



White Paper

Moving forward for distribution & logistics

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The significance of logistics during COVID-19 and beyond

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1. COVID19 impact on the logistics industry. Published 08 July 2020: <https://www.touchstar.co.uk/blog/covidlogistics>

If Coronavirus has proven anything, it's that the logistics industry is built of 'strong stuff'¹. At no time in its history has the industry faced such a unique set of circumstances than the pandemic. It changed the supply chain's future course and has given it an unexpected prominence as a vital element to economic success.

The challenges of COVID-19 have been, somewhat different for the logistics industry than that of other areas of any business.

The industry had to rise to the challenge and transform the way it worked, suddenly finding itself as a sector more in demand than ever, linking goods with people like never before. So effective, it is now a thriving industry, with many distribution and logistics companies reporting expansion plans.

This was wholly due to its ability to develop and effectively respond to serious disruption and an explosion in consumer reliance on fast delivery.

Consumers themselves faced with the extraordinary scenario of empty supermarket shelves and closed shops, instantly changed their purchasing habits to online shopping, where we witnessed a significant shift.

With speed being of the essence, logistic companies fast tracked their growth and changed their strategies. Many quickly expanded to seven days a week operation, evolved to embrace e-commerce, hired more people and invested in technology and digital assets.

In the UK, land transport in particular became a vital factor in keeping the country going despite extended national lockdowns. It meant many logistics firms had to tackle one of their most intensely demanding periods alongside all the complexities of a national and global health emergency.

In this white paper, we explore how COVID-19 has heightened the UK's dependence upon logistics. Without the industry operating efficiently, scaling up quickly and investing in technology, the lockdown periods would have been even more difficult.

As the UK (and the world) emerges from restrictions and follows a cautious path to full recovery, the question is posed:

How can the logistics sector maximise its new found prominence and proven ability to keep the UK economy moving in a post COVID world?

As a sector that has seen unprecedented growth during lockdown, and ensured that household and business needs have been met despite challenging conditions, we believe demand is likely to continue and logistics is well placed to contribute to the UK's sustainable economic recovery.

By producing this discussion paper, Traka wishes to stimulate debate and encourages contributions from many voices. We look forward to engaging with you and your colleagues in this dialogue and would be pleased to share additional points of view, information and insights. Feel free to reach out to your usual Traka contacts to start the conversation.

About the author

Lee Payne is a dedicated Market Development Manager for Traka UK, specialising in supporting logistics, transport and distribution companies to provide efficiency improvements to operations and offer significant return on investments across each business.

His understanding of process controls, ensures supported companies have authority over their tooling and maintenance processes.





An online boom

2. "The increased importance of logistics during COVID-19 and beyond." Published December 2020: <https://www.tritax.co.uk/media/tvze3mlb/the-increased-importance-of-logistics-during-covid-19-and-beyond.pdf>

3. Office for National Statistics (20 November 2020) Retail Sales, Great Britain: October 2020

4. Groceries Go Digital: How The Pandemic Turned The Nation into Online Shoppers, printed online 20 August 2020: https://waitrose.pressarea.com/pressrelease/details/78/NEWS_13/12461

5. Amazon hopes pandemic habits stick after profits triple. Reported BBC News, 01 May 2021: <https://www.bbc.co.uk/news/business-56937428>

2020 saw logistics operations move into the spotlight, driven by COVID-19 and extended national lockdowns, which necessitated a shift in the way goods are stored and moved around the country, particularly in the speed of reaching their final destination – the consumer.

With stores either being closed or shoppers being unable to get to them, people turned to online ordering as a solution. Ten years of forecast e-commerce growth occurred in the first month of the initial national lockdown², reflecting the pace of this change in consumer spending patterns which in turn influenced warehouse floorspace demand.

From early on, the UK government responded by assigning the logistics sector as 'key workers', enabling them to carry on operating through the lockdown (while social distancing,) access COVID-19 testing and keep their children in school.

Thanks to calls from business groups such as Logistics UK (formerly the Freight Transport Association (FTA)), the Government also took further steps to ease the strain on logistics firms working through the lockdown.

This included keeping roadside facilities open, exemptions for freight workers in border quarantine arrangements and extending MOTs and annual HGV tests. These and other support measures have proven vital to an industry tasked with ensuring the nation still has what it needs during a global pandemic.

As a result, between February 2020 (pre-pandemic) and October 2020, online sale values grew from 19.6% of retail sales value to 28.5%³. Research from British supermarket Waitrose & Partners⁴, showed that one in four UK consumers shop online for groceries at least once a week 'post-pandemic', double the amount seen in 2019.

It's also been described as a golden age⁵ for tech giants such as Amazon, with its prime, same day delivery of essential (and none essential) products, that reported a tripling of profits in the last lockdown 2021 and experts predicting the boom to continue.

An essential service

6. Extended opening hours to continue when non-essential retail returns. Printed 26.03.21: <https://www.gov.uk/government/news/extended-opening-hours-to-continue-when-non-essential-retail-returns>

7. UK Economy set to grow at fastest rate in more than 70 years. Reported BBC News 06 May 2021: <https://www.bbc.co.uk/news/business-57008220>

As lockdown restrictions start to lift and shops reopen, retail experts suggest the preferential surge in online sales to continue, as consumers embrace their newfound shopping habits and enjoy the convenience of contact-free doorstep delivery and extended delivery hours.

In this respect, it has been argued that COVID-19 has simply acted as a catalyst to accelerate existing trends and changes in consumer habits within the sector. As an essential service, the logistics sector has an important role to play in economic recovery.

Logistics UK has now called for the delivery hours extension to stay in place even as the lockdown eases and non-essential retail stores reopen, to support sustained economic and societal recovery. If nothing else, this would enable logistics firms the opportunity to restock stores safely out of hours (with stores themselves embracing longer hours ⁶.)

Certainly the economic growth of 2021 would suggest the impact is far reaching, when the UK economy enjoyed its “fastest growth in more than 70 years ⁷,” as restrictions were lifted.



Maintaining success

8. Truckers are the unsung heroes of the pandemic. Published February 10 2021: <https://www.entrepreneur.com/article/363404>

The profile of the logistics sector and its essential role has been raised and consumers are more aware of the vital role it plays in receiving essential goods. There is a real opportunity to maintain its success, with logistics workers seen by many as 'unsung heroes'⁸ and help to rebuild the economy with fast moving produce across the UK.

This success is in recognition of the increased consumer demands that have come to be expected during the pandemic, which embraces a sense of immediacy and self-service.

Following a period of such high demand and uncertainty, customers will need and expect the continued reassurance that eCommerce sites are fully prepared, visible and in control of the supply chain, streamlining processes to allow for rapid change or demand.

Here comes the need for greater innovation and integration. Technology plays, and will continue to play, a key role in the development of the logistics sector moving forward, to ensure that businesses continue to develop and meet consumer demands in innovative and efficient ways.





Stronger in the long-term

Some businesses had already begun their digital transformation journey before the pandemic hit, providing a key head start.

For example, companies that were already using collaborative technologies before the pandemic were in the strongest position to maintain steady business operations when social distancing and working from home became new realities.

Businesses that increased their internet and network capacity before the pandemic found it easier to connect to remote employees, customers, suppliers, partners, and other stakeholders.

Distribution and logistics companies that had embraced the ideals of asset management could instantly optimise performance, control and monitor all physical processes and reduce the likelihood of human error. This all enabled maximum efficiency and quicker response times, as key elements in enabling greater and fluid movement despite the difficult and restrictive pandemic conditions.

Moving forward, companies that continue to streamline and digitise their planning processes will be able to generate better plans faster and be more responsive than their competitors in the coming growth period.

Keeping logistics moving

Land transport can be seen as the one industry that has enabled a uniting of society through COVID-19, both in lockdown and the lifting of restrictions. Seamlessly securing its contribution has been critical to success.

As an essential part of the logistics operation, considered key workers and often cheered in the weekly round of applause celebrated by the nation, the transport sector has redoubled its efforts in essential travel and linking goods with people. Here, the latest security technology has kept everything as connected as possible.

Team Traka has seen first-hand the extent of challenges both during COVID-19 and in the steady relaxing of lockdown regulations, the dedication required in all sectors, and reliance on effectively running transport links to meet newly emerging and discerning customer requirements.

In the background, this has led to a renewed sense of fully operational supply chains, and the need to deliver quickly and fully from distribution centres or even fields to doorstep by road has never been so critical.

Key and equipment management implemented into administration and distribution processes has ensured optimum security for transport, where only authorised personnel gain total control of assets, with full traceability and location tracking at all times. This ensures reduced turnaround times and improves the long-term efficiency of daily processes.

Overall, asset management ensures that a post lockdown society can safely enjoy the new found success and maintain consumer confidence, thanks to effective security of transport and logistics operations.





Summary & Conclusion

The logistics, distribution and transport sectors have each played an enhanced role during COVID-19, as an essential chain to ensure goods are moved from factory, port to high street or home.

Without the sector our shelves would have been empty. We saw the direct impact of this in the first few days and weeks of the initial lockdown in March 2020, when consumer retail demand stripped supermarket shelves quicker than they could be re-stocked.

As the consumer naturally adapted and moved to online shopping, the elevation of key worker status naturally supported logistics goals to reach consumers faster and more efficiently.

Logistics companies that were able to adapt, currently are at the forefront of where the sector is headed next.

Key to success, the sheer development of various technologies proved to be utilised within the transportation and logistics sector to increase efficiency, project more accurately and provide real-time insights across the supply chain.

Asset management for example, has contributed significantly to the logistic industry to plan, monitor and increase security of their daily operations. The ability to minimise disruption especially with essential land transport enables a seamless experience from the warehouse to a consumer doorstep, and for managers to monitor deliveries, increasing accountability and efficiency.

The logistics sector now, as a demonstrable essential part of the UK's infrastructure, has the potential to continue to use its new found prominence and generate lasting social, economic and environment benefits as part of the UK's economic recovery, already being suggested by latest statistics.

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How Traka can help

Traka is the global leader in intelligent management solutions for keys and equipment and has proven essential in supporting leading distribution and logistics divisions to meet growing customer demands.

Using latest asset management technology, Traka efficiently bridges the gap in many safety and security strategies, providing automated and controlled access to keys and shared equipment, including PDA, laptops, tablets, vehicles, specialised devices and more.

Through Traka's software-controlled key cabinets and lockers every activity is recorded, generating more responsible users and complete audit control visibility for all protected items.

Traka's solutions can also be integrated into existing database or third-platforms, making administration easy, and enabling real-time workflows that improve operational processes, an essential component to the success of the logistics and distribution industry during the pandemic.

As we look to a 'post Covid-19' world, and a 'return to normal,' we continuously invest in the development of our technology to provide leading, innovative, secure and effective real-world solutions to the continuing expectations plans on distribution and logistics organisations through better keys and equipment management.

Our solutions are tailored to customer needs and requirements, providing the most value and impact on their business. Traka is a global organisation with local support working to defined processes so that we are local when you need us and global when it counts.

Traka is part of ASSA ABLOY Global Solutions, dedicated to reimagining how people move through their world. Our expertise in customer journey mapping, innovation and service design leads to the invention of new security solutions that create value for our clients and exceptional experiences for end-users.

For more information on Traka's range of intelligent asset management solutions, dedicated to distribution and logistics, please contact Lee Payne, or visit www.traka.com



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