



3M AND HUB & SPOKE WITH SHIPITSMARTER SERVES 3M WELL

CUSTOMER CASE



By implementing the hub & spoke system motored by the ShipitSmarter SaaS solution, technology group 3M has succeeded in doubling the loading percentage of Lorries, while CO₂ emissions have been halved. 'It's remarkable that companies aren't consolidating their transport more often', says Patrick Van De Vyver, EMEA logistics operations manager of 3M.

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I can't believe that other companies aren't doing this. ”

PATRICK VAN DE VYVER, 3M

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Reduce the transport ineffectiveness

3M is still taking steps toward the hub & spoke model. A major factor for transferring to this model, in which a hub is the central goods collection point and the roads to and from the facility are the spokes of that hub, was to reduce the transport ineffectiveness. Whereas the loading percentage of the Lorries two decades ago was around 30-35 percent, that figure has now doubled, with exceptions of up to 90-100 percent. For Patrick Van De Vyver, collaboration & cooperation, are the key aspects. 'Many shippers send products completely separate from the factories and distribution centres. There is no consolidation. This is quite remarkable as transport costs in particular are very high – sometimes 60, 70 percent of the total logistics costs. In addition it causes a great deal of CO₂ emissions.'

Since 2012 3M has used the ShipitSmarter SaaS (Software as a Service) solution for guiding its logistics flows. There are 870 3M locations involved

in this (factories, warehouses, suppliers) from which – through 13 hubs – shipments are booked and sent to the end destination in the most optimal way possible.

Tremendous waste

All stages in the shipment process are transparent via the ShipitSmarter. That platform manages, among other things, the routing, cost allocation, integration of transporters, labelling, track & trace, invoice check, packing order and Advance Shipping Notice management and reports. An important pillar for 3M in guiding the logistic flows is the consolidation concept M3: Mix-Move-Match. This is a logistical three-stage rocket. In the first stage companies deliver their products to the (subsequent) hub or distribution centre via a booking in ShipitSmarter. There, the various transport orders are mixed on 2.2-metre-high pallets/cages (Mix). Next, the pallets are loaded on Lorries for long-distance transport (Move) to a subsequent hub, the second stage. There, the shipment is

unloaded, sorted and placed on pallets for final delivery to the client (Match), the third stage. In that way the loading percentage of the Lorries increases significantly. 'Picking a few boxes for one client on one pallet is a tremendous waste because then you can't stack', says Patrick Van De Vyver. 'That costs a ton of money.'

It can even be five to ten times as with M3. Anyone who works with individual boxes or client pallets should do this.