« Intermodality - multimodality : an answer for optimizing flows

The Luxembourg example on how to create value for transit flows
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Graduate in industrial engineering and a MBA in management and finance, MV spent several years in industrial process development. He starts his career as an advisory and consulting specialist in Industry, especially within international supply chain operations and management. In this context, he supported the strategic review of the CFL group before joining the logistics entity. Initially he focused on sales development and later, has taken the responsibility of the combined rail operator ELO to develop added value solutions around rail in Luxembourg.
Luxembourg,
*General context in terms of multimodal development*

- Central location
- Important international transit
- Attractive frame for creating logistical activities
- Important neighbors market
- Intersection of major rail and road corridors

**Few industries, Few local volumes**

**Limited capacity for developing organic huge rail volume**

**Opportunity to stop flows**

**Need for Luxembourg specific solutions**

**Need to create**

“value for money solutions” answering to the main pains of the rail

**QUALITY – FLEXIBILITY – CUSTOMER SERVICE – COSTS EFFICIENCY**
Group CFL Freight, Positioning and strategy

Lean structure

- Conventional transport
- Traction production with license in LU, DE, FR, BE, SE, DK
- Multimodal Transport
- Logistical services
- Rail motorways

For a strategy

1. Create products that are controlled and produced by the Group as often as possible > QUALITY
2. Develop centralization of customer contact > SERVICE and CONTACT
3. Innovate in rail products to group volumes > FLEXIBILITY & COST EFFICIENCY
   1. Rail: mixed train, rail motorway,
   2. Associate with logistics solutions (distribution) to bring more volumes
   3. Interconnect trains to avoid road transfer and improve use of assets
4. Invest in integrated infrastructure > COST EFFICIENCY
CFL Multimodal
Result of the Strategy of promoting multimodality

2012: Key figures

- Turnover € 58 mio
- HR 340
- Handlings 104,000 Ctr/ 45,000 trailers
- 130 trains per month in Bettembourg

Main reasons of the growth during crisis

1/ Mixed train
- Optimization of production costs and tonnage
- Better filling yield

2/ Intermediation between clients
- Propose the services of our train client (transport companies) to our local logistics clients
- Propose to our trains clients our local logistics services

3/ Added value products
Integrate rail in a chain and not as a transport

4/ Quality and flexibility

WIN – WIN – WIN model
Accepting to share for winning more

Change the rail from a commodity to a part of value creation

Focus on value and Ethics
Bettembourg, the **multimodality** challenges to assure future growth

**Current situation**
- Hinterland of main maritime ports
- Central node of road and rail network
- Existence of logistical infrastructure

**For Attracting volumes**
- Facilitate work of clients by managing all types of transports mode (trailers, container, tanks, bulk..)
- Improve costs and consequent selling conditions
- Develop capacity sharing for increasing frequency

**With requirements**
- Quality of service
- Efficiency of infrastructure
- Monitoring of operation
- Capacity to support locally

**General MULTI approach in an integrated concept**

**ELO rail network**

**Future Bettembourg site**

**Future terminal**

**MULTI destinations**

**MULTI technology**

**MULTI service**
In Luxembourg and in general

« Intermodality - multimodality is not only an answer for optimizing flows but will be the main key to build future success and ensure sustainable development in a volatile market. »