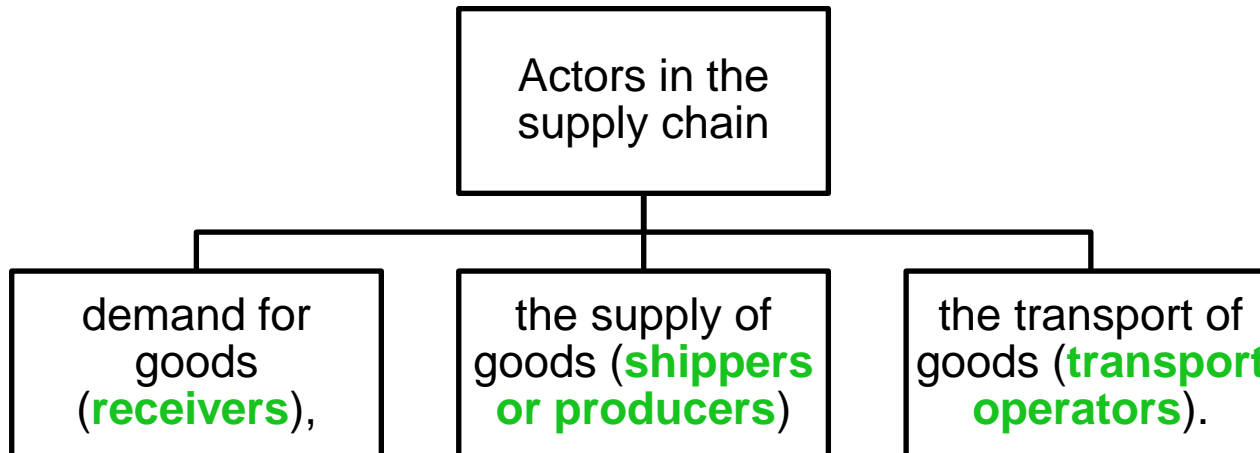
4. Urban Logistics: a very challenging environment (2)



- Logistics decisions are typically taken on the basis of commercial and operational factors, without any specific consideration for the local environment.
- There is a need to reconcile the conflict between the commercial efficiency objective pursued by the stakeholders in the supply chain and the wider sustainability objectives pursued by city authorities on behalf of residents and tourists/visitors.

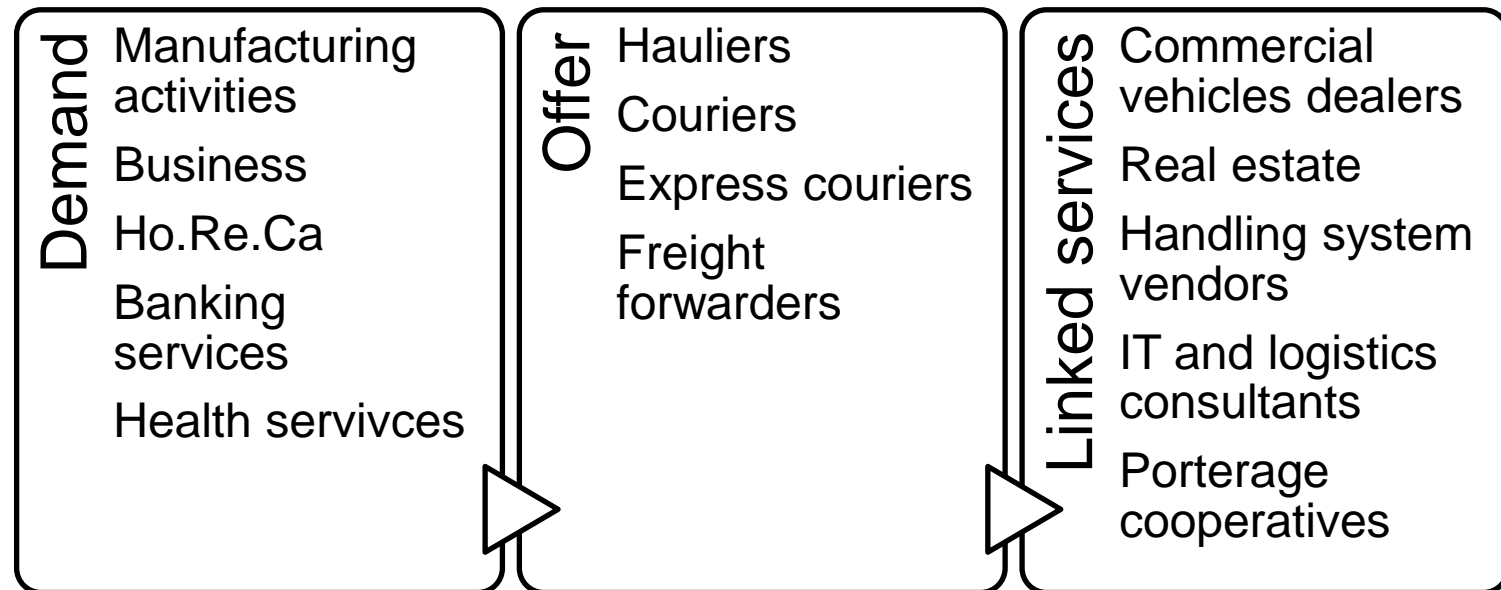
5. Actors in LMD

Actors in the supply chain can be categorized, as shown below.



6. Demand & Offer

- Logistics and deliveries are service requested by companies that produce or sell goods. They are the demand side.
- Logistics services suppliers represent the offer.
- A number of linked services are connected to both the offer and demand side.



* Ho.Re.Ca. stands for Hospitality Restaurants and Catering activities

7. Urban freight transport conflicts



Addressing urban freight transport's requirement is difficult because it embeds a number of conflicts:

- Space/time use for passenger in contrast with freight's needs,
- Economic against environmental goals
- A large number of stakeholders with different needs and views

8. Who are the stakeholders

Cargo owners

- They need freight moved as part of their commercial or manufacturing activities.
- They are mainly concerned by the cost, capacity and reliability of deliveries.

Distributors

- Such as carriers, that move the goods and try to implement strategies to improve efficiency and reliability.
- They are concerned by factors impacting their operations, particularly congestion and parking difficulties.

Residents

- They are the main recipients of urban deliveries.
- Residents expect easy access to consumption goods and the prompt removal of refuse.
- They also expect not to be affected by truck traffic, noise and pollution

Retailers

- Those who need to receive product and have refuse removed.
- They are mainly concerned with consistent and reliable deliveries that minimize inventory costs

Planners & regulators

- They need to implement policies to mitigate the negative impacts of city logistics.
- They try to reconcile the often-conflicting interests of the many stakeholders within their jurisdiction.

6. Summary

- Last Mile Delivery is complex because several stakeholders have each their own interest
- There are many stakeholders involved in last mile delivery
- In urban environment, the problems connected to LMD are exacterbated because space is limited

Self-Quiz: Question 1

Which of these is an actor of LMD?

a) Cargo owners

b) Residents

c) City authorities

d) Logistics companies

e) All of the actors of a), b), c), d)

Self-Quiz: Question 1 (answer)

Which of these is an actor of LMD?

a) Cargo owners

b) Residents

c) City authorities

d) Logistics companies

e) All of the actors of a), b), c), d)

Self-Quiz: Question 2

Stakeholders in LMD have different and often contrasting interests

a) True

b) False

Self-Quiz: Question 2 (answer)

Stakeholders in LMD have different and often contrasting interests

a) True

b) False

Self-Quiz: Question 3

What is the interest/objective of stakeholders in the supply chain in LMD?

a)
Environmental
Sustainability

b) Commercial
objectives

c) Social
sustainability

Self-Quiz: Question 3 (answer)

What is the interest/objective of stakeholders in the supply chain in LMD?

a)
Environmental
Sustainability

b) Commercial
objectives

c) Social
sustainability

References

- (1) Dallari F., Pennacino E., Toriello F., Cossu E. (2016) Corso di Logistica e Trasporti – Spedizioni, normativa e commercio internazionale. Hoepli Editore. ISBN 978-88-203-6675-9
- (2) MDS Transmodal Limited (2012) DG MOVE European Commission: Study on Urban Freight Transport
https://civitas.eu/sites/default/files/2012_ec_study_on_urban_freight_transport_0.pdf