

Logistics News: VICS Organization Latest to Take a Shot at Transportation Collaboration

New Web Portal Offers Low Cost Way to Look for Load Linking Opportunities for Consumer Goods Manufacturers and Retailers

Cliff Holste, Materials Handling Editor

The Voluntary Interindustry Commerce Solutions Association (VICS) organization, which supports supply chain related process and technology standards for the retail and consumer goods industries, has recently released a new product it calls Empty Miles that it hopes will allow subscribers to find backhaul and load linking opportunities.

According to VICS President and CEO **Joe Andraski**, the idea for the service came from a meeting VICS held about 18 months ago with various members about ways to improve transportation management. Amid the discussions about transportation processes and the potential for greater levels of electronic communication, one of the retailers present said that it was driving about 26 million empty miles per year.

"That hit us like a ton of bricks," Andraski told SCDigest. "We started asking: What steps could we take to reduce empty miles?"

VICS then went to work its partners at GS1 US and GS1 Canada (related organizations) to develop a web-based solution.

The result is now a new web portal VICS calls "the Collaboration Zone." The site allows subscribers to post specifics about their transportation lanes and look for complementary shippers that can use the truck or carrier for a return trip.

According to Andraski, the portal is designed to be very simple to use and to primarily support collaboration for regularly scheduled shipments (e.g., a shipper has a truck arriving in Dallas from Chicago every Wednesday), not one-time load linking to meet a specific need on a given day.

The VICS service is another in a number of attempts, many by commercial software providers, to make a success of logistics collaboration. Despite what continues to be strong interest from many shippers in the concept, in practice collaboration portals have not gained substantial adoption

For example, in the portal users can post "Power Lanes" – lanes where they are currently running "empty miles," which then become searchable by other shippers. (See graphic on page 2.)

Andraski also says that the portal is not meant to be the place where participants arbitrate how freight costs will be shared, handle insurance, and other specifics of their arrangement.

"Once two shippers see they may have complementary freight, it's up to them to work out those details between themselves," Andraski said.

Cost shouldn't be a barrier. The service costs just \$1600 per year for companies that are already VICS members, and \$1850 annually for non-VICS members. Andraski said he believes in some cases a retailer may encourage, for example, one of its suppliers that is not a VICS member to join so that

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VICS VIKENTARY INTERINDUSTRY COMMERCE SOLUTIONS

COLLABORATION ZONE

GS1 North America Collaboration Zone

Services

Empty Miles: Enter information for your new EMPTY MILES

Alerts

My Power Lanes

New Search

Watch List

Reports

Tools

Contact Us

- Sign Out -

User Info:
Mr. Tim White
200120/8001657

Availability & Schedule Start Destination Vehicle & Driver Profile

Enter Availability and Schedule

Availability Start: YYMMDD

Availability End: YYMMDD

Loads Per Week:

Comments On Availability:

Submit

Welcome Services Logout Subscribe Privacy Policy Refund Policy License Agreement Contact Us

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VICS New Empty Miles Service Offers Tools to Find Backhauls and Link Loads

they can look together for backhaul opportunities more easily.

Andraski says so far the service has 10 subscribers, most of which are retailers. He emphasizes that the service is not just for retailers with private fleets but also those that use dedicated and contract carriage, and even the carriers themselves, who may find opportunities to return or reposition assets more effectively.

Another Attempt to Get Collaboration to Work

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Andraski says the low cost of the VICS service may be one difference.

"You may be able to save the cost of the subscription in just a few moves," he said.

He also noted that now, in addition to the potential to reduce transportation costs, the Green impact of collaboration may encourage more companies to make a stronger effort to get the concept to work.

"When you collaborate, you not only can reduce freight costs but also carbon emissions, fuel consumption, and miles driven," Andraski notes. "Almost any major company and many smaller ones are looking for ways to improve Sustainability, and here is an excellent opportunity."