

NECL II
SERVICE DEVELOPMENT OF THE FOOD
INDUSTRY AT SEINÄJOKI LOGISTICS CENTRE



SUMMARY

- *The food industry is the most important sector in Southern Ostrobothnia*
- *Production, logistics, cooler and freezer space and terminals operate in a chain*
 - *The aim is to increase rail transport*
 - *Seinäjoki faces a new situation as a central location*
- *The success of each partner affects the success of the whole chain*
- *The logistics for the food industry are demanding*
 - *The cold chain must remain unbroken*
 - *Unloading and loading has to happen extremely quickly*
- *The aim is to transfer order information electronically*
 - *To reduce incorrect deliveries*
 - *To improve monitoring*
 - *To speed up deliveries*
- *The decentralised cooperation of the planned logistics centre and the companies ensures development*
- *The demands of national and international logistics connections in the food industry emphasise quality, freshness, product knowledge and speed*

Background

The development of logistics systems is a long-term process. There are many variables, many sectors and parties. The only chance for ongoing progress is extensive networking, which guarantees continuous development. When development ceases, active project managers, businesses in the strong sectors of the area and logistics companies have key roles. Forming a permanent model takes time, but a system that has been formed piece by piece lasts decades.

Factors affecting logistics solutions

International traffic, air traffic, ports, railway traffic, logistics companies, transport companies, wholesalers, economic factors, information systems, site reservations as well as connections to other logistics centres and large businesses offer a basis for operations and an extensive scope of responsibilities for the constructors of the new logistics centre.

Seinäjoki is the crossroads for logistics operations

Extensive national and international studies and projects have shown that Seinäjoki is a good location for logistics operations. NECL projects have been studying the east–west route between Trondheim and Saint Petersburg, and the Bothnian Corridor has examined the north–south dimension. Seinäjoki is along the route in both directions and at a suitable distance from the next partners.

After many phases, SEEK Seinäjoki (Regional Development Centre in the Seinäjoki region) and the Regional Council of South Ostrobothnia managed to find a suitable area for logistics operations; the Roves area was selected. The area is a home to many logistics businesses, it is accessible by both road and rail and the area can be expanded if necessary. Roves is also close to the centre of Seinäjoki.

Strategy developers have key roles

The aim is to crystallise the Seinäjoki idea into a few clearly comparable commercial variables. The idea is presented to strategy developers at different companies. The overall idea could also be presented to an essential part of a larger chain. For instance, it could be that a producer of food products does not benefit from the transportation link directly, but the logistics company in the same chain does. It is also possible to find support for the development through an enthusiastic sponsor, who can push some unfinished business forward.

CRITICAL FOUNDATION IS A PREREQUISITE FOR DEVELOPMENT

Dynamic change

Logistics is always collaboration and circumstances change every day. Handling different situations requires skill, specified procedures, information management and comprehensive equipment.

Small steps with new things

The NECL II project has a target. Regional targets strive to enliven to the area's operations. The purpose of the new plans is to improve the operations of the various businesses in the area. The bigger the number of new plans and the more they are changed during the project, the more likely it is that they will not work. Finding a balance between practice and new plans requires gradation.

Freight Village requirements

A Freight Village cannot be formed without the cooperation of several organisations, and great professional skill is required from all parties. The outlook for profitability and development must be good. Interfaces between companies in the same area along with links to national and international hubs must be in order. A *Freight Village* is an organised area for logistics operations with several logistics centres, warehouses and other operations with additional services. **There are several operators within the Freight Village area.**

Logistics projects in the area

It would be a good idea to combine different logistics projects in the same area, and all projects should exchange experiences. Individual, separate projects may cause confusion especially among companies.

FOOD INDUSTRY IS THE STRENGTH OF SOUTHERN OSTROBOTHNIA

Food industry businesses

There are approximately 170 food industry companies in Southern Ostrobothnia. The area's development is built on Atria, Valio, vegetable wholesalers, and small growing local food producers.

Cooperation between the food industry and logistics companies

Atria is the most important party in the development of the food industry in Southern Ostrobothnia. After it started, strong logistics companies and food industry chains have also been established in the area. Tuoretie, HahkaWay and JH-Kuljetus are good examples of dynamic and flexible logistics companies. The group also employs several smaller transportation companies.

A unique example in Finland

HahkaWay is a logistics company based in Seinäjoki, which offers all-round services to the food industry. Transportation, storage and information systems are a part of its everyday operations.

HahkaWay does business with several extensive supply chains.

HahkaWay's freezer storage has room for 16,000 pallets and it is the largest single freezer space in Finland with almost 7,000 square metres and 70,000 cubic metres. The freezer space is concentrated in the Seinäjoki region.

Fresh produce have their own space and there is room for other products that do not require cool or freezer storage. HahkaWay has the space, information systems and the staff to offer different picking, mixing, packing and storage services for cool and frozen products along with other products. HahkaWay meets the target set by the food industry that 70% of orders are transferred electronically.

The idea of freezer space can be applied in other circumstances too. For example, the food supply procurement in cities can be centralised. Planning is more important than transportation itself.

DECENTRALISATION IS THE SOLUTION

Constant change

Logistics and the food industry develop constantly. The changing circumstances of municipalities, their population and public financial organisations affect new plans. The logistics centre will not solve any issues by itself. Decentralisation must support development so that the development of an individual party, method, system or equipment raises the level of the entire decentralised network. The logistics centre, as a part of a large decentralised logistics system, can then develop its services according to the various needs and feasible ideas.

Demands of extensive decentralisation

Decentralisation requires cooperation. The first stage includes the distribution of tasks and evaluating common resources overlapping tasks must be outlined and the coordinator must determine the current situation.

Outlook for Finland

The decentralisation process must be carried out in all levels. In Finland, system meetings should be arranged to establish fluent cooperation between Seinäjoki and Vuosaari as well as logistics centres in Vaasa, Oulu and Jyväskylä and ports such as that of Kaskinen.

International point of view

The NECL II project is international. For Seinäjoki, the links to Trondheim and Saint Petersburg increase the connection opportunities between companies. The benefits increase through ongoing cooperation and international decentralisation creates new cooperation opportunities.

Information system interfaces connect

Information systems are a good way to describe the cooperation between all parties in decentralised logistics. A description of information system interfaces and the data required reveals what is actually transported between different parties.