

# Freightwise Final Conference

London 15 March 2010

## Freightwise Origin

Ladies and gentlemen,

I have the pleasure of making some reflections on the origins of Freightwise with the purpose of providing you with a view on our results in a wider setting. I hope you will excuse that I am not using any power point slides, I am sure you will get your fill of them any way today.

You may wonder why I am standing here? I have the honour of addressing you because I am one of the initiators of this project. Together with my friend Jan Tore, who is our next speaker and some of the other partners of Freightwise, I have been involved in all the EU-sponsored projects which in several steps laid the foundation for Freightwise.

Freightwise was conceived 6 years ago and if you consider what has happened since then in the world of information technology - it was a long time ago.

Just to remind you: the number of mobile phone subscriptions has tripled during this time and we have now around 5 billion subscribers - or in other words a 67 % global penetration rate.

This development has been heavily promoted by technical development and a related growth of mass market services for mobile phones. You may remember that the first commercial 3G network was introduced in the end of 2001 and mass market commercial 3G services in Europe started in March 2003.

Another major innovation which has come onto the market in the life time of Freightwise is the Iphone which was introduced in 2007.

Some other figures which indicate the growing importance of Information and Communication Technologies to the general public is that the number of internet users in Europe has tripled since 2000. Today more than half of the population of Europe are internet users. Another milestone in recent years is the start of Google in 1998, a company which is now so powerful that it negotiates with the Chinese government.

Could we now assume that the ICT-development in the world of freight transport management has undergone a parallel development?

The market leaders of express delivery services FedEx, UPS, DHL and TNT have certainly been taking advantage of the new technical development, but they represent only a small, albeit important, part of the freight transport market and – which is important in the context of Freightwise – they are in control of the whole transport chain.

In 2002, SAP introduced its Global Trade Services designed to help companies manage the complex business processes of cross-border global trade. And in 2006 they had about 250 global companies using their system.

However, most of SAP's customers are big companies trading with other big companies with the same or similar systems. Small and medium companies have considerable costs for adapting to the differing requirements of their powerful clients, but the alternative is to lose the business.

But you know as well as I do, that there is a huge number of public and commercial players on the transport market, which still use fax and phone for transport management and transport control. As almost all have internal computerized management systems, this means a lot of time consuming and error-generating re-typing of the faxed information. And as the transport chains get more complex - as for example in intermodal solutions - and the geographical reach of the business expands, cost increases and quality dwindles.

When a growing number of the clients want the information directly into their systems, the fax-and-phone based transport service providers have an additional problem. How to structure the information and which format to use?

Defining a specific "language" for communication with each partner who takes part in different constellations of intermodal transport is not feasible. This is where Freightwise comes in. Freightwise wants to provide a "default language" for communication between the parties in the intermodal chain. Freightwise is not concerned about the internal processes, but wants to provide the parties who do not have communication systems with a simple and standardized solution. Many companies already have their own system and they should of course keep it, but the Freightwise concept reduces the number of interfaces that they have to deal with.

As I said at the beginning, the initiators of Freightwise have been working together for several years and I think it is fair to say that since the mid 90-ties we have been guided by this vision of a standardized system of communication between the parties in the intermodal transport chain. I must, however, admit that the picture was rather fuzzy at the beginning and we were perhaps also a bit ignorant of the size of the task. It took us some time to understand the complexity of the processes and the power play between the parties involved.

We started to develop a language – or rather a systems architecture for intermodal transport management - at a time when the Internet was not really understood as the universal medium it is today. EDIFACT was the keyword. Over the years we have developed a consistent way to describe the complexity of intermodal transport thanks to some consecutive, EU-sponsored projects. And luckily the Norwegian government also provided research grants to bridge the gaps between the projects. This gave SINTEF/Marintek in Trondheim the possibility to host and work on what today is ARKTRANS, which has been the basis for the development of the Freightwise Framework.

In 2004 - with the call in the 6<sup>th</sup> Framework Programme - we felt that there was a chance to deploy our knowledge and produce some results which really would make a difference. However, it took us and the Commission two years and three different project officers to get the project started. Luckily - in spite of the lengthy negotiation process - most of the more than 50 organizations, which took part in the proposal, did in fact sign on to Freightwise. Now, at the end of the project in 2010, almost all partners are still there and I take this as an indication that the initial objectives and the approach we chose have stood the test of 42 months of R&D-activities. I should also add that we have had the privilege of having the same inspiring and supportive project officer from the start and almost to the end of our project.

Six years ago, when we conceived the project, we had the rather ambitious goal to create a universal framework for information exchange during planning, execution and fulfilment of transport tasks. The Freightwise Framework should master the intricacy of intermodal transport and still be easy to use even by small and medium companies with little or no resources for information management. Afterwards, it must be admitted, that we did not, at the time, foresee the amount of work needed to realize our ideas –

irrespective of the good basis we had to start from - AND the almost missionary efforts required to get the ideas behind the Freightwise Framework accepted.

Our business cases and the industrial partners have been instrumental in guiding this process and we can now be very proud that the Freightwise Framework provides a basis for standardization, which is a major step towards deployment. We are also pleased that the results in Freightwise provide a common basis for the development in a number of other Framework-sponsored projects, for example Smartfreight, Euridice and the recently started E-Freight. This project widens the scope of Freightwise and explores the concept of e-Freight as first defined in the Commission's Freight Logistics Action Plan (2007). Freightwise has had the privilege to contribute to this plan and also to a proposal for an e-Freight roadmap initiative by the Commission launched during the Swedish EU-presidency.

But what will happen with the results of Freightwise? Who will promote the Freightwise Framework and ensure that the necessary decisions are taken?

Presently I do not see any other solution than the usual one, which means that some of the key partners in Freightwise, involved in the recently started E-Freight project, continue to maintain and promote the Freightwise Framework in yet another project.

Freightwise was able to profit from knowledge developed by a group of organizations jointly committed to an "intermodal vision" and lucky enough to obtain funding through a number of consecutive Framework projects. We have been able to take care of the key results and develop them further. When looking into the future, I could wish for an organization which could host and promote the results with a European dimension.

The Commission has rightly observed that the take-up of information and communication technology in the transport sector is slow and that seed money does not necessarily make companies and national administrations committed to develop European solutions. Somebody has to define the basic rules to enable the exchange of information. You may call it standards, soft infrastructure or interaction infrastructure, the point is that somebody has to decide on a minimum of common rules. The present process for reaching agreements is too slow and does not even address issues crucial for European solutions.

The comitology-instrument now proposed as part of the ITS Directive promises an improvement and I am hoping that the concept of e-Freight – which is being supported by the Freightwise Framework – would be considered as a topic for such a comitology-process.

However, this would, to my understanding require a somewhat wider approach than the one outlined in the ITS Action Plan, which till now is very focused on road traffic. I would wish that e-freight, which involves all modes and has to consider a number of business processes, would get its own comitology process.

It is said that you part with a laughing and a crying eye. In my opinion we are entitled to laugh because we have done what we set out to do. In addition our project manager, Jenny Gyngell, may be especially happy to be relieved from the responsibility of managing more than 50 partners in 13 countries. But I am sure that she just like me also feels a bit sad to leave this environment of good partnership and creative discussions behind.