

CASTLE - Cooperation Among SMEs Toward Logistic Excellence

Interreg IVC first call

Priority: 1: Innovation and the knowledge economy

Sub-theme: Entrepreneurship and SMEs

ABSTRACT

CASTLE was born **to answer the regional needs to improve public policies in transport and logistics with a specific target on SMEs**. It relies on a solid past cooperation among ten partners in Italy, Poland, Greece, Slovenia, Spain, Germany, Hungary & Austria, especially developed in Interreg initiatives. The CASTLE objectives and ratio are rooted in past research & study activities on the status and perspectives of logistics at regional level in the EU, which elected **SMEs logistics networking and innovation as a priority intervention area for public policies**.

In fact **EU regions strongly base their future economic competitiveness on SMEs** and on their ability to **face new globalised production and market imperatives**, which impose to manage scattered supply flows, to face the requirements of flexibility and capillarity, to integrate the value chain. **Logistics is the oil and a strategic tool in SMEs' economic machine and in regions' sustainable development**, as its efficiency impacts on SMEs market presence and on the environment. Nevertheless **SMEs systems lack logistics innovation & training** and rely on SMEs individual logistics organisational models, mainly based on all-road transport solutions.

CASTLE creates an **operational matrix of best practices & experiences exchange** for the development of **public policies**, of which the CASTLE partners are responsible, for **SMEs logistics** in order to:

- **promote SMEs innovation and competitiveness;**
- **shorten the divide between transport & logistics effectiveness versus environmental protection & energy saving in a win-win policy approach** (regional merging of the Lisbon and Gothenburg agendas).

CASTLE improves policy making through the **surveying, analysis, exchange & transfer of best practices**, the creation of a **new regional policy tool** usable by policy makers to formulate policies and assess their efficiency, and joint partners **policy making exercises** with the creation of a **EU Transfer Forum** among policy makers. These activities are also triggered on a bottom-up approach in terms of **logistics governance consolidation**, thanks to the set up of **Regional Forums on Logistics** and **Logistics Competence Centres**, which bring SMEs logistics needs to policy makers on the base of the triple-helix principle, by means of the cooperation between public administrations, businesses and research bodies. The Forum on Logistics reflects the CASTLE approach. It is an innovative governance system developed by the Institute for Transport and Logistics – ITL (the CASTLE Lead Partner) and Emilia-Romagna Region, and it was short-listed as **finalist in the Regions For Economic Change 2008 award**.

(http://ec.europa.eu/regional_policy/cooperation/interregional/ecochange/doc/stars_pres.pdf).

CASTLE relies on other past successful experiences developed by the partners which proved the benefits of logistics innovation in SMEs and the need for public actions. For example:

- 2 pilots developed in Emilia-Romagna (ITL) & in Wielkopolska (ILIM) proved that the public promotion of a milk run system technique in SMEs (an organisational technique to optimise transport flows from suppliers to a company in terms of load factor & scheduled vehicles routing) brought up to 86% reduction of the running vehicles (& up to 37% reduction of transport costs).
- 1 pilot in Emilia-Romagna (RER/ITL) on mechanical companies concerning the joint planning of outbound flows to customers among a group of SMEs increased the load factor from 40% to 70% (with a cost reduction of about 50%).
- 1 pilot in Slovenia in SMEs of the automotive sector on the development of a joint transport ordering system proved a 15% load factor increase (& a reduction of 15% of transport costs).

CASTLE's "**policy-learning**" matches more & less experienced regions and improves policy making and policy makers' skills on 4 **fundamental innovation topics**:

1. strengthening the logistics supply & the logistics industry, in particular in terms of policies for the integration, networking, clustering of transport and logistics SMEs to strengthen their market position.

2. improving the logistics demand in the production systems (industrial areas & clusters), in particular in terms of policies for the vertical integration of SMEs in the procurement and distribution chains, for the horizontal cooperation among SMEs in industrial areas and clusters (pooling of transport demand, joint logistics planning, logistics buying consortia), for the logistics demand-supply matching and for the logistics outsourcing.

3. strengthening logistics training for SMEs systems, in particular in terms policies for the matching of training courses and SMEs training needs by networking SMEs, public governments and training agencies/bodies, policies for the setting of standards and harmonised jobs in logistics & in the relevant curricula, policies for the replication of best practices through publicly financed relevant training to SMEs and policies for enriching the logistics skills in SMEs.

4. institutional & governance consolidation in logistics, public-private cooperation in policies set up, in particular by creating Regional Forums on Logistics, as new governance mechanisms to generate policies improvements thanks to the inclusion of the needs of the regional logistics and industrial communities into the public policies and by setting up Regional Logistics Competence Centres, as new institutional private-public bodies to support policy making.

An ongoing best practices capitalisation, dialogue and transfer among the partners and with other EU regions is established also thanks to a specific **enlarged transfer programme** which targets 40 EU regions. CASTLE mixes **training, ICT, industrial & economic, transport public actions** to create a **new SMEs logistics policy cross-sectorial approach**, to set up and improve SMEs logistics clustering and networking and **increase regional competitiveness and sustainable development**.

CASTLE MAIN TECHNICAL OUTPUTS

- **Component 2 (Communication and dissemination):** 4 thematic EU newsletters (tot. 2.000 copies), 1 web site, 1 brochure & 16 leaflets (tot. 9.000 copies), 2 publications on logistics best practices and 1 on logistics policies (tot. 1.800 copies), 18 dissemination events & 10 more events attended to present the project, 10 bilateral meetings for best practices transfer, articles. A total of 1000 people attend the CASTLE events.
- **Component 3 (Exchange of experiences dedicated to the identification and analysis of good practices):** 5 transfer reports on best practices & on related policies (usable among the project partners & for a wider audience), 14 site visits, 3 EU surveys on SMEs logistics, consolidation of 20 existing best practices & collection of 30 new best practices, out of which 10 successfully transferred, 48 sessions for policy making improvement within the Regional Forums on Logistics, 20 interregional events to transfer best practices among the partners, 1 Logistics Competence Centres (LoCC) Transfer Contact point established, 1 CASTLE award on best logistics policies for SMEs, 5 new LoCCs start up.
- **Component 4 (Regional policy tool development):** one new tested tool for policy making for the automotive industry, 3 transfer reports & 50 policy problems sharing meetings between public & private bodies.

THE CASTLE PARTNERSHIP

