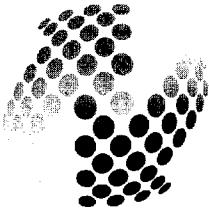




# Haulage hub drives change

THE SUNDAY TIMES



**enterprise  
network**

www.enterprisenetwork.ie

The Pallet Network is keen to go green, but it also has ambitions to expand into eastern Europe, writes  
**Sandra O'Connell**

IF Owen Cooke's latest venture is to succeed, he will have to change the way the Irish transport industry operates.

Cooke has been in the haulage business since 1984 when he started Independent Express Cargo, his first freight company.

Although the business has been profitable from its early days, Cooke believes there is a better way of handling distribution.

With that aim in mind, he set up The Pallet Network in 2004. The idea was that cargo companies around Ireland would deliver goods to The Pallet Network's central hub in Dublin from where they would be able to tap into a transport network with a reach as far as Istanbul.

"My aim was to create a nationwide network of transport companies that allows each to deliver even a single pallet from anywhere in the country to anywhere else at an economic price," said Cooke.

In Britain, 85% of haulage companies operate in this way. In Ireland, just 5% do so.

"When devising [The Pallet Network] we sat down and planned a national transport system on a blank sheet of paper," said Cooke. "We saw that 75% of all palletised cargo that moves in Ireland goes

through the Swords, Santry, Blanchardstown triangle, with Dublin airport in the middle."

Armed with this information, the company built a €10m transport hub in Blanchardstown, west Dublin. At present, it handles between 1,300 and 1,400 pallets a night, but it has the capacity to take 3,500.

Dublin is just the start, however. "We ran the rule over other parts of the country, applying the same demographic and traffic criteria, and picked locations for member depots, of which we now have 18," he said. "These are fully integrated with an 88-depot network in the UK, and we have network connections across to eastern Europe."

This means a trucking company in Galway, for example, can offer a seamless service across Europe yet retain its independent status.

Members of the network also benefit from a radically different transport model. The Galway company collects goods during the day and takes them to the local depot. They are then collected by one of the network's 30 double-decker trucks that night and driven to the hub at Blanchardstown.

Generally, the goods arrive by 11pm. The journey time to the hub is on average 90 minutes shorter than it would be by day, thanks to the lighter traffic at night.

The driver then takes a break in the purpose-built canteen, reloads at 1.30am and is on the road back to Galway in the early hours.

There are many benefits, Cooke explains. "We have an overnight delivery service throughout Ireland, we take lorries out of peak traffic, which improves road safety, and we have cut the diesel used per pallet by 50%, which benefits the environ-

ment and allows us to offer lower unit prices," he said.

So far, so good. There are, however, a number of key challenges too. The business consumes half a million litres of diesel a year, so fuel is a significant cost.

"Our problem is knowing which green alternative to opt for," said Cooke. "We need to look at plant oil or biodiesel, talk to suppliers of both and to the Irish Bioenergy Association and figure out what precisely is the best green energy option for us."

"In particular, we want to make sure that if we choose one option, it won't turn out to be one that puts us at a price disadvantage to our competitors."

"We also have to make sure we choose an option that won't result in shortage of supply issues down the line when others follow suit."

Equally pressing is the need to grow the business significantly, he believes. "We spent €10m on our new hub and the running overheads are huge. We are only really breaking even right now, having used up a significant amount of the profits of Independent Express Cargo."

Although both businesses are owned by Cooke, they are run independently.

Right now, turnover at The Pallet Network is about €7m annually and Cooke wants to grow the business by about 30% a year over the next three years. It's a tall order, but with the right strategy he believes it is achievable. "I think one of the most important ways to achieve this is to help our local network guys, all of whom are independent operators, to get out there and sell. We are going to have to invest in sales training and marketing to help them promote the business."

The third challenge facing the company is possibly its most ambitious. "Half of our employees are Polish, including our senior managers. They have approached us with a suggestion that we establish The Pallet Network in Poland," said Cooke.

"If we get it right, it is an enormous opportunity for the company in a fast-growing economy. It's something we want to do within the next three years, but how best to go about it is the task now facing us. Yet again, we are starting off with a clean sheet of paper."

That should not be a problem, however, as Cooke has a history of being innovative. He began his career in 1970, when the rag trade was stymied by the fact that all garments were flat-packed for transport, causing a huge number of creases.

Cooke established a hanging-garment transport system so that clothes in lorries could be hung on racks. It seems obvious now, but at the time it was revolutionary.

## What our panel thinks

**Rob Johnson,  
ActionCOACH**

**Business Coaching**

A SALES process starts from initial contact through marketing and goes through to an agreed financial transaction. Marketing

is communicating and educating a prospect about a particular product or service. The first part of selling is to show a customer how a service or product will benefit them.

Owen Cooke needs to be sure he and his sales team know what these benefits are and how they relate to each prospective customer. He also needs to establish a step-by-step sales process detailing every stage from identifying targets to follow-up calls and marketing materials.



**Adrian Moynihan,  
business strategy  
manager, AIB**

BEFORE expanding abroad, Owen Cooke's immediate focus must be to improve current business performance and move the operation from break-even to profit.

In a country that relies heavily on road freight for domestic distribution and, according to Ibec, exports 85% of all production output, significant potential remains untapped here.

Allied to this, with only a quarter of Irish haulage companies operating under this model at present, exploiting domestic opportunities should be the immediate business priority.



**Willie Maxwell,  
director,  
InterTradeIreland  
Acumen**

THE cost of fuel is a key consideration for any transport operation and there is a lot of work being done to find alternatives.

Owen Cooke has shown that a future competitive advantage can be earned by being ready to embrace change before competitors. But facts and judgment must underpin these choices and he has to decide when a fuel can guarantee competitive advantage rather than be a handicap. It appears that there are not enough hard, proven facts to allow Cooke to make that selection today.



Publication: Sunday Times Business & Money

Date: Sunday, May 11, 2008

Page: 15

Extract: 3 of 3

Circulation: 104.464

Author: Sandra O'Connell

Headline: Haulage hub drives change



On the road to success: Cooke spent €10m establishing his new distribution hub in Dublin and he is now aiming to grow the business by 30% a year for the next three years