



The role of tank storage in the supply chain

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Agility Chemicals

Tank Storage Association – Thursday 22nd Sept 2011

Agenda

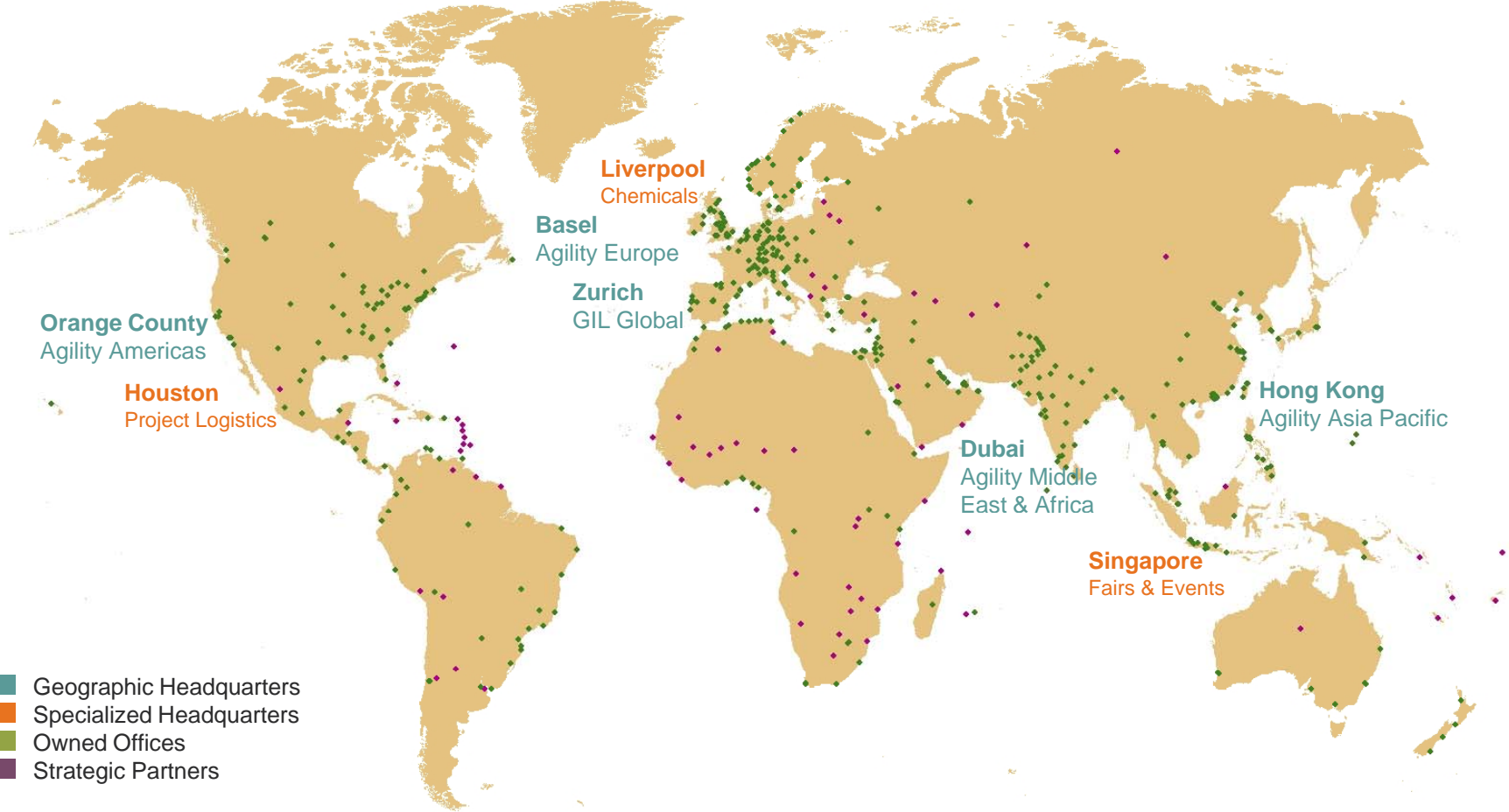
- A quick Introduction to Agility
- Supply Chain decision drivers
- Four Basic Scenarios
- Point to Point Supply Chains
- Distributed Supply Chains
- Competition from alternative Supply Chains

Agility

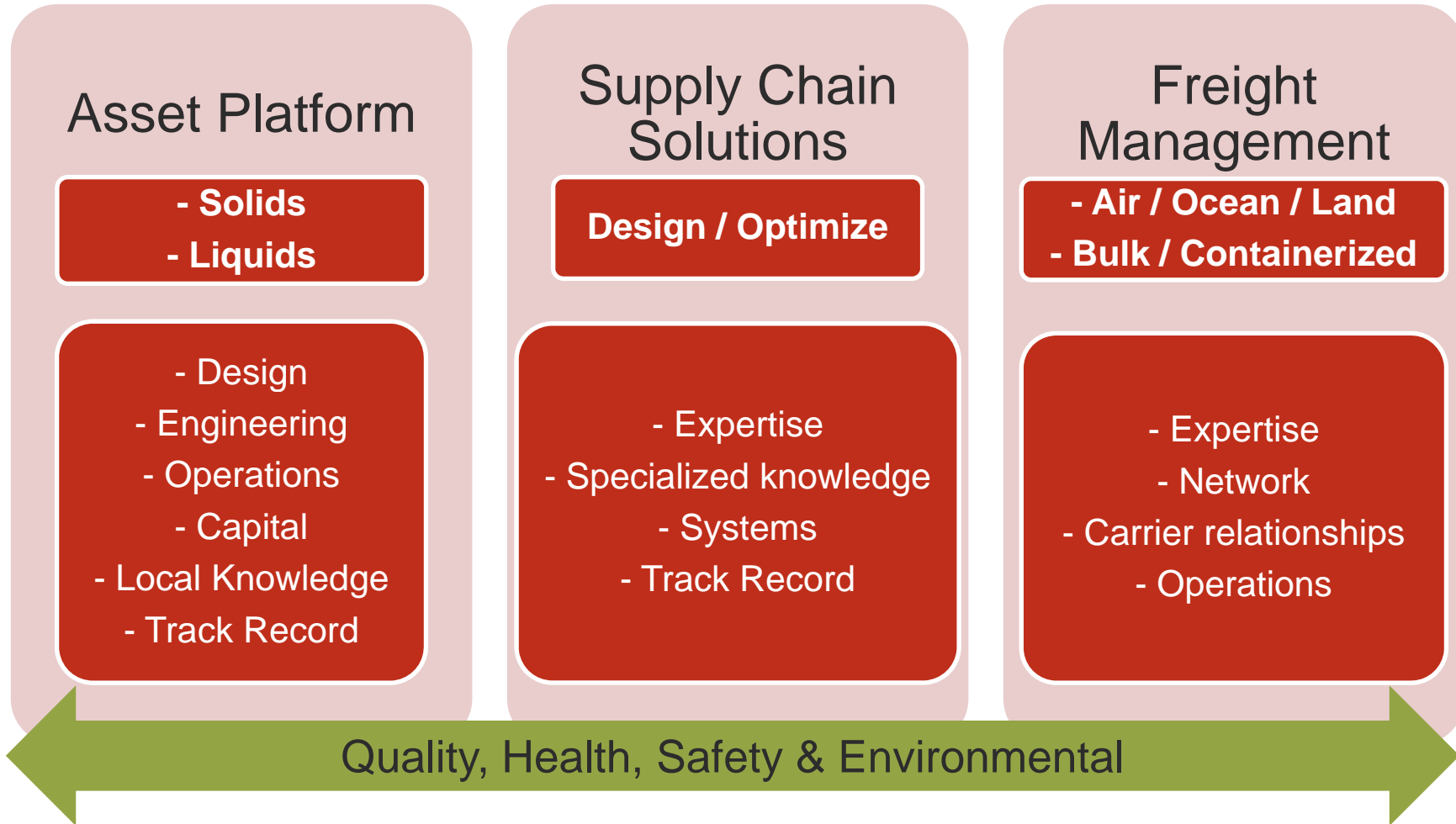
- 550+ offices
- 100+ countries
- \$6 billion revenue (USD)
- > 22,000 employees
- Top ten logistics provider
- Publicly traded
- Financially secure
- Group Specialty Businesses
 - Chemicals
 - Project Logistics
 - Fairs & Events



Global Network: 550+ locations in over 120 countries

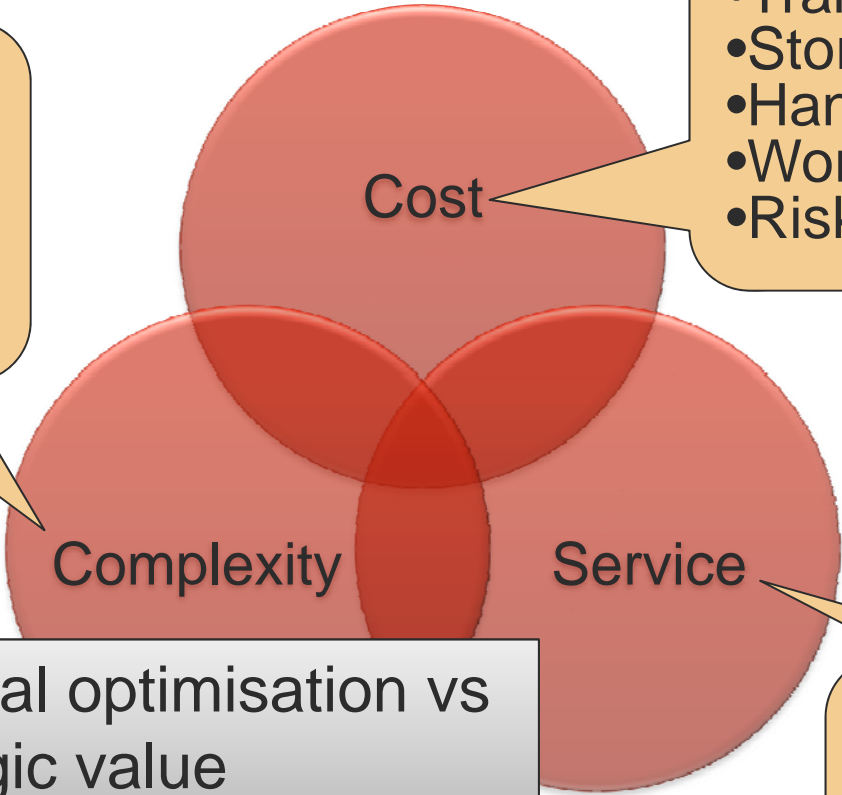


Agility Chemicals – Service Offering



Supply Chain Decision Drivers

- Components
- Scheduling
- Coordination
- Tracking
- Paying



- Transportation
- Storage
- Handling
- Working capital
- Risk

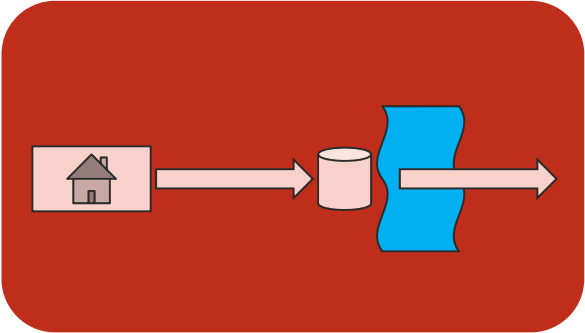
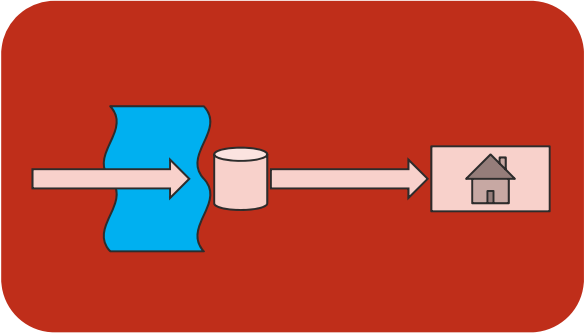
Beware – marginal optimisation vs strategic value

- Reliability
- Responsiveness
- Flexibility
- Safety
- Security

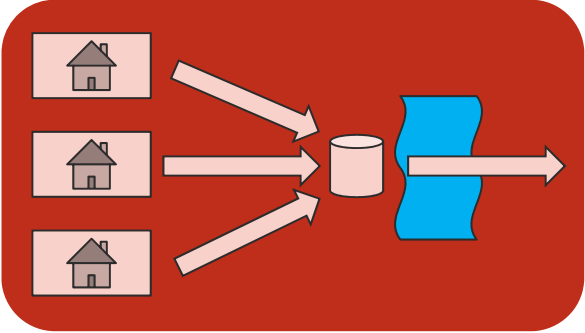
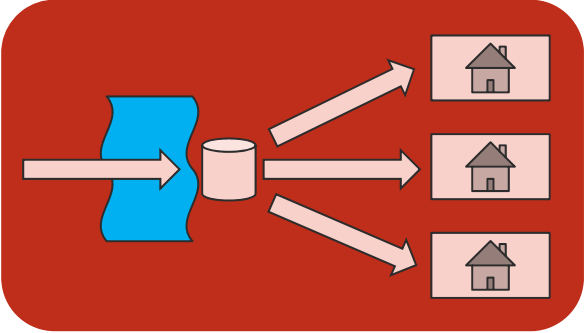
Four Basic – Tank Storage Scenarios

Inbound

Outbound



Single Source / Destination



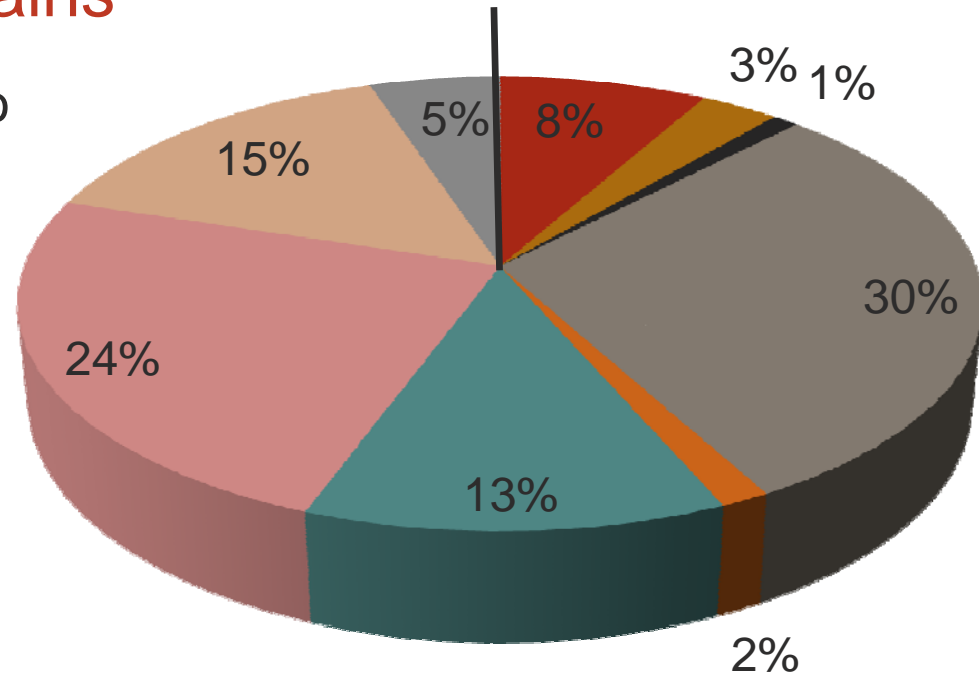
Distributed

Everybody's Export is someone's Import

Point to Point Supply Chains

Example - European producer to Single UK consumer

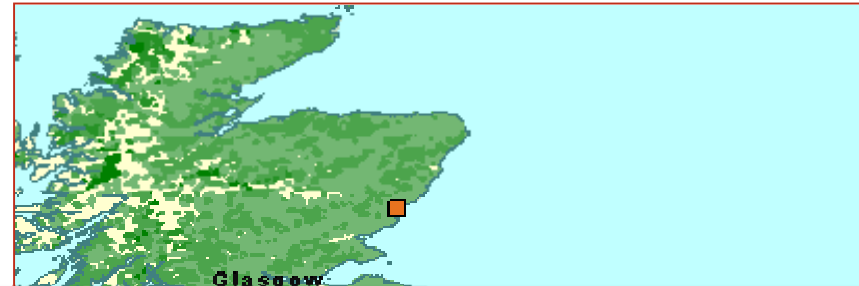
1. Barge from producer to ARA
2. Transhipment from barge to tanker
3. Demurrage
4. Short Sea shipment to UK Port
5. Demurrage
6. UK Storage terminal
7. Road freight to UK consumer
8. Working capital
9. Services – Surveyors, documentation, customs



- | | |
|----------------|-------------------|
| ■ Barge | ■ Transhipment |
| ■ Demurrage | ■ Short Sea |
| ■ Port Fees | ■ Tank Storage |
| ■ Road freight | ■ Working capital |
| ■ Services | |

Transport Costs for Distributed Supply Chains

- Choice of Entry / Exit Port
- Costs
 - Relative shipping rates
 - Relative port costs
 - Road freight network
- Service
 - Delivery lead time
 - Mode – Road / Rail
- Complexity
 - Multiple vs single entry / exit



Weighted average road distances to customers from each port ...

Seal Sands = 182 km

Humber = 197 km

Thames = 358 km

55% more expensive



Competition from alternative supply chains

Working Capital Comparison

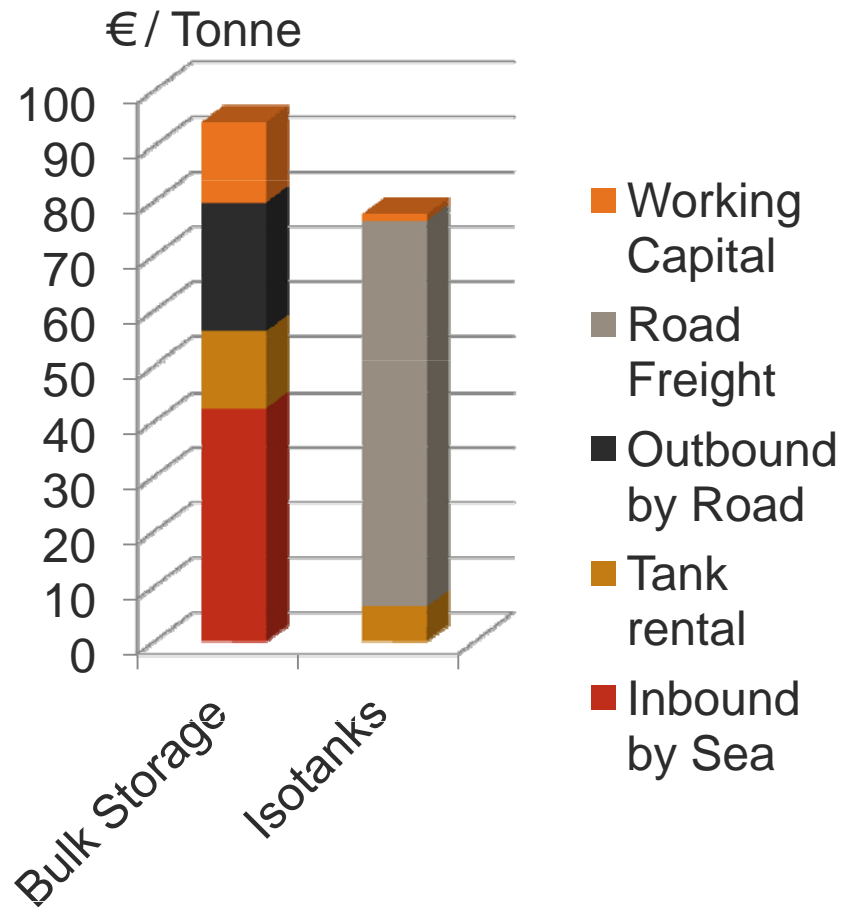
European Producer to Customer distributed in UK

Bulk Shipping

- Monthly bulk shipment
 - 3 days in transit
 - 1 month average in tank

Isotank direct

- Daily movements
 - 3 days in transit
 - 3 days in tank



In Conclusion

Seldom will all logistics principles exert equal influence; usually one or two will dominate in any given situation. Identifying those principles that have priority in a specific situation is essential to establishing effective support. –
Joint Pub 4-0, *Doctrine for Logistics Support of Joint Operations*, Sep 25, 1992



Thank you

for your time and attention

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