

# DELIVERING THE GOODS

## From production to distribution



Supply chains and logistical arrangements are becoming more complex. The proliferation of omni-channel options has impacted on order fulfilment methods, meaning manufacturers have had to become more flexible to meet the needs of their customers. Many brand owners have started looking to supply consumers directly as well as through their traditional sales channels via retailer businesses. The demand for more products and the expectation of near instant delivery means that a stalled production line or delays in the supply chain (particularly if global) could spell disaster for manufacturers and brandowners.

- ▶ Manufacturers can take advantage of **“big data”** to ensure their supply and distribution plans match local demand for products
- ▶ **Modern software** can provide inventory visibility, specific customer preference data and logistics management applications. For example, warehouses can be fitted with **computer-based stock monitoring**
- ▶ Having a **distribution network** in place that can respond to the increasing demands of retailers and direct consumers is key, whether through the manufacturer's own distribution centres or through partnering with logistics specialists to keep the supply chain moving
- ▶ Some firms are looking to technological innovations to inform **future delivery options**. Amazon are currently testing drone delivery, while Volvo are looking to trial delivery direct to a purchaser's vehicle
- ▶ Even with the latest technology, maintaining all of the **relevant supplier and partnership contracts** across the supply chain process can be daunting
- ▶ **GSCOP** can help manufacturers/suppliers to establish more predictable relationships with certain larger retailers, helping future planning, e.g. it prevents designated retailers requiring significant changes to supply chain procedures either without reasonable written notice or without full compensation for the supplier's costs where insufficient notice is given
- ▶ Serious **investment in UK road and rail infrastructure** will be pivotal to manufacturers keeping pace with changing demands
- ▶ Another pressure on distribution may arise depending on how the **Paris Climate Change agreement** is implemented - there will inevitably be a push to reduce CO2 emissions from the transport sector and this will add further cost to the logistics bill
- ▶ **Managing the cost** of fulfilment is going to become an increasing issue - "click and collect" strategies reduce delivery costs but increase logistics and employment costs. Can fulfilment costs be shared with the consumer?

*They're great on complex stuff, and you can trust them on matters of high value and importance. They're technically excellent, level-headed, and very commercial and practical.*

# How we can help

## SUPPLIER AGREEMENTS

- ▶ Procurement and tender process advice
- ▶ Supplier and logistics contract drafting
- ▶ Third party agreements
- ▶ Joint ventures

## PROPERTY MANAGEMENT

- ▶ Real estate portfolio management
- ▶ Development/acquisition of distribution depots
- ▶ Construction and site development
- ▶ Property disputes and litigation

## DISTRIBUTION AND DELIVERY

- ▶ Logistics services agreements and outsourcing
- ▶ Third party logistics partnership arrangements
- ▶ Compliance advice:
  - ▶ GSCOP
  - ▶ Dangerous Goods
  - ▶ Data protection
  - ▶ Health & Safety

## REDUCING COSTS

- ▶ Competitive fee proposals
- ▶ Embedded Transaction Services Team of paralegals
- ▶ Development of standard precedents and approaches
- ▶ Sharing industry know-how, market practice and horizon scanning updates

# Who we have helped

We have advised **Diageo** on major supply arrangements and logistics outsourcing, **Britvic** on supply chain development and logistics outsourcing, **John West** on outsourcing of logistics and warehousing services, **Kettle Foods** on a wide range of distribution and agency arrangements assisting Kettle on bringing product to market, **N Brown Group** on its warehousing and logistics agreement with TNT (and on the novation of that agreement to Parcelnet,) **Primark** on a 1 million+ sq ft new depot development described as "one of the UK's largest ever pre-let developments" **Sainsbury's** on the innovative development management of new depot development programme, **a road haulage company** in respect of a road haulage agreement with a well known cosmetics company and **a large food company** on the termination of a logistics deal.

# Who to contact

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