

SMARTSET cooperative market-driven business solutions will ensure long term sustainability of city logistics initiatives, fostering their high social acceptance and economic viability.

## Developing sustainable and market based solutions

SMARTSET aims to develop urban logistics and urban freight terminal solutions that are viable and self-sustaining after the duration of the project. The project sites are characterised by different conditions, from smaller towns to medium and large cities, from different parts of Europe, with different types of challenges and different potential solutions. All these sites have one thing in common: the **need for a comprehensive, sustainable business model** that enables existing market barriers to be overcome.

## SMARTSET business models overcoming market barriers

Building a viable business model has for a long time been a major challenge for urban freight delivery initiatives, due to a number of regulatory and logistical aspects that result in 'killing factors' for city logistics pilots, such as:

- Failure to set viable tariffs and costs, once public grants come to an end;
- Lack of enforcement of regulations fostering the urban platform based city logistics schemes;
- Non-optimal location of the urban platform;
- Lack of commitment by relevant transport chain stakeholders.

SMARTSET business models are conceived to overturn these barriers, building on innovative approaches and solutions able to **attract unexploited demand**, and on a **strong cooperative approach**, involving **different actors** and **stakeholders** in the decision process, thus **ensuring effectiveness** and **social acceptance**.



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## A cooperative and market driven approach to ensure sustainability

The key issues for sustainable business models developed in SMARTSET are to go beyond existing structures and experiences, investigate new possibilities to **increase the attraction of the terminal, fostering the integration of all terminal functions** (intermodal transshipment, long haul transport and logistics, cross-docking, etc.) in urban logistics, in order to **attract new and unexploited markets** to sustainable delivery schemes.

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A cooperative business model to reduce the number of freight vehicles on campus by c 25 %, saving c 90 tonnes p.a. of CO<sub>2</sub>, improving the experience for delivery drivers, offering an improved service to customers and providing Newcastle University with cost savings, improved safety and reduced intrusion from freight vehicles on a pedestrianised campus.

## Coherent Campus Initiative

Newcastle University is developing its campus to be safe, clean, tidy, pedestrian- and cycle-friendly, visually recognisable and environmentally sustainable. This is frustrating for delivery drivers, as unloading points are removed and parking restrictions introduced. NewRail, as the SMARTSET partner, is working with customers, suppliers, delivery companies and the University's purchasing department, to develop a business model for freight deliveries that engages multiple stakeholders, providing a value proposition for all. A new, off-site UCC will service more than 100 University buildings, delivering goods daily, by electric vehicle.

A traffic survey revealed 28% of vehicles on campus to be freight – 350 per day – double the average for most cities. The count will be repeated annually, capturing the number and composition of engine types, to aid emissions measurement. A survey consulting more than 500 suppliers has helped identify cost savings, providing them with a benefit proposition. Meanwhile, a purchasing survey of more than 5,000 University staff helps us understand behaviour and priorities. These surveys will be repeated regularly, to ensure we capture views on the changes and maintain participation.

## Pilot scheme

Buy-in was first obtained from the University's Executive Board, to ensure our plan supports the University's overall strategic direction. They have approved a 6–9 month trial, beginning 15 September 2014. If successful, the scheme will be incorporated into University policy. For the Board, the value proposition is not just monetary – “softer” benefits include a 25% reduction in vehicles on an increasingly pe-



*The new, fully electric vehicle, for campus deliveries from the UCC*

destrianised campus, improved safety, and a lower carbon footprint. A new, fully electric vehicle has been purchased for the trial, equipped to measure energy use and to produce data we can analyse, over time. Key objectives of the pilot scheme are to test the concept, the actual impacts in practice and the viability of the technology. A significant portion of deliveries will be directed to the trial, after which a decision will be taken whether to make the service permanent.

## Knowledge transfer

Last month we presented the pilot to our Target Group (TWFQP), to encourage take-up of similar schemes by the City Council and other regional Universities. Tom Zunder also presented SMARTSET to a meeting of the LaMiLo project, in London.

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