



Despatch Special Edition - Part I February 2011

Did you miss The Home Delivery Conference in London on the 17th February? Don't worry - simply give our team a call and we'll talk you through it! Call Mike or Laurence on 01234 742777.

In the meantime take a browse through Part I of our Despatch Special Edition newsletter, Part II to follow in early March.

Proactive Despatch Management in Turbulent Times

Recent sharp rises in fuel prices and other associated transport/logistics costs are bound to impact our business and, by definition, our clients. We are working to minimise the pain for our clients and this special edition is entirely devoted to relevant news, service developments and information on this topic.



You don't have to look far to see what is happening to fuel prices. The BBC reports that soaring fuel prices are among the key reasons behind inflation's sharp rise in December. Experian Catalyst, the company which compiles the data on fuel and inflation indices, says that the average price of diesel in the UK is now higher than it was in July 2008 (the previous high).



The AA described the new record prices as "yet another milestone along the road of misery for drivers".

This misery, which affects every driver, has major implications for business. Not only does petrol fuel wage push inflation for employers, it also has a direct and immediate cost implication for every business, large or small, where delivery is part of the service.

Imagine then with what horror businesses like ours view the current state of affairs. When companies like DHL are announcing 9.9% fuel surcharges (up from as low as 6% in March last year) we know it will not be long before our desire to hold down despatch pricing will buckle under the strain.

And the independents are hurting even more. One of the haulage companies we work with, a similar 'vintage' to ourselves having been started circa 20 years ago, tells us that fuel used to account for about 20% of their turnover when they started and represents over 40% today. Many of the small contractors are struggling for their very survival and are saying that they have no option but to pass on their spiralling costs to their customers.

Although we strive to avoid getting involved in political issues (with either a small or a large P) we are solidly backing Quentin Willson and the campaign for FairFuelUK. As he says, the increasing cost of fuel is strangling the economy, stoking up inflation and really hurting businesses and the public".

We agree and are doing all we can in our own way to manage costs in this area. As you will see in this issue we are adding in new services to optimise despatch, re-negotiating our contracts with key carriers and resisting increases wherever we can.

We can't change the price at the pump, we may not be able to avoid passing on increases in some areas but we solemnly promise to do everything we can to control them within our business to help our clients to control the costs in theirs.

For further details visit: www.rha.uk.net and www.fairfueluk.com

New Services with Collect+

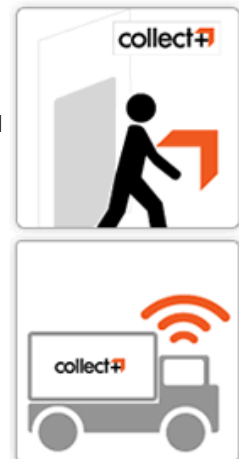
We are pleased to be able to offer an exciting new despatch option to our clients. Collect+ is one of the most customer-focused newcomers in the despatch field and we are delighted to be working with them right from the start.

PayPoint Networks (who have been Ark-H clients since 1997) have teamed up with HDNL (the newest for the Ark-H Group supplier network) to offer a new service Collect+. The service means that clients can send out parcels for collection from specified PayPoint outlets, who will also be able to handle returns from the end user back to the warehouse.

This service, perfect for our growing number of domestic delivery e-retail clients, allows for lower overall delivery costs (less re-deliveries), improved customer experience (no more annoying 'carded' deliveries) and manageable reverse logistics for those clients who want to be able to offer free returns.

The service is initially being rolled out across 3,500 of PayPoint's network of over 22,500 agents. The aim is to make it a network-wide service as soon as possible.

For further details visit: www.collectplus.co.uk



Adding in MetaPack for Additional Home Delivery Flexibility

Anyone who reads the trade press in our industry is well aware of the staggering success of MetaPack – the independent, multi carrier management despatch service, launched over 10 years ago, that promotes itself as bringing “tremendous efficiencies to the delivery and fulfilment processes”.

MetaPack has become synonymous with despatch optimisation software, offering its prestigious range of clients complete control of their ecommerce delivery offering.

Targeting the retail sector MetaPack has now been adopted by the majority of leading retail names and is, in their words, used as a benchmark standard by the e-retail industry.

Similar to the Ark-H in-house system, but specifically focussing on the home delivery rather than the B2B marketplace, the MetaPack software aims to deliver complete control and choice to the sender. We have been conducting a comparison survey with our existing systems for some years and, last year for the first time, decided to offer MetaPack as a service to those of our clients who want to integrate our services into a wider retail and e-retail multi-channel business.

If you would like to discuss ways in which you can take advantage of either approach please speak to your Ark-H Account team who will be happy to set up a meeting to demonstrate the systems to you and discuss the options that will best suit your needs.

For further details visit: www.metapack.co.uk



With Mail Prices Going Postal it Could pay to Swim Downstream

In April the cost of a first class stamp with Royal Mail is set to rise by 5p to 46p. This rise at over 12% is the largest increase since back in 1968 when first class mail was first introduced.

The rises are designed to fund RM's modernisation programme and, according to Royal Mail's chief executive, “even with these increases our postage costs will still be amongst the lowest in Europe”.



Whilst all of us in business can sympathise with Royal Mail's need to modernise and the costs involved, (apparently Royal Mail loses 6.4 pence on every stamped letter delivered) this level of increase is a bitter pill. None of us can comfortably manage this level of price rise at a time when things are still so tough out there. Even second class post is going to rise by 4p which is also 12% plus.

So it pays to be constantly reviewing the growing number of alternative options. All the downstream access providers know that this is their golden opportunity to capture an ever larger share of the post and lightweight postal packet market. And, with the exponential surge in internet shopping this is now returning to prominence as a growth market. We are working with most of the leaders in the field to make sure that we can offer clients the best menu of cost options possible in the marketplace.

In addition, although the mailing market continues to develop, confounding the gloom forecasters of the early 2000's there is also considerable scope for using EDMs and various electronic promotional techniques to spread the cost of postage.

The big 'campaigners' of the f.m.c.g world have long been using a judicious mix of traditional and digital communications media. The small, new companies, many of them very fleet of foot are mixing and matching mail and new media with enthusiasm. And now even the more traditional and sometimes change averse medium are moving in the same direction.

We can help at every step of the way, from helping you to maximise postal savings opportunities, exploring the use of alternative postal services and sending out email broadcasts and ebulletins. If you would like to explore the world of alternative to postal price rises just talk to your Account Team and they will be happy to involve our experts in a meeting to evaluate your mailing options. We can't promise miracles but we can guarantee to do whatever we can to help you save costs.

Meanwhile, to at least help you to prepare for the postal tariff rises, we will be circulating details on these as we get closer to April.



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