



# THE PHYSICAL INTERNET: KEY ENABLER FOR LOGISTICS WITH MINIMAL SOCIETAL HINDRANCE.

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Logistics is facing important sustainability and capacity problems. The changing buying behaviour of the consumer, predominantly accelerated by the steep growth of e-commerce, is leading to increasingly smaller, but more frequent and ever faster deliveries. This fragmentation of deliveries is heavily boosting the need for transport capacity, while the shorter lead times are reducing the consolidation options, resulting in a bad fill rate of the transport capacity. This so-called capacity paradox has a devastating impact on logistics and society. More and more parcels, trucks, vans and cargobikes are flooding our cities today.

The growing congestion problems are only just the tip of an iceberg. The driver shortage will further enhance the capacity shortage in the coming years. Basically, the traditional business models in logistics are unable to turn the tide, as they are further deepening the capacity paradox. Breaking this vicious circle would require new business models based on capacity sharing, allowing companies to use more common transport and storage capacity. One might wonder why the sharing models, such as car sharing, that have already become part of our daily lives have not been adopted by the logistics sector so far. Anyhow, more and more companies, experts, authorities and academics believe that the Physical Internet should be the way forward. It comes down to the transposition of the digital internet concepts to transport and logistics. In essence, companies would share transport and storage capacity on a common and interconnected multimodal network. Goods will travel as if they were passengers on a public transport network.

The Physical Internet can be the key enabler for logistics entailing a minimal societal hindrance through, among others, minimal traffic moves and minimal emissions. Already today, the roadmaps to the Physical Internet are available to support companies in their journey to the next era of logistics. The changing behaviour of customer and society will further dictate the sense of urgency.

*As a Futurist, Dr. Alex Van Breedam identifies society trends and challenges, but above all, tries to anticipate and to impact them by pioneering and innovating disruptively and persistently as a visionary entrepreneur at TRI-VIZOR, opinion leader and creator of new business models. He's also part-time professor supply chain and logistics at the Antwerp Management School and the KULeuven. As board member of Alice (Alliance for Logistics Innovation through Collaboration in Europe) he's actively involved in the elaboration of the Physical Internet. Besides, he's currently the Belgian Hour Record Holder Cycling on Track for Masters. Alex's personal baseline: "The Mission is much bigger than the man!"*