



The impact on logistics of a changing economic and business climate – the key driving forces behind automation decisions

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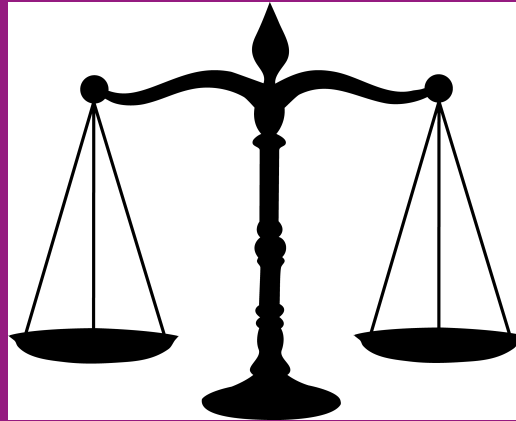
Welcome

10th WTG live event



THE UK'S ONLY NATIONAL LOGISTICS SKILLS NETWORK

Mankind vs Machine or



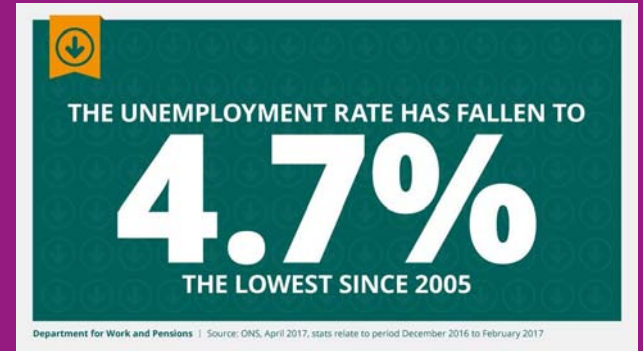
Skills shortages

- 35% of senior logistics decision makers think the skills shortage is the most important issue facing the sector
- 43.9% expect to increase headcount over the next 6 mths
Barclays UK Logistics Confidence Index



Tight labour market

- Full employment
- Rising labour costs
- Apprenticeship levy costs
- Poor image of the sector as a career destination



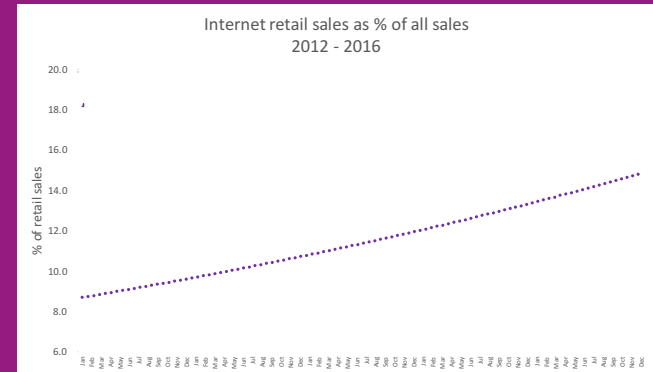
Shed shortage

- No Grade A buildings of 400,000 sq. ft. in the North West
CBRE



The new retail

- 19.5% year-on-year growth in internet shopping to 15.5% of all retail spending
ONS Retail Sales Bulletin
- M&S and Debenhams closing stores



New challenges

- Consumer expectation for fast delivery and the importance of accurate picking
- Can machines deliver?



Uncertain future

- Brexit uncertainty and the future supply of migrant labour
- Hung parliament



Adverse economic forces

- Devaluation
- Inflation – interest rate rises
- Economic slowdown
- Trade barriers



The impact on logistics

- 3 times as much warehousing space is required for online fulfilment
- 20m sq ft of space built in 2016
- 9m sq ft built in preceding 5 years
- 58% taken by the retail sector



The impact on logistics

- Automation requires higher skills
- Reverse logistics challenge of returns



Future challenges

- Inventory reduction
- Multiple stocking locations
- Minimising waste from returns
- Finding skilled labour
- Securing future talent
- The right machines for the right job





The National Logistics Academy