

MEET THE MEMBER -TT SPED

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ITALIAN MEMBERS DRIVE RESILIENCE



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NEWS FROM AROUND THE PALLETWAYS NETWORK



Read more about the Iberian team's achievements on page 5.

LUIS REPORTS...



By the time you read this, it will have been over a year since the Covid-19 pandemic started with various restrictions and lockdowns introduced everywhere, many of which remain in place in many countries.

Happily, there does seem to be light at the end of the tunnel. This is down to the efforts of the scientists from across the world who have worked so hard to come up with the various vaccinations that are now being rolled out.

Combined with the onset of spring, things are hopefully looking much more positive for everybody.

The Palletways Group continues to perform strongly in the market - our volumes have remained high and the home delivery market is going from strength to strength with our new P2C product, customers are able to take advantage of arranging deliveries while they work from home. Once again, I thank everyone for their hard work as I know it has been a very difficult time for many people.

Despite our best efforts, Brexit continues to present us with challenges. Assurances from the UK government that everything was in

place to cope with the new processes were slightly inaccurate. Brexit has been a very steep learning curve for everyone, not only within Palletways but also for our members and their customers. We are working hard to do everything we can to ensure we make it as easy as possible for everyone to understand the processes that are required to move goods between the UK, Ireland, and the continent. At this moment, the export process is getting better but for the import process, both in the UK and EU, we, along with our members and customers need to provide more accurate information to process imports quicker and more efficiently. There are still too many cases with a lack of accurate information.

You may recall me mentioning that the senior management team has produced a strategy for the next five years; one of the outcomes of that review was a decision to further extend our business into Eastern Europe and I can confirm that we are ready to launch in Slovakia as soon as lockdown restrictions in that area are lifted. Other geographical areas will follow soon.

The IT Portal has been rolled out in more than 450 depot locations in our networks and we're continually looking for new ways to innovate our operation. I'll soon be in a position to let you know about a huge investment we will be making in the latest available technology that has the ability to scan shipments automatically, take pictures and capture information regarding cube and weight which will further set us apart from the competition. This new tool will bring maximum transparency and efficiencies to our members and customers and we're looking forward to rolling out this new innovation everywhere we operate.

In a few weeks, we'll be arranging virtual conferences in most of the networks to let you know about the new commercial and marketing tools our teams will launch over the coming months. These tools will provide a valued addition to our commercial sales activities and will also be of benefit to your customers.

In the meantime, let us all look forward to the spring and summer months during what we hope will be an improving situation everywhere. Keep safe.

Luis Zubialde
Chief Executive Officer
Palletways Group Limited

Innovative technology gives networks competitive advantage

The recent pandemic has made us look at the way we do business very differently. We have become accustomed to communicating and meeting each other through Microsoft Teams, face-to-face conferences are being replaced by digital ones, and our customers are turning to online more and more to conduct their daily business as seen by the huge increase in activity through Palletwaysonline.

These changes have led us to look at different ways we should continue to do business which provides a better experience for our customers, members and employees. We have constructed a five-year strategy which puts digital squarely in the middle as digital use is set to increase.

We will increase communications through more online channels than offline and we will be building a digital Centre of Excellence in the business. This will ensure all parts meet particular standards within search engine optimisation, paid advertising, videos, podcasts, social media and content marketing, not only within the Palletways business but also within our membership. This will also include the building of a new central online training area for everyone on these digital methods of communication, along with a wide variety of other subjects helpful to running your logistics business.

To start our strategy, we have recently relaunched all our regional websites in a new look and feel. This provides a better user experience, featuring improved navigation and faster load time. This is an important step on the road into the digital universe and we are excited about the future will look like for Palletways!



MEET THE MEMBER



In this issue of The Hub, we showcase the success of Hungarian member, TT Sped, with views from Managing Director, Toth Zoltán.

What's TT Sped's background?

The company was founded in 1997 and first specialised in transporting chilled food with a used truck. While we've grown significantly since then, chilled freight is still part of our core business to this day. We joined the world of international transportation in 1999, taking consignments to and from Western Europe and neighbouring continents. We reached a significant milestone in 2000 when we moved into our own 15,000 square metre premises in Sáp, Eastern Hungary. Four years later we founded our Romanian sister company: UNION Transsped.

We became a founding member of Palletways' Hungarian network in 2018. Today, we cover almost all of Eastern Hungary as a delivering/collecting partner for the Hungarian network and all the Romanian and Bulgarian market for the whole Palletways network. We handle over 200 consignments per day with a service quality rating of over 98%.

What sets you apart from your competitors?

Our first advantage is the predictibility. We always keep our customers informed about their cargo, they can track all consignments and see the ETA. The other main advantage is the price/quality ratio – we are proud to offer the best quality service at a fair price.

What are the main challenges in the logistics industry?

We offer unique and tailored solutions that help our customers quickly, effectively and safely bring their products to any given market. To be able to satisfy all our customers'

needs by delivering their shipments on time and as cost effectively as possible is a daily challenge. However, I'm lucky that I have a proficient team that make these things happen.

What do you most enjoy about logistics?

I like that no two days are the same. You can get to the end of the day thinking you've finished then something unexpected can happen, which means you have to spring back into action. It's fortunate that I thrive on rising to the challenge!

How do you keep motivated and ensure your workforce feels the same way?

My team motivates me! We always work collaboratively to find the best solutions for our customers. I try to ensure a family-like environment in the company, after all, we are all working side-by-side towards the same goal. It's also important that I provide my team with financial stability and reward effort and performance.

Why were you keen to join the Palletways network?

As I said earlier, I like challenges! I want the company to evolve and once I spotted that our customers needed a service like this, I set out to learn all there was to know about pallet networks. The rest is history.

What are the benefits being part of the Europe's largest and fastest growing express palletised freight network?

Undoubtedly the network itself and the partners in it. We can all say that we have a fleet of many thousand trucks at our customers' disposal, which means we can handle their needs across Europe. And, thanks to all our member partners, we can also say that we are knowledgeable about European markets.

What does the future hold for TT Sped?

We always plan for the long-term, so TT Sped will work hard to remain a reliable partner within the Palletways network. We have outgrown our cross-dock facility and we're currently planning to build a modern logistics centre in Sáp. I hope we'll be in a position early next year to move all our operations there.



Milestone and anniversary celebrations

There's plenty to celebrate at Palletways Iberia which has moved a record-breaking one million pallets over the past 12 months, which equates to 25,000 pallets a week or more than 5,500 a day, plus the network has doubled in size over the past five years!

Continued growth

Despite the challenges resulting from the pandemic, the Iberia team increased volumes by more than 40,000 pallets. Based on current forecasts, it expects to grow by 15% over the coming year, which is already shaping up to be a momentous one for the team.

Success in Spain and Portugal

Gregorio Hernando, Managing Director of Palletways Iberia, said: "This year we'll celebrate 15 years of success in Spain and Portugal.

"I'm proud of this pioneering and leading network which operates

throughout the peninsula and islands via 80 depots and 70 members. Our forecasts are focused on continuing to create jobs, incorporating technological improvements to our operations and optimising our facilities and processes for the benefit of staff, our members and their customers."

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Delivering excellence, training and financial support

Palletways Iberia has announced the findings of its recent customer satisfaction survey in which customers have praised the attention its members provide along with the quality and speed of its service.

Gregorio Hernando, General Manager of Palletways Iberia, said: "The overall customer rating is up more than 5% compared to the previous survey. This shows our member network is meeting all our quality standards, placing the customer at the centre of decisions and delivering service excellence."

Sales Academy

The drive to improve the efficiency of its sales team doesn't end there. Gregorio said: "It's important we actively listen to our customers so we can continue to deliver a competitive service. This is the rationale behind the launch of our new Sales Academy which provides our managers with access to virtual training, guidance on proactive sales and the option for permanent tutoring."

Jorge Blanch, Corporate Sales Director of Palletways Iberia, added: "The Sales Academy reinforces our commercial and sales strategy but also offers solutions to best suit our customers' needs. Anticipation is the key to commercial success which The overall customer rating is up more than 5% compared to the previous survey

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includes being able to design the solution before the need becomes apparent."

Grassroots support

And as part of its ongoing commitment to support community initiatives, Palletways Iberia, via its members Ciudad Real in Albacete and Agencia Morago in Cuenca, has sponsored the ABBasket2012 basketball team for the 2020-2021 season.

Gregorio concludes: "We have collaborated with various sports teams over the last few years and we'll continue to support grassroots sports whenever we can."



Online training

Training Palletways partners in Slovakia

Palletways is set to increase its presence in Europe and plans to expand its Hungarian network in Slovakia.

Ahead of the launch, Palletways has trained local carriers that will offer their services within the network. Marek Ondrejčák, Area Manager for Palletways in Slovakia, said: "Like everyone the world over, the pandemic has changed people's work habits. As we couldn't deliver the training face-to-face, we quickly had to get to grips with technology to find a new way to deliver the training course for our new Slovak partners. Moving to an online

environment meant we could train them immediately rather than wait until restrictions are lifted."

Thematic blocks

Marek continues: "Training prepandemic meant lots of travel before delving into a session that could last ten hours or more. In retrospect, this probably made it difficult to absorb information. We worked hard to develop the sessions, creating an overall concept for the webinar which we divided into easily digestible themes. We made sure the content was easy to

understand and we engaged with our partners to ensure that they understood the information and that we answered any questions they had. We also recorded the training so participants could return to the session and look at it again if they needed to."

Saving time and money

"Nothing can replace the social aspect of face-to-face meetings however, technology has certainly proved its worth. It has helped us realise significant time and cost savings, and it has meant that we can go ahead with plans for the launch in the next few weeks."

You can read more about the expansion of the Hungarian network in Slovakia in the next issue of 'The Hub'.

Germany lifts its eco standards

As part of its environmental commitment, Palletways Germany has put a stop to using gas-powered forklift trucks. Instead, it has pledged to use models powered with lithiumion batteries and will take delivery of 15 STILL forklifts over the coming months.

Abraham Garcia, Managing Director of Palletways Germany, said: "We have used gas forklift trucks for a long time however, if we want to operate in the most environmentally responsible way

then we should review the vehicles we use and replace them with greener alternatives where possible.

"The move towards cleaner and environmentally-friendly battery-operated trucks brings many advantages. Unlike gas-powered trucks, lithium-ion means no pollution and less noise when they are in use so they're kinder to the environment. And because the battery is rechargeable, they're cheaper to run, too.

"Operating a forklift is a demanding job and these trucks have been designed with drivers in mind. High precision hydraulics means they're easy to manoeuvre while the ergonomically-designed cabs provide comfort, which are crucial to maximise productivity.

"Switching makes complete sense. They provide a multitude of advantages and importantly, they're better for our operators and the environment."



Hungary's appetite for growth

Palletways Hungary has experienced phenomenal growth since its launch just over two and a half years ago.

The network started trading from its central hub in Biatorbagy in the western suburbs of Budapest in 2018.

It moved 100,000 pallets just one year after its launch and celebrations were quick to follow after the team moved 250,000 pallets just 11 months later!

Today, Palletways Hungary delivers service excellence to more than 800 customers including brick manufacturer, Weinerberger, appliance company, Teka, and garden furniture stockist, Bauhaus. The team is currently in the process of adding new members to increase its geographical reach and you can read more about these appointments in The Hub later this year!

Balazs Balatonyi, Sales Manager at Palletways Hungary, said: "In January our daily pallet average was around the 500 mark which increased to more than 800 per day in March due to a shift in what consumers were buying during the pandemic including building materials.

"We have ambitious growth plans for our network and we intend to expand into Slovakia over the coming weeks. This will see us enhance our presence in Romania and Bulgaria and increase these already impressive pallet volumes."

Members drive resilience

Despite the disruption caused by the COVID-19 pandemic and the subsequent ongoing challenges, Palletways Italy has provided the local economy with a much-needed boost.

This is shown by the results of Italian members including L.D. Logistic in the Emilia Romagna region and Pesaro Express Group in the Marche region. Just over a year after joining the network, they've increased volumes by 40% and 55% respectively.

Massimiliano Peres, CEO of Palletways Italy, says: "Thanks to our members, we've demonstrated just how resilient our network is, guaranteeing continuity of service on a daily basis even during the most difficult times.

"We are facing 2021 with new lifeblood, having access to the right resources and continuing to work to support the local and national economy."





130 members strong

The added value of the Palletways network lies in the strength of the members it recruits. Palletways Italy has long been committed to this vision and the Italian network is proud to have 130 successful, topperforming transport companies now on board.

Autotrasporti Giobbio of Lazzate in Monza Brianza, and Palladino Logistics S.r.l. based in Avellino, which operate respectively in the North and in the South of Italy are just two of its members that epitomise the spirit of the Italian network.

Palladino Logistics is one of Palletways Italy's longest-serving members having joined in 2001. Giacomo Ciriaco, the owner of the company together

with Annamaria and Vincenzo, comments: "The key elements of the Palletways service can be summed up in a few essential concepts: efficiency, rapidity and reliability. I believed in the network from the very beginning and joining has been the best business decision we made."

Autotrasporti Giobbio joined Palletways Italy in 2016 and owner, Giuseppe Giobbio, together with his wife, Daniela Mardegan, says: "Joining Palletways was a real turning point for us and being part of the network adds great value to our business."

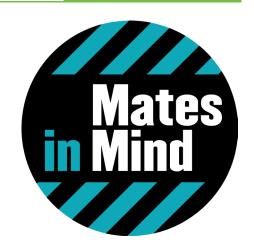


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Palladino Logistics S.r.l.

Palletways UK supports employee mental health charity



Palletways UK has partnered with Mates in Mind which helps organisations improve their workforces' mental health.

Mates in Mind was established in 2017 to address mental ill health in the construction sector and more recently, it has partnered with an increasing number of logistic and transport companies. It provides training and support for staff and employers to raise awareness, improve understanding and address the stigma that surrounds mental health.

Wellbeing strategy

Mates in Mind has run nationally accredited Mental Health First Aid training with participants from all Palletways' sites across the UK. The two organisations have also carried out an all-staff mental health survey and are in the process of implementing a three-year wellbeing strategy to improve Palletways' mental health provision and better support all employees.

Cultural shift

Rob Gittins, Managing Director of Palletways UK, said: "The last year has been challenging for everyone and we recognise the impact it has had on our employees.

"The mental health and wellbeing of our employees is of paramount importance which is why we're committed to investing in our staff. Our new partnership with Mates in Mind is an important step in providing extra support and training to our employees. We want to create a cultural shift where mental health is viewed on a par with physical health in our business."

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Progressing leadership

Martin Lockham, Growth
Development Manager at Mates in
Mind, added: "Three in five employees
experience mental health issues because
of work and this needs to change. As
we all navigate the pandemic and the
changes it has brought to our lives,
never has it been more important to
raise awareness, improve understanding
and support our workforces by
developing a culture of openness on this
subject.

"By working with us to develop their own mental health programme, Palletways has shown the kind of progressive leadership that

acknowledges that employee mental wellbeing should be at the forefront of organisational health and the future of the wider transport and logistics sector."



SCB Vehicle Dismantlers put brakes on logistics search

SCB Vehicle Dismantlers in Edinburgh has put the brakes on the search for a logistics partner after appointing Palletways Edinburgh.

SCB required a logistics partner to make scheduled collections of car parts and accessories from its Edinburgh depot and deliver to car garages and private customers. Palletways Edinburgh will handle daily collections and provide a next day/economy service to customers in the UK and take responsibility for SCB's international shipping requirements.

Palletways' industry-leading IT systems, reputation for offering first-class customer service and competitive pricing were deciding factors in the hire. Peter Irvine, Operations Manager at SCB, said: "We needed a carrier that could provide an economy and next day delivery service, which we knew Palletways Edinburgh could handle. Its IT systems particularly impressed us, especially the Track and Trace facility and ETA updates. Providing a two-hour window

means our customers don't have to wait in all day for their delivery plus we receive an SMS notification once the consignment reaches its delivery point. This visibility is unrivalled and adds further value to the customer experience."

Martyn Ryrie, SCB's Customer Support Manager, added: "The service we receive from Palletways Edinburgh is head and shoulders above anything we've received before. The level of detail it provides reduces our costs, improves our efficiency and helps us deliver a first-class service to our customers."

Vanda Roberts, General Manager at Palletways Edinburgh, added: "Our commitment to customer service combined with the transparency of our ETA technology has resulted in our appointment. The ETA function helps us provide exceptional customer service excellence and the delivery time certainly sets us aside from competitors."

Meachers expands its services following acquisition

International supply chain solutions giant Meachers Global Logistics has acquired AFS Haulage, one of the South's most established hauliers, in a move that widens the range of services it can offer its customers.

The acquisition of AFS has expanded Meachers' business by opening new routes to market, such as those offered via the Palletways network, and adding specialist vehicles including HIAB and flatbeds, to its fleet.

AFS employees will join the Meachers team to ensure the continuity and smooth running of its services. Over

time, it is anticipated that the AFS brand will come under the Meachers brand.

Andy Seagrave, the previous Managing Director of AFS Haulage in Fair Oak, Southampton chose Meachers to take over the business after he steps down, as he believes they are the ideal business to build on what he has achieved with AFS. He said: "I've been searching for a long time to find someone to take over and look after the business and Meachers is the perfect fit.

"We are both solid companies with similar cultures and I have every confidence that the Meachers team will

handle the haulage requirements of our customers expertly as it is incorporated into its main business."

Stuart Terris, Meachers' Managing Director, added: "We have long admired AFS for its specialist haulage operations and excellent reputation in the South. This acquisition allows us to expand our international freight and transport logistics services to offer customers even more industry knowledge and expertise when providing solutions for freight forwarding, supply chain management, UK warehousing, distribution, training, transport and contract management."



Pictured (I to r): Stuart Terris, Managing Director, Meachers Global Logistics, Bob Terris, Chairman, Meachers Global Logistics and Andy Seagrave Managing Director, AFS Haulage

PALLETWAYS EYE VIEW

Thomas Olsson

Each edition of The Hub interviews a key person whose work influences the Palletways business. This edition we talk to Palletways' Group IT Director, Thomas Olsson.



When I joined, Palletways had just implemented the first Track and Trace solution in our sector. We've come a long way since then – our systems are now cloud based and available everywhere. The Palletways App means we can manage the collection/delivery process live and capture images and signatures. Customers no longer expect to look for tracking updates, they want the ability to proactively manage the day/time of delivery.

Q: How important is IT for the logistics industry?

IT is a key driver of efficiencies, visibility and ultimately profitability for our customers and members. It's also one of the main differentiators and the ability to integrate and provide information, irrelevant of where the transaction takes place, is a key requirement. Customers and members choose who they work with based on the features they can offer and how easy they are to use. Being able to cope with growing volumes is only possible if we have robust systems in place.

Q: What are the biggest IT issues facing the business and how are you dealing with those challenges?

Prioritising and delivering the right solutions at the right time and ensuring we've implemented them across all our businesses.

Q: What latest developments are you working on?

We're introducing the capability for our delivery points to manage the day and time they'd like their delivery to take place, with the potential to select out of hours/weekend slots. We're also extending our systems to help manage our members' own freight, rather than the pallets that go through our hubs. We're also excited about new technologies that will enable us to automatically scan, photograph and capture the size and weight of every pallet we handle. This will be a gamechanger in our sector and we're working on solutions which we can use at our hubs and at our member's sites, too.

Q: What has been your proudest moment at Palletways?

There have been many but the one that stands out is the success we had with our Archway scanning solution. Hopefully our next development will become a proud moment too!

Q: Is IT the most heavily invested area at Palletways?

We're continually expanding our resources and capabilities to keep up with the ever-growing demands that more volumes, new products and technologies bring.

Q: With the help of IT, what will the logistics industry look like in five to ten years'?

We expect the entire process from booking to final delivery to become



simplified. For example, entering a shipment that needs customs clearance is currently quite an undertaking. In the future it should be as simple as providing the commercial invoice and the system does the rest. Individual tracking of smart pallets will bring forward automated labelling and scanning and as we introduce the ability to automatically cube/weight pallets, we'll be able to price accurately. We'll also be able to capture, report and manage what happens to a pallet during its shipping journey. I'm not convinced we'll see pallet drone deliveries anytime soon but the things we may consider sci-fi now such as smart pallets that are individually GPS tracked, do not require labels as they hold all data already which is accessed by any mobile or augmented reality device I think will become a reality which will simplify the processes, drive efficiencies, and give the end customer full visibility and confidence in how their goods are handled.

Q: Outside of work, what do you get up to in your spare time?

I try and visit my family and friends in Sweden whenever I can and I'm looking forward to being able to travel again in the not-too-distant future.

