

## Integrated and effective

Interview with Morten Nore,  
Moss Transportforum

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### Lessons Learned:

"The only way we can compete, is by being better, and Transportnett places us on equal terms with our big competitors," says Morten Nore, the managing director of Moss Transportforum (MTF). MTF is a small company that organises the trucks of 24 truck owners that offer transportation in the region around Oslo in Norway. "Of course, the big competitors are able to offer total solutions, but we are able to give personal contact and good service. In addition the electronic marketplace 'Transportnett' makes us more efficient."

### Removing the paper trail

As any company in this industry, MTF struggled with the pressure on the prices and had to find ways to become more effective. MTF handles requests for transportation for its members, finds the best operator for the delivery and makes sure that the trucks do not return empty. A major reason for changing to electronic handling of the business was the demand from one of their major customers, TrioVing. TrioVing wanted to reduce the amount of paper and together the two companies started to look for a solution.

"Building our own system was not an option," says Nore. One of the major competitors had done so – in fact many of the large transportation companies have their own proprietary solution. "We are talking about costs of 45 – 50 million NOK (about 5 million Euros)!" Instead we started to work with Transportnett.

### **Integrating the value chain**

Transportnett was established in 1999 and their business idea is to make the buying and selling of transportation more effective and thereby reducing the cost for both parties. "We have made an open system that can communicate with other solutions – both that of our competitors, but also with the ERP solutions of our customers," says Jan Ole Hansen, managing director of Transportnett. Their two main solutions are "TN Direct" and "TN Link".

"TN Direct" sends messages about what is to be delivered where, and the "TN Link" is Track & Trace function both for the shippers and their customers.

"We integrate the value chain and offer a chain management system," says Hansen. "What our customers need is the ability to document the quality of their delivery."

### **Adding another month**

MTF handles about 1.000 orders each day, and started using the exchange of messages via PDAs (Personal Digital Assistant) directly to the cars in April 2005. "We were able to increase our turnover by 5.5 million NOK (about 650 000 Euros) with the same number of employees due to Transportnett." At an average price of 187 NOK per delivery, we are able to calculate that they added a 13<sup>th</sup> month to their business year, without increasing their costs.

### **Unrealistic price level**

In addition the system integration, Transportnett also offers other services, like "TN Transportweb", an electronic marketplace where the buyers can place their requests and sellers can list their offers. This service has not been as successful as "TN Direct" and "TN Link", and Nore and Hansen give different reasons for why this is so. According to Hansen: "The marketplace should increase competition, but we found that it lowered the prices by offering prices that were below the real costs on return routes. Any price at all is better than returning with an empty truck. Our 8 – 10 000 users were not using the marketplace regularly. Only in the 3 most northern regions of Norway the marketplace is used to a large degree. The reason is that the competitors are geographically not so close to each other – and they use the e-marketplace to cooperate with each other."

Nore agrees that the marketplace reduced the prices to an artificially low level, but he also tells us that the transporting companies are used to being in contact with their customers per telephone and that an offer is given there and then. "We are not structured enough to check the e-mails and answer the requests on a regular basis, he says. The result is that when we finally answer the request, the job may already have been given to someone else."

### **The target is 80%**

"Today we are concentrating on the use of 'TN Direct' and 50% of our delivery is handled electronically." Nore tells us that a realistic target is to reach 80%, but it takes time. The other solutions must be adapted to handle the exchange of information and that takes time to implement, and not all customers have yet taken the step. But they are moving in the right direction. "We are expanding, have more cars and almost 75% of our return freights are filled."