



Business interview: Owen Cooke

“We are keeping our heads down and getting results”



Nicola Cooke

Owen Cooke, founder of The Pallet Network, has seen his distribution business spread its wings and hopes for continued growth in the coming years

While logistics may not be the most glamorous industry in the world, it is nevertheless the lifeblood of the movement of goods from one country or county to another. The **Pallet Network (TPN)** heads the field in this sector in Ireland and, despite the tough economic environment, trade was up 20 per cent last year.

TPN, which is the top distributor of palletised freight for Ireland, is a form of franchise network and has 23 members around the country, all of them

logistic companies. It is connected to The **Pallet Network UK** and its 88 members, which gives it a sizeable import and export service to draw on.

TPN Ireland was established in 2004 by Owen **Cooke**, who also runs Independent Express Cargo, because he saw the need and demand for a centralised, nationwide distribution system.

Cooke, a native of Oldcastle in Co Meath, began his career with Unilever, which he joined in 1970 to head a hanging garment division for clothing stores around Ireland. He first worked at Tibbett & Britten (T&B) – then a division of Unilever – and, from there, went on to set up Irish Freight Forwarders (IFF) in 1975 with some of his colleagues from T&B.

IFF was established to forward freight from abroad that was being imported into Ireland. “Until 1975, CIE had a monopoly on the transport of goods in Ireland, and it was taking them five to ten days to get stuff moved within the country,” Cooke said.

“It took us two years at T&B to get the licence from the relevant authorities, and we then had other sectors asking us to move their goods. From then on, I had a burning ambition to set up a European or US-type system, where you would pick up your load in Donegal and deliver it to west Cork within a day. This was needed for the economy to develop, but it just wasn’t there.”

Cooke and his partners started to build up the business and, by 1980, the company had the contract to stock Marks & Spencer on Mary Street in Dublin. Between 1983 and 1984,

Unilever left the transport business in Ireland. Cooke decided then to go it alone and, in 1984, he established Independent Express Cargo.

But instead of chasing the business Unilever had left behind, he targeted a different sector of the market. “There was an emerging market at the time, where some multinationals wanted British and Irish partners for a nationwide delivery service, but we were faced with the fact that this wasn’t in place. So we had to set up a depot in Duncrue in Belfast, which was near the docks. This was during the height of the Troubles,” he said. “I saw some fairly frightening things, from trucks with bullet holes in them, to a young man heading to an army checkpoint with a handgun and shooting dead a passenger in a car just ahead of me. I had to check under my car when I went up there, and was often followed by mysterious cars as a form of intimidation.

“Then you had to avoid the protection rackets, which went on on both sides [the IRA and UVF]. But luckily we managed to steer clear of that. It’s great now that peace has brought prosperity to the North.”

Two more depots were set up in Limerick and Portlaoise – in 1986 and 1987, respectively – and the company started to transport everything from foodstuffs and toys to textiles and electrical goods. While the Irish economy was stagnant in the 1980s, there was not the contraction there is now, according to Cooke.

He said that, while the economy “may not have grown”,

people were not losing their

‘We can offer a service as far away as Rio de Janeiro’

jobs then as they were now.

“Independent Express Cargo was always successful, and we made a reasonable profit. We had to be agile and take opportunities as they arose,” he said. “But we didn’t make as much progress as we could have, because I didn’t really have a desire for money or wealth. It wasn’t until 1994, when we got involved in the UK with a new transport model, that The **Pallet Network** concept was conceived.”

Cooke described the network as a very efficient system of moving freight across the island of Ireland, and from one country to another. The members in the network collect goods from their clients in their regions and transport them on special double-deck trailers to the **TPN** central sorting hub in Dublin.

The freight is then sorted and redistributed for delivery by all the other members in their respective regions. From there, international freight is exported using similar networks abroad. **TPN** IT system controls the sorting of the freight at the central hub and tracks it at all stages of movement, in addition to the financial interchange between network members.

The model emerged in Britain as a solution to the fact that so many small operators and subcontractors were carrying empty loads one way, usually on return journeys. Under the network system, 52 pallets can be loaded onto a container instead of 26 (in a double use of space, one above the other), and regional hubs are used to transport and disseminate goods that arrive from Dublin.

"For example, we have two depots in Galway, in the east and west of the county, from where we can offer an overnight service to anywhere in Ireland, or a 48-hour service to the UK," Cooke said.

"We can offer a service as far away as Rio de Janeiro through our partners in the UK and throughout Europe. We are linked to One Express in Italy, which has 75 depots, which is very beneficial for us. In 2004, we had ten members and were loading 150 pallets per night. Now we have 23 members and are loading

2,000 pallets a night from 9pm to 2am at our headquarters in Blanchardstown. That means big trucks are off the road during the day – we use roads

when they are free, and save on time."

All TPN members must be ISO9000 accredited, and they pay an annual membership fee of €5,000. In addition, a small percentage cost is charged for a throughput of pallets.

Business took a sharp drop in early 2009, when volumes dipped 40 per cent in the first quarter alone. At the time, TPN had an exposure to a lot of building materials and products such as felt, radiators and roofing tiles, and close to half the network's overall volume was construction-related.

However, Cooke and his colleagues worked hard in the second half of that year to drum up new business, and landed sizeable contracts with Weber barbecues and Mothercare. By the end of 2009, losses had been cut to 10 per cent.

The company's profits are now up by 40 per cent year-on-year to €750,000.

It has invested €15 million in the huge storage building and sorting centre at the TPN base in Blanchardstown. Two years ago, a new division of the company called TPN Hub Site Logistics was created, and a dozen jobs will be created there

this year.

The Same Day Network was also established last year and operates as a courier service mainly in the Dublin area – where vans, bikes and trucks take everything from a load of goods to envelopes from one destination to another.

Cooke has an ambitious five-year plan for TPN that involves doubling the current output of 10,000 pallets a week to 20,000. He also said he wanted to construct another 75,000 square-foot building to be able to handle this capacity.

"We intend to drive the business forward on the same basis of sustainability and reliability, and with the best management information systems," he said.

"By doing that, we can remain as leaders in our field and keep a global player from taking over the Irish market. We are proud of what we do, and we meet our members every quarter to evaluate achievements or address problems. The cost of exporting is increasing and the global market is tough, but we are keeping our heads down and getting results."

Owen Cooke

Age: 62

Lives: Dunboyne, Co Meath

Family: married with three children

Hobbies: vintage cars and windsurfing

Currently reading:

Wasters by Shane Ross, and The House Always Wins by John McGuinness

The Pallet Network

Location:

Blanchardstown, Dublin 15

Established: 2004

Staff: 75

Shareholders: Owen

Cooke, Seamus

McGowan, Kieran Duffy and Gary Costello

Turnover: around €19.5 million in 2011

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