



Odyssey
Logistics &
Technology

Empowering Global LogisticsSM

Empowering Sustainability in Logistics

Building a Responsible Partnership for a Green Supply Chain

Sustainability is now part of the supply chain lexicon—or should be. If mismanaged, supply chain decisions regarding processes, manufacturing and transportation can have damaging environmental and financial consequences.

Responsible companies recognize the need to protect our natural resources and the environment in order to sustain the world in which we live. But how do they create value for all supply chain stakeholders while managing the social, economic and environmental impact of producing and moving goods and services? How does a company manage sustainability efforts with so many links in the global supply chain?

The unique perspective of logistics management in the supply chain provides invaluable insight into what companies need for building a sustainable business model. Partnership is the key to developing green logistics management that considers both the environmental and monetary costs of transporting products through the supply chain. The right partner helps your company balance those expenses in establishing sustainable practices.

What are the concerns?

At its core, sustainability is about survival. It is meeting the needs of the present generation without jeopardizing the livelihood of future generations. How that translates into action depends on the company and its products and services.

In the supply chain, sustainability efforts focus on air pollution, waste management, and energy and water use. Logistics plays a critical role in the integrated management of your company's sustainability strategy.

AIR POLLUTION – Most of the supply chain issues surrounding air pollution center on greenhouse gases (GHGs) that trap heat in the atmosphere. Some GHGs occur naturally, while others—including carbon dioxide (CO₂), which forms from the burning of fossil fuels, solid waste, trees and wood products, and from other chemical reactions—are the result of actions taken by humans.

In 2009, transportation activities accounted for 33 percent of all CO2 emissions from fossil fuel combustion.¹ Sustainability goals concentrate on reducing carbon emissions. One way to accomplish that is through the mode of transportation—by waterways, which produces the lowest emissions, followed by rail, truck and air.

Effective logistics management reduces a company's carbon footprint by as much as 50 percent with multimodal transportation options that optimize the use of water and rail in shipping.

Another green logistics strategy reduces “empty miles,” in which trucks travel without loads, and “unused capacity,” which occurs when they carry a partial load. Process improvement in mapping and scheduling better manages truck loads, resulting in lower emissions and lower costs.

WASTE MANAGEMENT – The handling and disposal of toxic and hazardous waste is one of the most visible activities of the supply chain. A miscue in waste management creates serious environmental and health issues with crushing repercussions to a company's reputation.

Traditional logistics management of forward distribution organizes the activities that move products from the company to the consumer. Sustainability introduced the practice of reverse distribution or reverse logistics, which coordinates the recycling and disposal of waste, including toxic and hazardous material. Reverse logistics helps a company comply with regional regulations and redouble its commitment to sustainability.

ENERGY USE – Sustainable energy incorporates the use of renewable natural resources, energy-conserving processes and the deployment of energy-efficient transportation. The competitiveness of the global market challenges companies to find ways to conserve without compromising high levels of customer satisfaction.

Logistics offers a big-picture view of the supply chain and can be your best source for energy-efficient solutions through optimized transportation and warehouse management processes. Advances in technology also help monitor and improve energy efficiencies.

WATER USE – The conservation of water is another element of sustainability in which the goals are the reduction of water consumption and the protection of water from contamination. Examples of green logistics strategy in the supply chain include the use of recycled water in container washing facilities and interceptor tanks in fuel-dispensing areas that capture runoff and prevent the pollution of waterways.

Smart logistics management is playing a pivotal role in supply chain sustainability. In fact, few areas have more influence on the social, economic and environmental objectives of a company's sustainable business model. By partnering with a Lead Logistics Provider (LLP) that understands and follows sustainable practices, companies better align their goals and reduce the risks associated with supply chain management.

63 percent of business customers believe that logistics will become a strategic lever for CO2 abatement. Deutsche Post DHL (October 2010 Study)²

¹ United States Environmental Protection Agency. Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2009. April 2011.

² Deutsche Post DHL (October 2010). Delivering Tomorrow. Towards Sustainable Logistics. How Business Innovation and Green Demand Drive a Carbon-Efficient Industry

The benefits of a sustainability partnership

The international market offers tremendous opportunities, but with them come additional challenges and obligations. Companies have an economic and social impact that extends beyond the walls of their own locations.

The enormity of the global supply chain requires a sophisticated level of collaboration to manage the inherent complexity it presents. Beyond the tactical and operational aspects of your business, you need partners that protect your company's brand and reputation when representing your sustainable business practices.

A strategic partnership with a Lead Logistics Provider (LLP) delivers support for a company's sustainability strategy and offers a company several benefits, including the following.

- **“Big-picture” analysis** – monitors every aspect of the supply chain to ensure “green” practices and to identify any gaps
- **Shared risk management** – provides accountability for sustainability initiatives across the supply chain
- **Compliance** – offers assistance with changing and increasing international regulations and standards
- **Cost savings** – generated from reduced energy use and greater operational efficiencies
- **Empowered** logistics and transportation management – leverages global technology and carrier networks as well as key relationships
- **Marketing edge** – brings a competitive advantage and enhanced brand recognition

Like any strategic partnership, the experience and knowledge of the LLP partner is critical to the successful development of the company's sustainable business model. Finding the right partner for your company's specific strategy is easier when the LLP possesses certain fundamentals.

What to look for in a logistics partner

When looking for the best sustainability partner, consider an LLP with the following three important elements.

1. INTERMODAL CAPABILITIES – The LLP network that offers all modes of transport (water, rail, road and air) supports your sustainability initiatives by providing green alternatives to transportation activities that contribute to increased carbon emissions.

The ideal partner is asset-neutral, meaning the LLP does not own its own assets, such as its own trucking fleet. An asset-neutral partner assures that your company makes decisions based on sustainable strategies, rather than decisions driven by owned assets.

Look for an LLP network that demonstrates a commitment to sustainable best practices, such as SmartwaySM certification. SmartwaySM is a voluntary alliance between various segments of the transportation industry and the Environmental Protection Agency (EPA). Certified participants meet specific environmental and energy-saving goals, and submit annual progress reports to the EPA.

2. NETWORK AND CARRIER OPTIMIZATION – The best LLP partners have large carrier networks incorporating all modes of transportation. They have technology that drives process automation for mapping the best routes, and optimizing the transportation mode and carrier selection to reduce empty miles and unused capacity.

The LLP should have a technology platform that integrates with all Enterprise Resource Planning (ERP) systems and offers transparency of data and information for evaluating safety and performance throughout the supply chain. This gives your business visibility and control with 24/7 shipment, carrier, cost and carbon footprint tracking.

The ideal LLP displays best practices in sustainability with access to multimodal transportation options and evidence of continuous process improvement in all areas. For example, an LLP experienced in the movement of chemicals and hazardous materials (ISO tank container transportation) understands and respects the value of a sustainable business model for your company and for all of the supply chain stakeholders.

3. CONTINUOUS MOVE MANAGEMENT – Sustainability in logistics requires superior management. The best LLP has real-time access to data throughout the network and is able to use that information to optimize truck loads and routes, and for managing for the lowest continuous mile to reduce emissions and generate savings.

Managing to a continuous move combines routes and truck loads. That option only works when the LLP has a large global network with the flexibility to adjust to sustainable logistics, a global technology platform for controlling and communicating changes to its carriers, and the industry experience and technical expertise in applying best practices.

The sustainable future

Supply chain sustainability is today's reality. In an effort to force compliance, an increasing number of countries are demanding conformity through new regulations and standards.

Companies that are ahead of the curve help shape industry guidelines. They establish their role as responsible citizens and secure their own future in the global market. Partnering with the right Lead Logistics Provider helps build a sustainable future for you and for your customers.

Sustainability success stories

Odyssey Logistics & Technology (OL&T) has been offering its customers sustainable solutions for more than a decade. Here are a few examples of what our team of experienced professionals can provide.

GREENER TRANSPORT ALTERNATIVES – As an LLP with intermodal capabilities, OL&T not only offers environment-friendly alternatives, but cost-savings as well. An OL&T client has firsthand experience with those benefits. The client was in danger of losing a customer due to the prohibitive cost of transporting its goods from the state of Washington to a plant in Louisiana. OL&T was able to optimize delivery by moving the goods by rail instead of truck, which produced significant savings with decreased fuel costs and a greener alternative resulting in decreased emissions. As a side benefit, the strategy enabled a more efficient use of truck drivers' time by eliminating the cross-country route.

CONTAINER SHIPPING – The chemical industry takes its sustainability responsibility very seriously. As a longtime logistics partner to chemical companies, OL&T understands the implications of inefficient, non-sustainable transportation of chemicals.

With the strength of its large global network, OL&T assisted a chemical client in securing a contract that doubled the percentage of U.S. containerized exports with Evergreen, an industry leader in innovative vessel design and green policies in shipping. The contracts negotiated by OL&T provided protection from the extremely volatile shipping market, delivering consistent and competitive pricing, while securing a safer and greener alternative for moving the client's freight.

LOW-WEIGHT TRUCK LOAD/AGGREGATE SHIPMENTS – In an effort to increase payload, OL&T measures the number of low-weight truck load shipments (less than 45,000 pounds). While that activity produces cost savings, it has the added bonus of decreasing the number of trucks required to deliver products, thereby reducing fuel use and emissions.

OL&T regularly aggregates shipments on behalf of clients to reduce costs, increase payload, and decrease fuel use and emissions.

About OL&T

Odyssey Logistics & Technology Corporation (OL&T) is a global Lead Logistics Provider that empowers the logistics professional by providing technology, processes and information for better decision making. OL&T leverages its knowledge, technology, relationships and vast network to deliver the greatest value. Our clients—and all their goods and services—receive equal care and attention.

OL&T enables its clients to achieve cost savings through reduced infrastructure expenses, improved and measurable transportation process improvements, and actionable data.

The company's key advantages include control as a result of access to an unparalleled carrier network across all modes of transport, visibility gained through the delivery of comprehensive data by the Odyssey Global Logistics PlatformSM, an advanced technology platform and expertise provided by a deep bench of professionals who effectively manage the most difficult logistics challenges for the most complex industries.



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