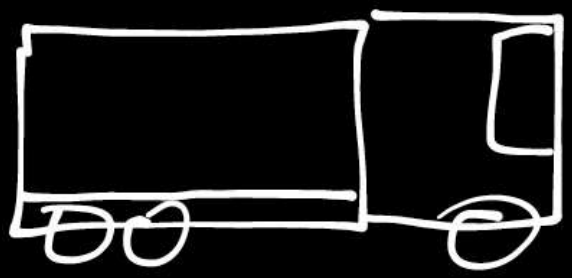

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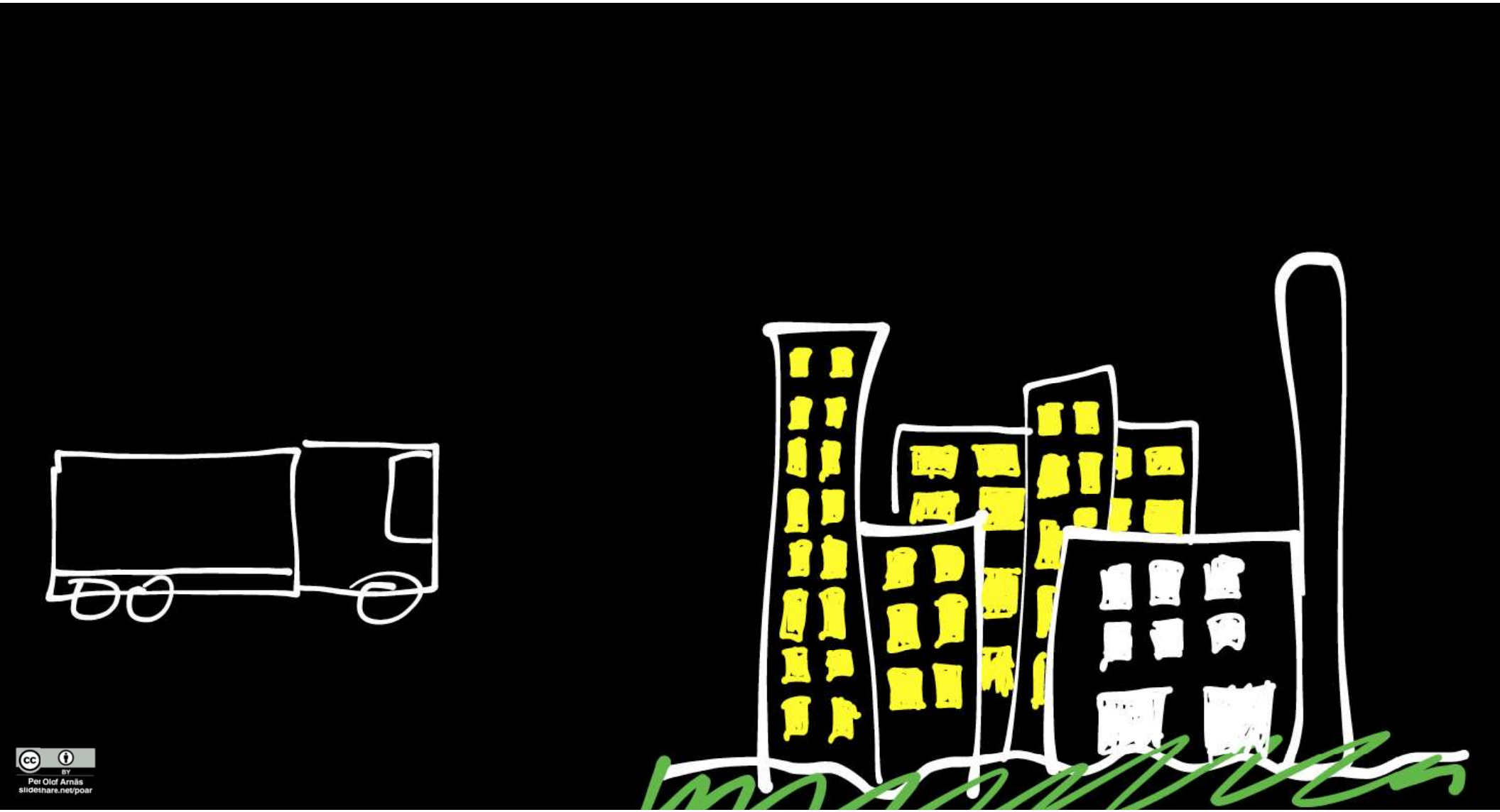

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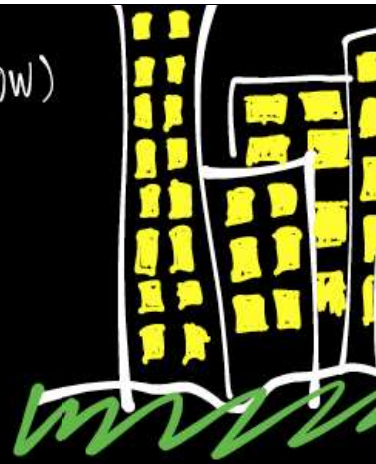
NORTHERN LEAD



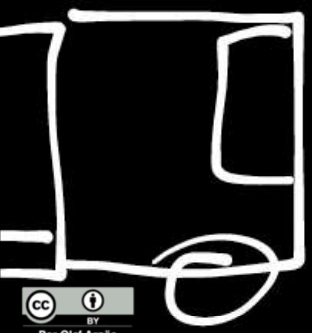
I AM ON MY WAY TO THIS ADRESS (AND I AM HERE RIGHT NOW)

I NEED TO BE THERE AS SOON AS POSSIBLE

MY LOAD FACTOR IS 83%

I AM CARRYING DANGEROUS GOODS

MY DRIVER IS
- SOBER
- BELTED
- EDUCATED IN ECO-DRIVING
- KEEPING SPEED LIMITS
- ACTING IN COMPLIANCE WITH REGULATIONS



MY CO_2 FOOTPRINT IS BELOW 780 g/km

MY VEHICLE HAS THE HIGHEST SAFETY CLASS

I HAVE BEEN VERY NICE TO OTHERS

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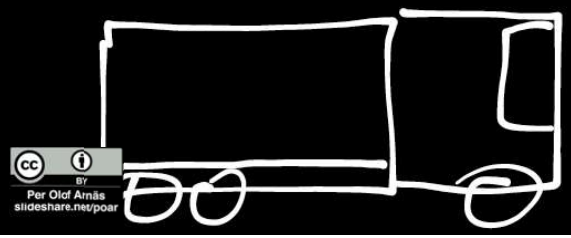
WELCOME!

I CAN SEE THAT YOU ARE ONE OF THE GOOD GUYS.
YOU WILL GET ACCESS TO THE BUS LANES.

ALSO, I CAN GUIDE YOU TO YOUR DESTINATION
AND OUT AGAIN IF YOU WANT

THANKS!
YOU ARE THE BEST!



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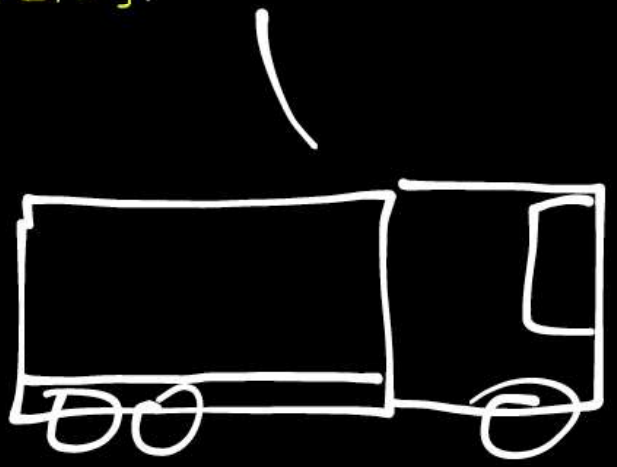
BYE! THANKS FOR THE HELP. I SAVED 66 MINUTES!
AND MY CO_2 FOOTPRINT DURING MY VISIT WAS ONLY 5291 g.
MY PREVIOUS RELOCD WAS 7218 g.

BYE!
WELCOME BACK!



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Some observations regarding the digital future of transportation

Per Olof Arnäs, PhD

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Service Management and Logistics
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about.me/perolofarnas
Slides: slideshare.net/poar
@Dr_PO

OKIMG_5751 by taymtaym on Flickr (CC-BY)

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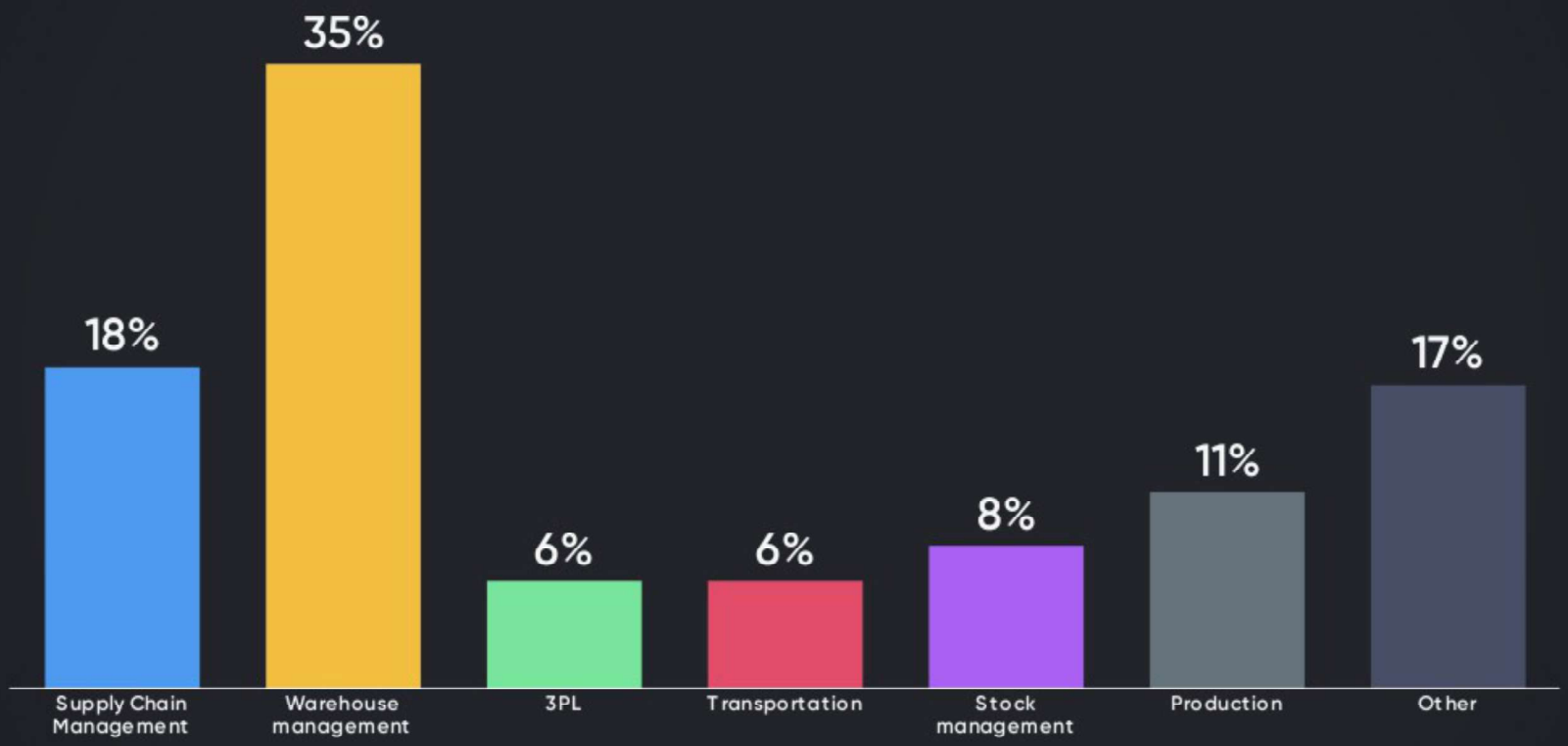
What is your main focus?

Mentimeter



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5 GLOBAL TRENDS

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Source: PWC (google: pwc megatrends 2014)
Doing some Sisyphus work by Kalexanderson on Flickr (CC-BY,NC,SA)

Megatrend #1

Demographic and social change

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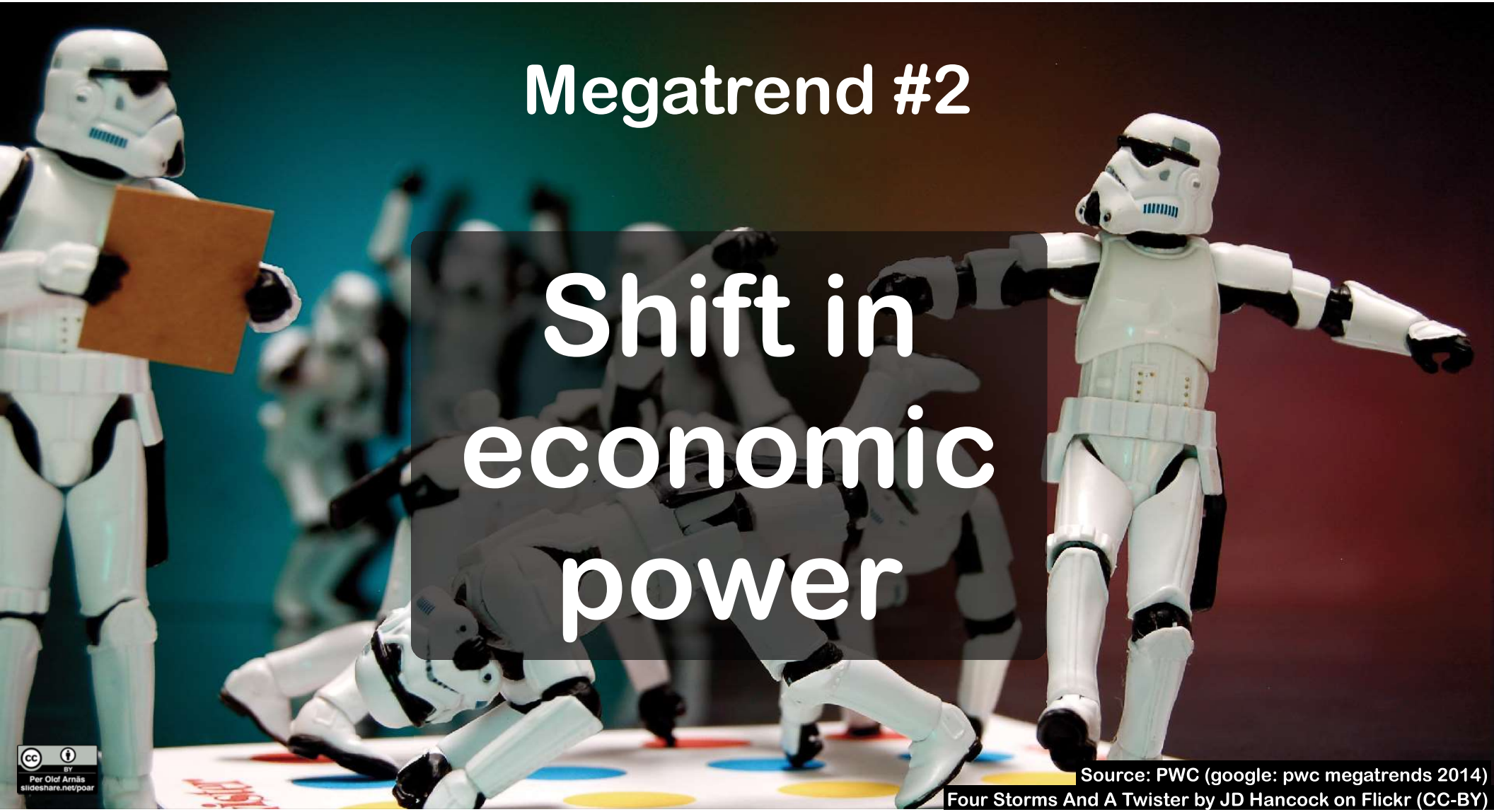
Source: PWC (google: pwc megatrends 2014)
Crowd by James Cridland on Flickr (CC-BY)

Megatrend #2

Shift in economic power



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Source: PWC (google: pwc megatrends 2014)
Four Storms And A Twister by JD Hancock on Flickr (CC-BY)

Megatrend #3

Rapid urbanisation

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Source: PWC (google: pwc megatrends 2014)
Boston Downtown at Night by Werner Kunz on Flickr (CC-BY,NC,SA)

Megatrend #4

Climate change and resource scarcity

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Source: PWC (google: pwc megatrends 2014)
¡Rayos! by José Eugenio Gómez Rodríguez on Flickr (CC-BY,NC,SA)

Megatrend #5

Technological breakthroughs

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Source: PWC (google: pwc megatrends 2014)

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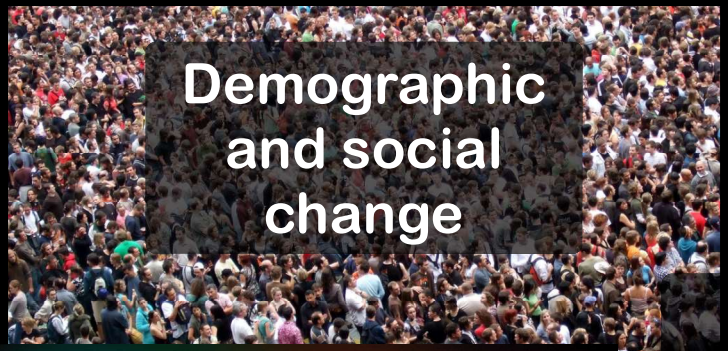

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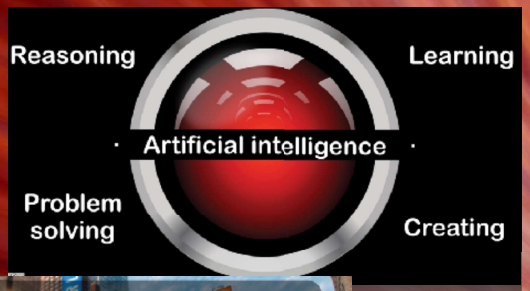
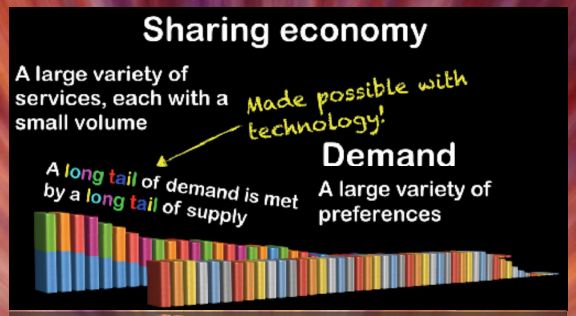
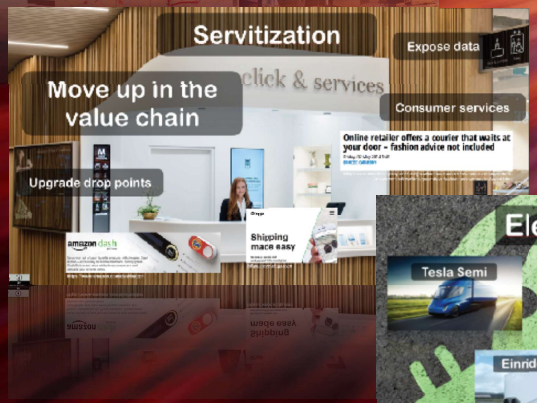




Explosion of new technology



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NORTHERN LEAD

Things are happening outside the freight industry

(and have been for some time)

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Things are happening outside the freight industry

(and have been for some time)

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1957

BRITAIN'S FIRST MUNICIPAL COMPUTER

It has begun work this week—preparing rate demands for citizens of Norwich. Soon its range of duties will widen. How the city council's computer will work is here explained by the man who has "programmed" the machine

by J. W. COX, Computing Machine Division, Elliott Brothers (London) Ltd.

ELECTRONIC computers are already being put to a wide range of uses in industry. This week, however, they have entered a new sphere of activities. A local authority—Norwich City Council—has installed a computer, and is the first to do so.

The computer now at work in service at Norwich is an Elliott 401 machine, originally designed for processing airborne radar data, but also suitable for accounting and statistical purposes. In this latter role will be the prime object of the machine when the maintenance of "permanent" personal accounts.

It is true it will take over duties relating to the name of 52,000 citizens, the regulation of water rate [illegible] but the accounting and general routine analysis of invoices and certain aspects of personnel work. Nor will [illegible] be the end of a matter of [illegible]. Still further plans [illegible] new services for the citizens of Norwich include routing, pay roll, and [illegible] of course, work [illegible] and municipal creditors.

The problem of the designer of a computer to tackle office work, as opposed to scientific, lies in providing a machine which can store and rapidly circulate information on vast amounts of data. The information used by the machine is kept in three separate stores. The first accompanies to the books of many cabinets in my office. It contains all the information on which the machine will work, recorded in magnetic film, either ruled to be typewritten on [illegible] machines.

Within the computer proper, there is a second intermediate store, which corresponds roughly to the sundries of the files in which a clerk might be working. The main working store is a rapidly revolving magnetic drum on which [illegible] "words" can be recorded. Each "word" is equivalent to a sensible number or six alphabetic characters.

The third or "slow speed" store is also a roll of [illegible] film [illegible] movies in the sense of a celluloid—the size of [illegible] but a cash record held on its base, while working [illegible] the [illegible]. It has a capacity of 120 "words"—quite enough for the purpose—which are available almost instantaneously as they [illegible] machine is not [illegible].

By comparison, the magnetic film [illegible] has an enormous capacity. The films are provided in reels of 1,000 feet, each capable of storing approximately 300,000 "words." Two film units are provided, so that one reserve can be brought up to date without affecting the original.

For using work, details of all properties in the Norwich City will now be [illegible] on the basic of magnetic film, each reel of 1,000 feet recording details of approximately 4,000 properties. Excluding properties owned by the Crown, there are about 37,000 properties, divided into seven districts, to be processed.

Two sets of these basic films [illegible]. In the first set [illegible] film, one for each district, containing details of all properties. The second set is arranged in properties for which a person other than the occupier is liable for the rates, consists of two films. The properties included in the second set are arranged according to the [illegible] owner or other person liable, a typical reference should read the name of a property at the first set if it is also included in the second set.

The information stored on these films has been recorded on five-inch tapes by the computer acting on information received from [illegible] punched paper tape. The [illegible] of this paper tape by means of keyboard [illegible] and verifiers was the largest task which had to be undertaken in connection with the introduction of the computer. In addition was [illegible] by the large volume of amendments already made [illegible] including the recent revaluation of many properties.

The preparation of rate demand notices is processed by the [illegible] on paper tape of the amount of the rate to be [illegible]. At short length of tape is then made to inform the computer of the amount per pounds. Each reel of magnetic film is placed on the [illegible] in turn, the rate due [illegible], and a record is punched paper to be produced containing all the [illegible] required for the printing of a rate demand note. The paper tape used to control [illegible] typewriters; they produce the finished product in a continuous stationery which has [illegible] to be torn off and posted to the ratepayer.

During the preparation of demand notes the amount for [illegible] rate payment is stored on the magnetic file, and a [illegible] permits a current rate to produce a [illegible] as [illegible] book.

During the course of the financial year the magnetic films will be processed each week, as usual [illegible] of each paid by ratepayers and amendments received [illegible] through—the majority of ratepayer and when at property by [illegible]. Details of such payments and amendments will be punched into paper tape each week and fed to the computer. This information will be stored

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Things are happening outside the freight industry

(and have been for some time)

2015

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Image: Richard Hancock, twitter.com/CanaryWorf

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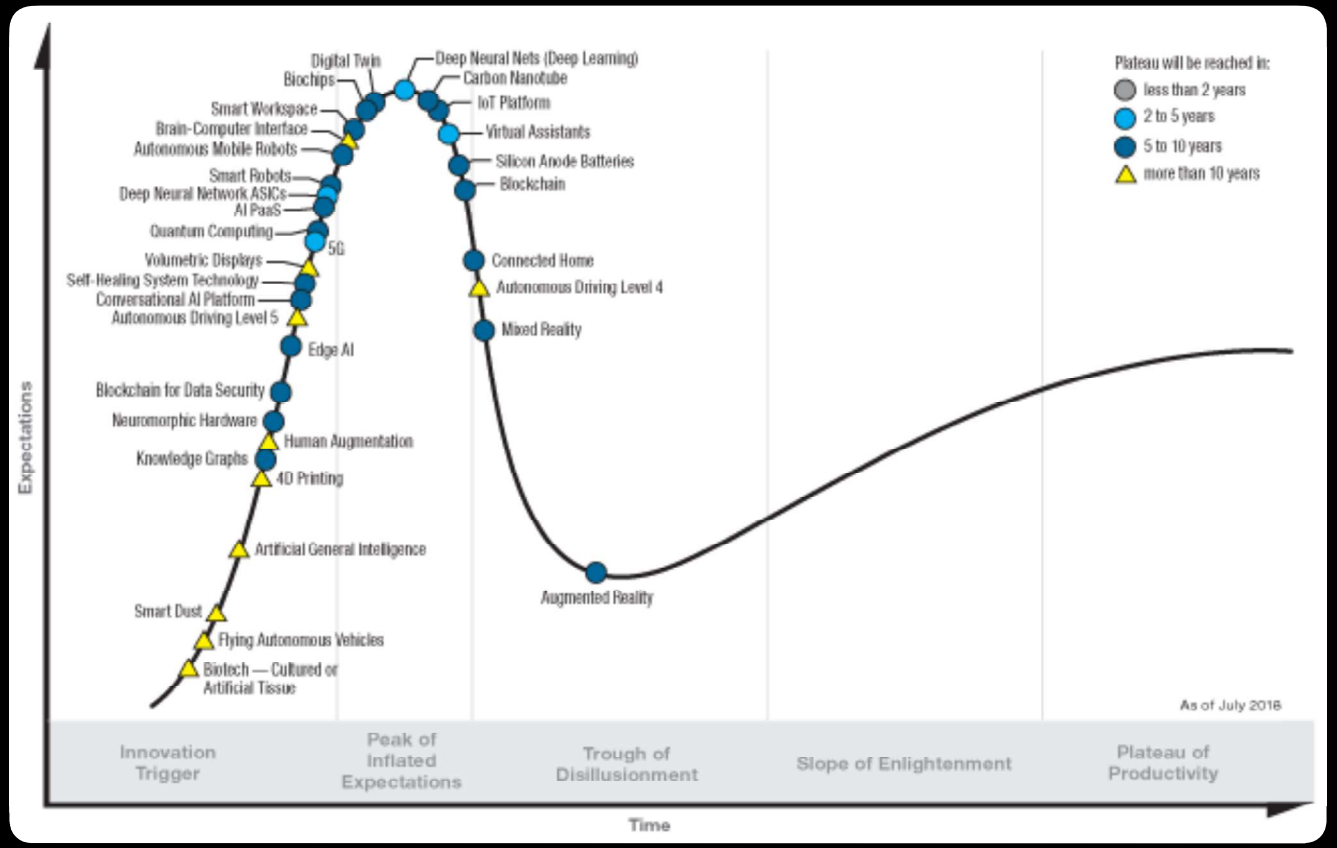
Gartners Hype Cycle for Emerging Technologies



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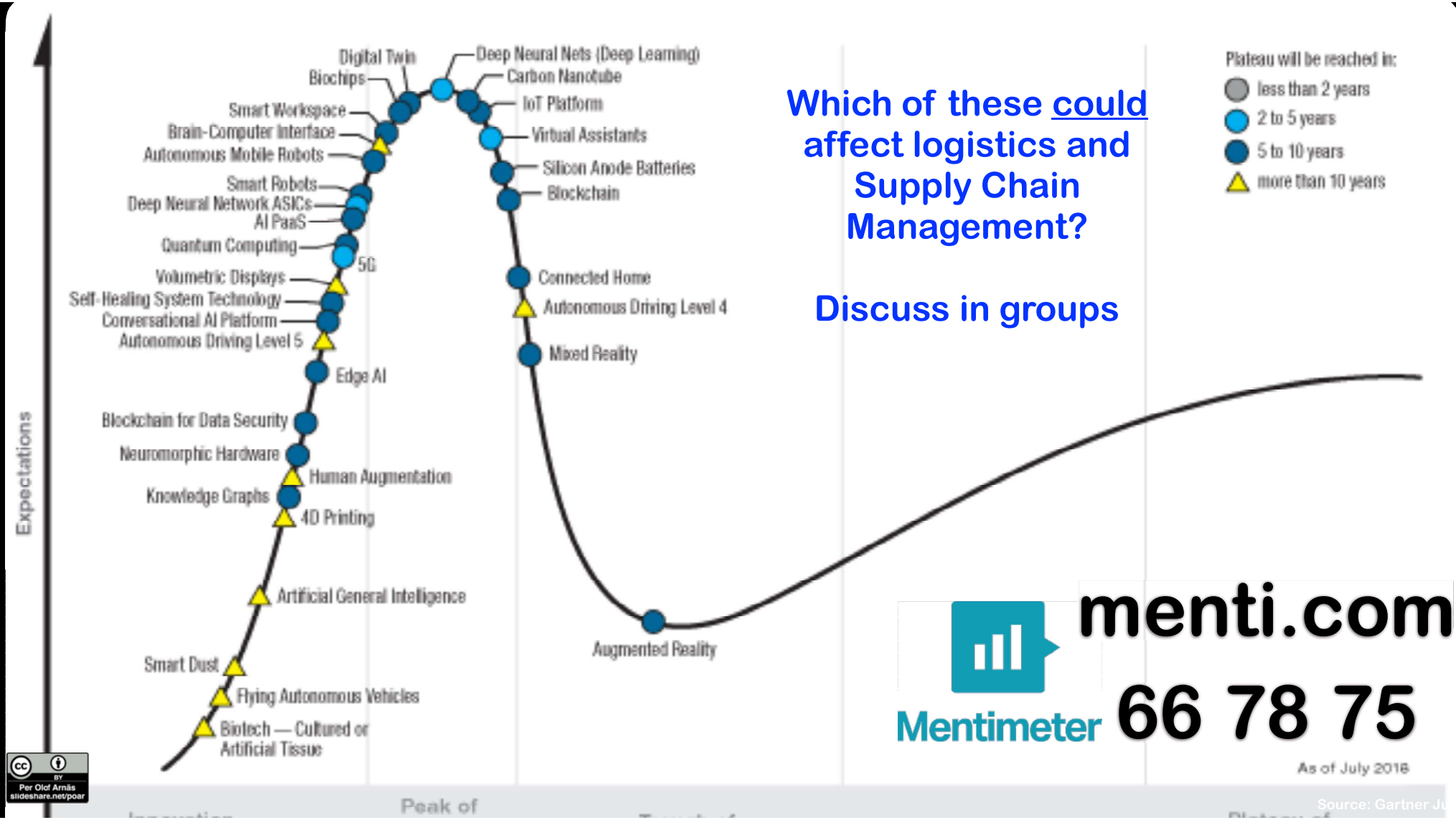
Source: Gartner July 2017



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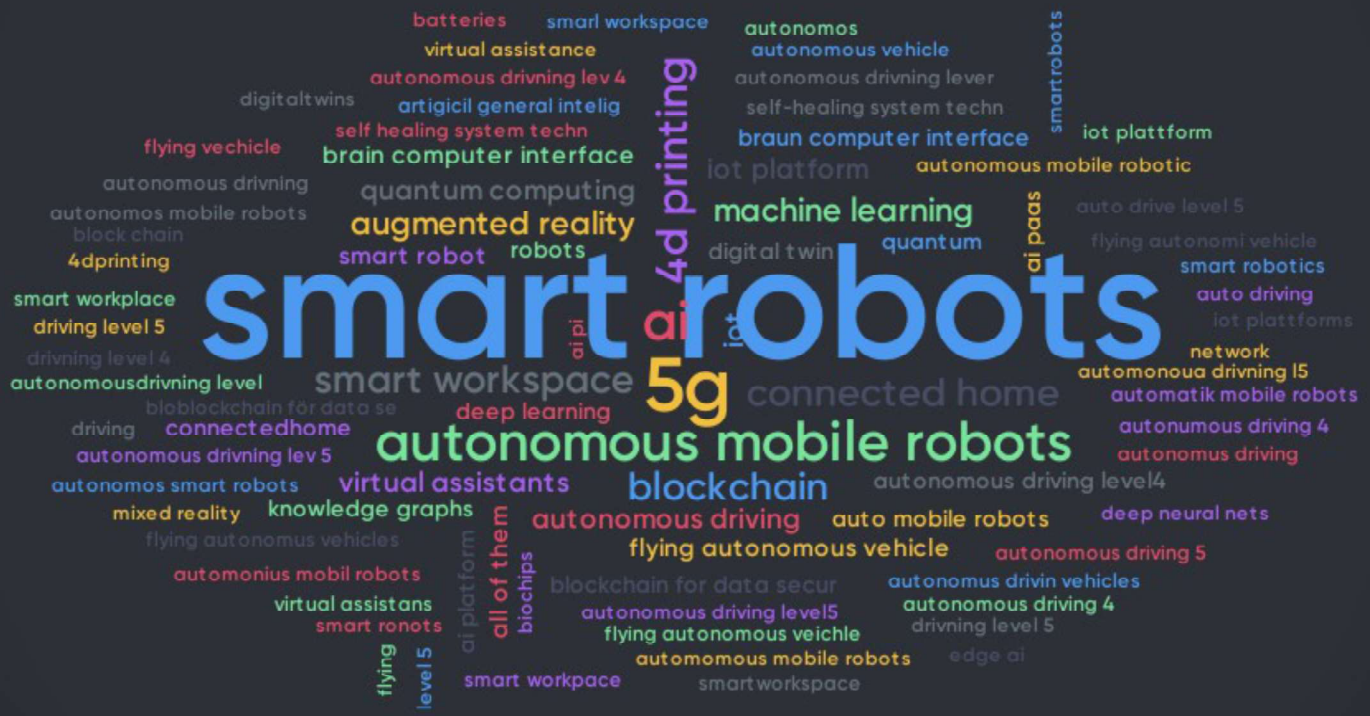
Which of the emerging technologies will affect your industry?

Mentimeter



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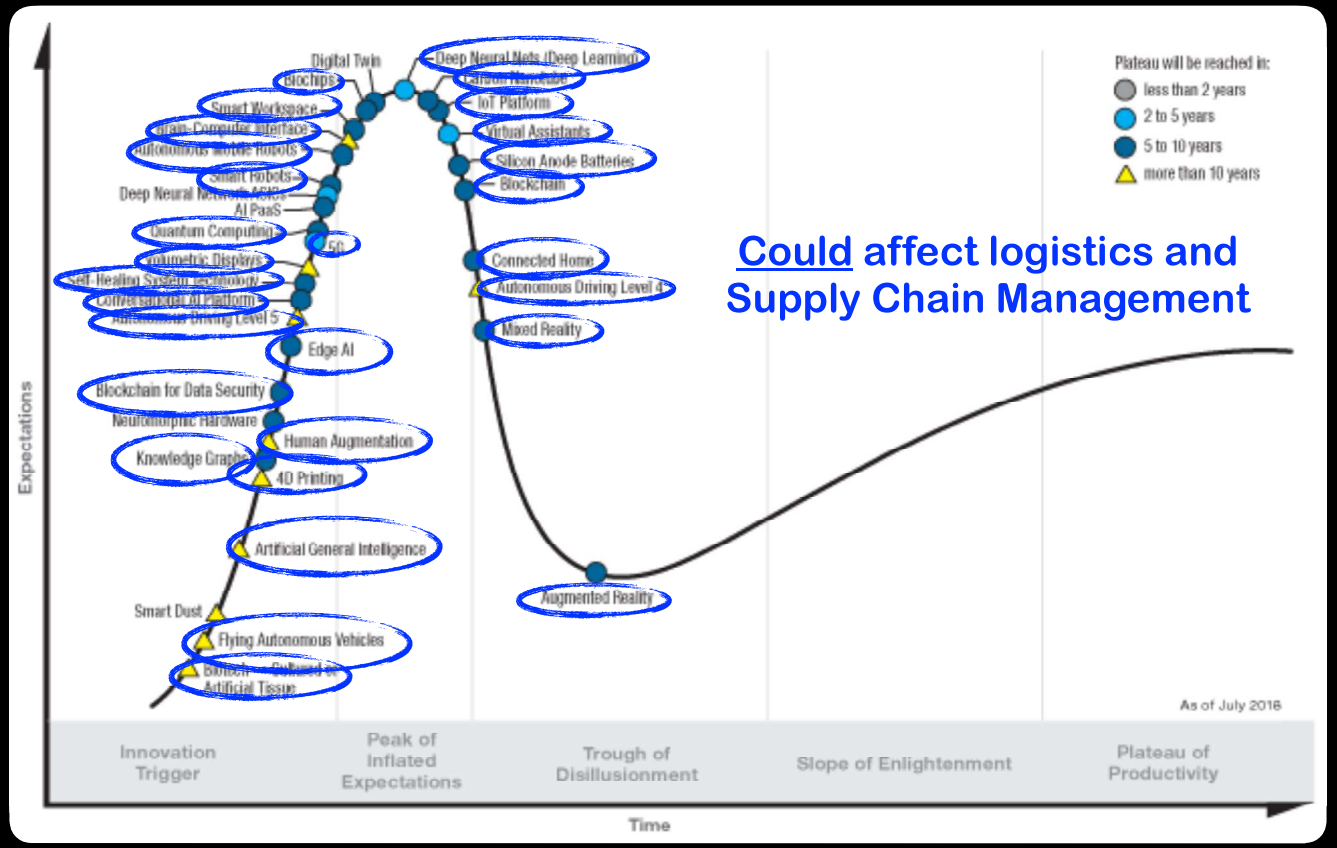
Gartner's Hype Cycle for Emerging Technologies



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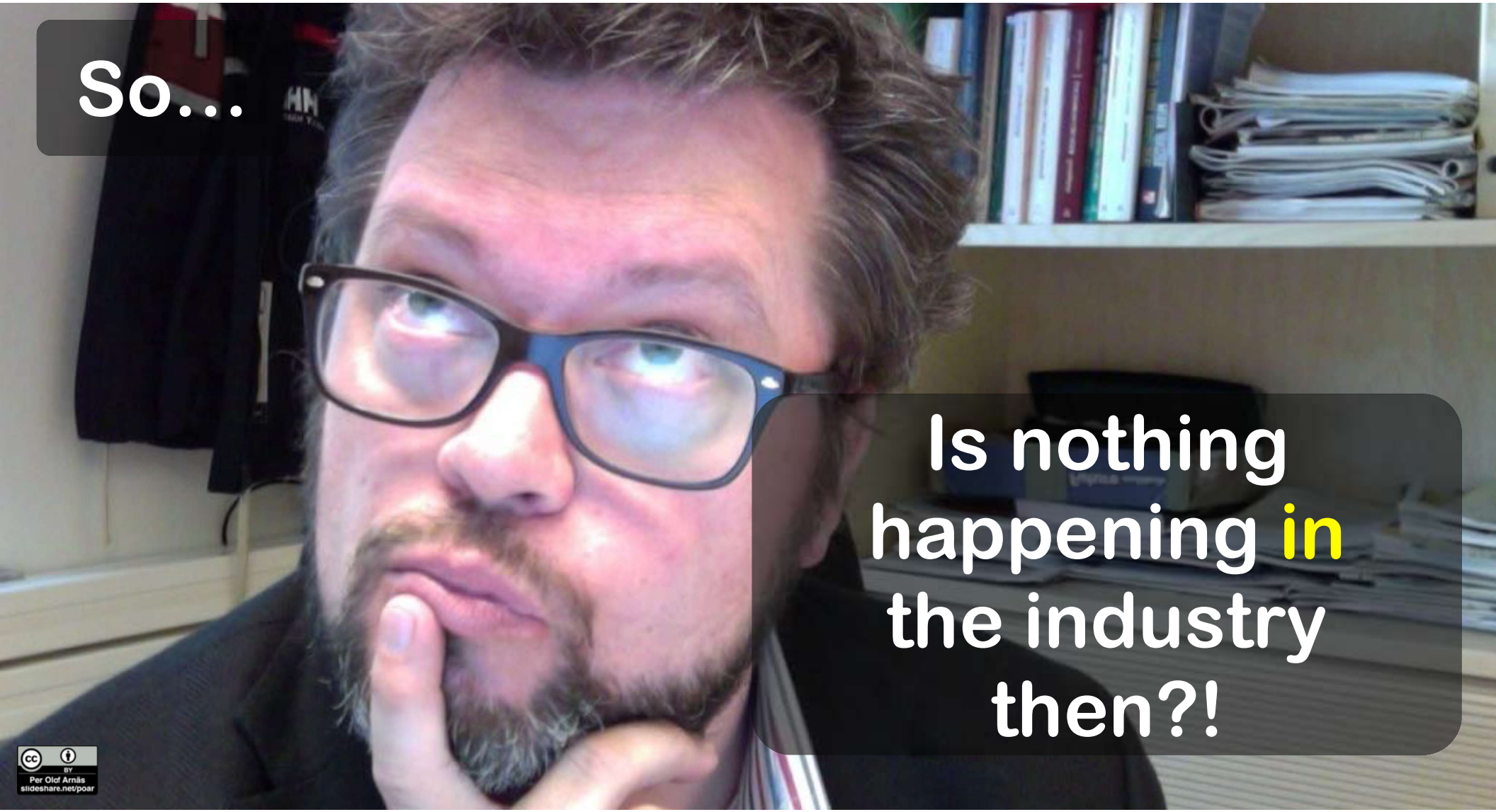
Source: Gartner July 2018


So...
Is nothing happening in the industry then?!
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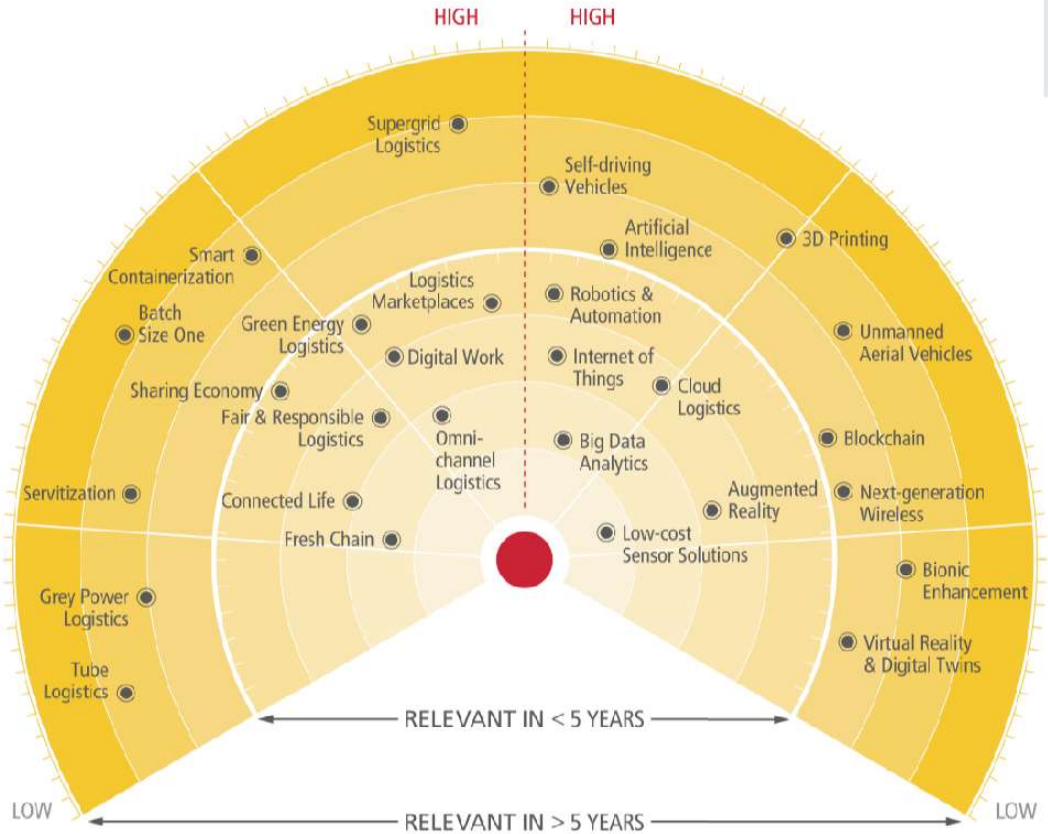
At a Glance: the Logistics Trend Radar

HIGH: Creates new (potentially disruptive) ways of doing business

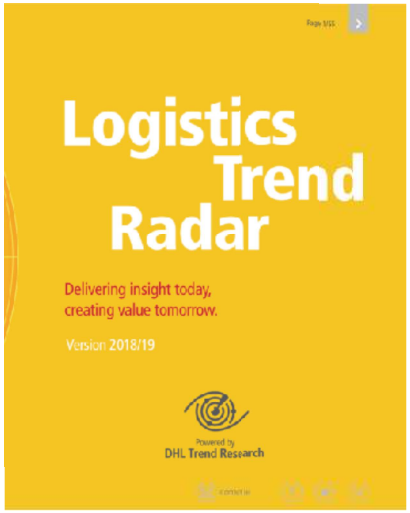
LOW: Provides incremental improvement opportunities

Social & Business Trends

Technology Trends



2018/19



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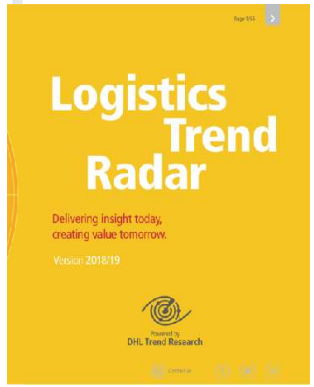
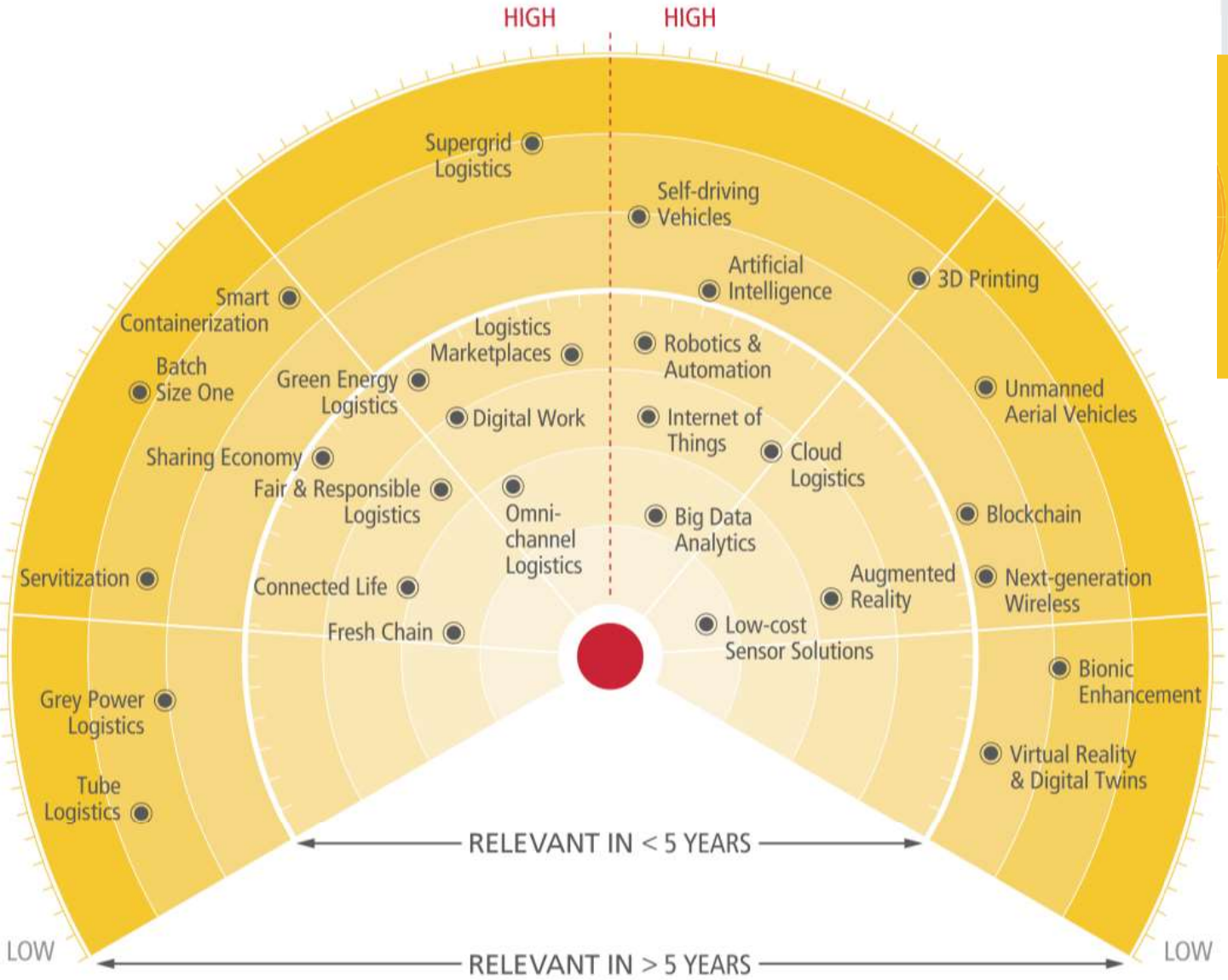
https://www.logistics.dhl/global-en/home/insights-and-innovation/thought-leadership/trend-reports/logistics-trend-radar.html


Logistics
Trend
Radar
Delivering insight today,
creating value tomorrow.
Version 2018/19
DHL Trend Research


HIGH
HIGH
Supergrid Logistics
Self-driving Vehicles
Artificial Intelligence
3D Printing
Smart Containerization
Logistics Marketplaces
Robotics & Automation
Batch Size One
Green Energy Logistics
Digital Work
Internet of Things
Unmanned Aerial Vehicles
Sharing Economy
Cloud Logistics
Fair & Responsible Logistics
Omni-channel Logistics
Big Data Analytics
Blockchain
Servitization
Connected Life
Augmented Reality
Next-generation Wireless
Fresh Chain
Low-cost Sensor Solutions
Bionic Enhancement
Grey Power Logistics
Virtual Reality & Digital Twins
Tube Logistics
RELEVANT IN < 5 YEARS
LOW
RELEVANT IN > 5 YEARS
LOW

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NORTHERN LEAD

Digitization:

Make analogue information digital

Digitalization:

Increased use of digital technology

Both are important! (and interesting)

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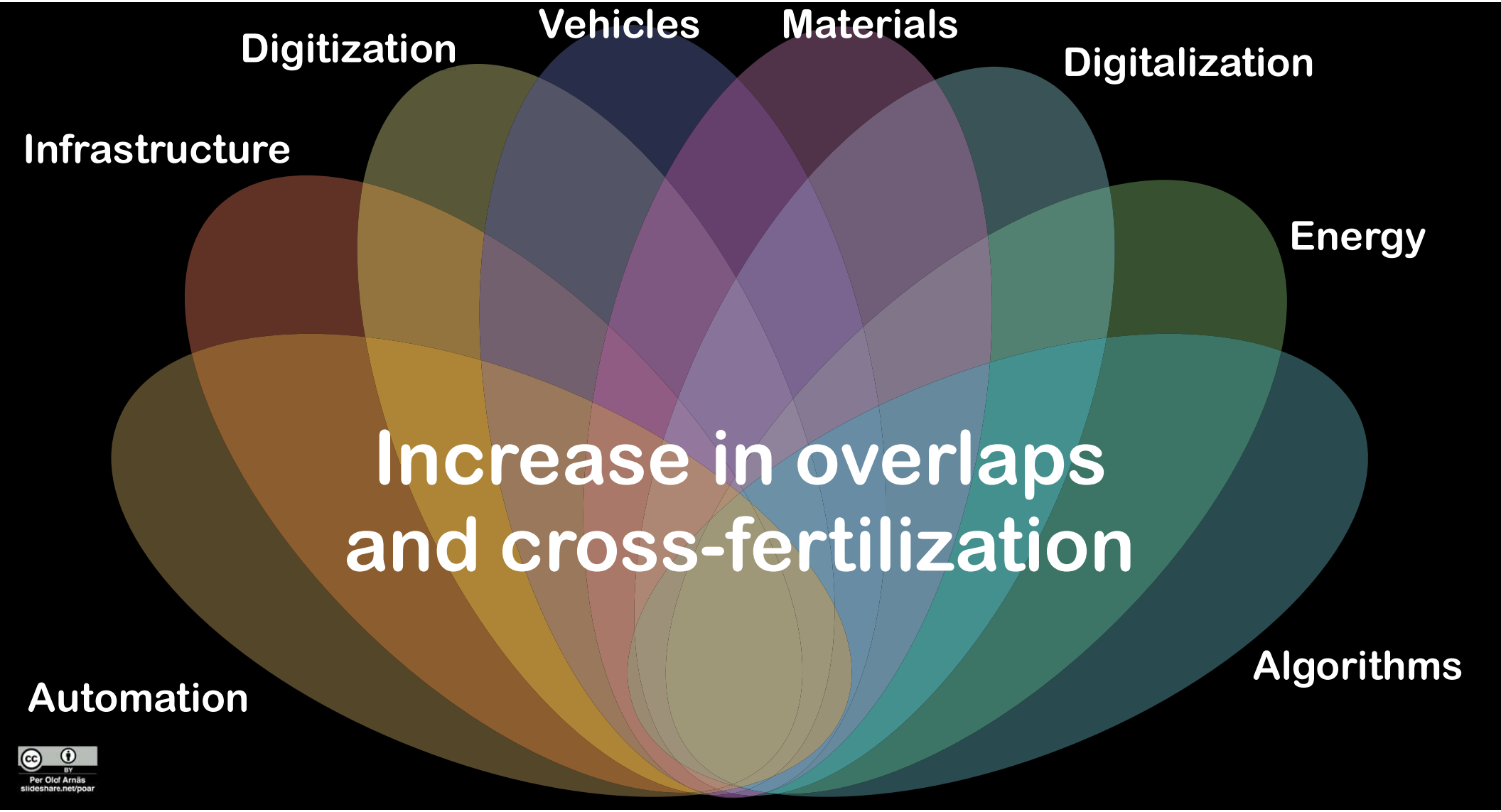

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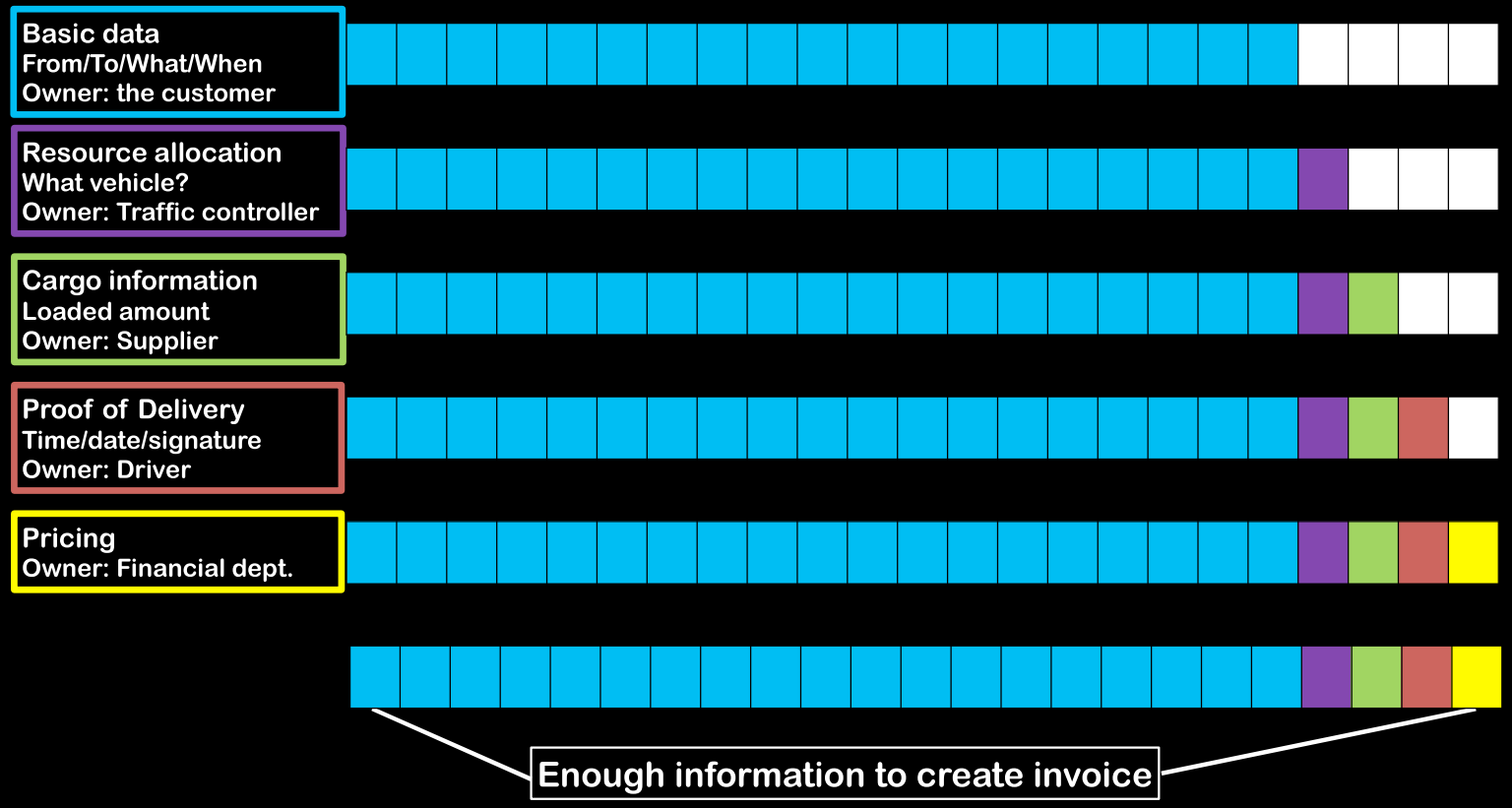
From order to invoice

(transportation company)



All of these steps cost money!

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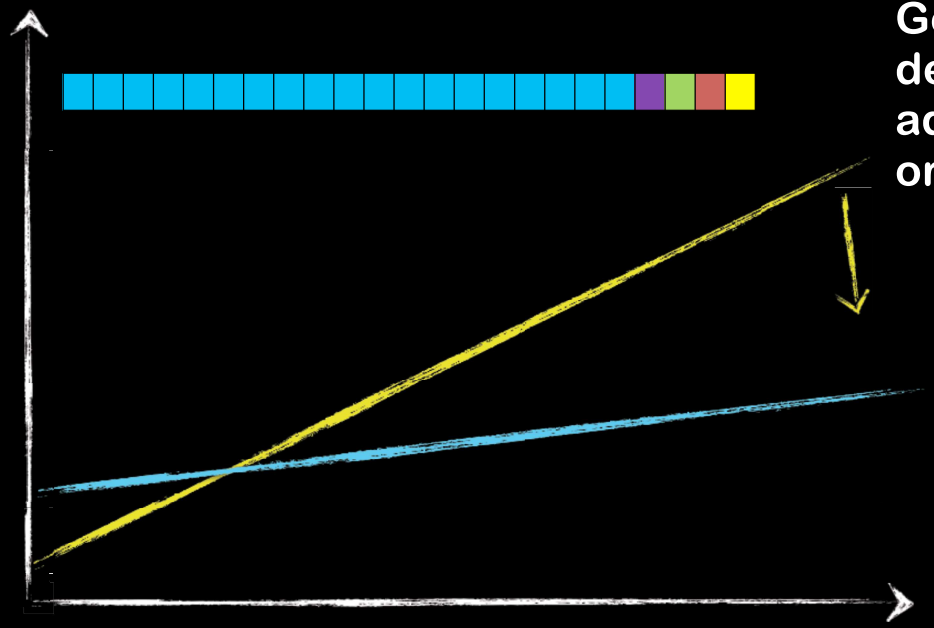
An increase in the number of orders lead to increased cost

Total cost for
administration of all orders



Number of orders per year

Goal: De-couple the dependecy between administative cost and order volume

Handle exceptions – not transactions!

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Integration of digital and physical worlds

http://www.sygic.com/gps-navigation/addon/head-up-display

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Say hi to the new sensors

http://mobsentech.com

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”New” modes of transport

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https://www.youtube.com/watch?v=HG76DcXySuw

https://www.youtube.com/watch?v=50sv4M4rgBM

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Electromobility

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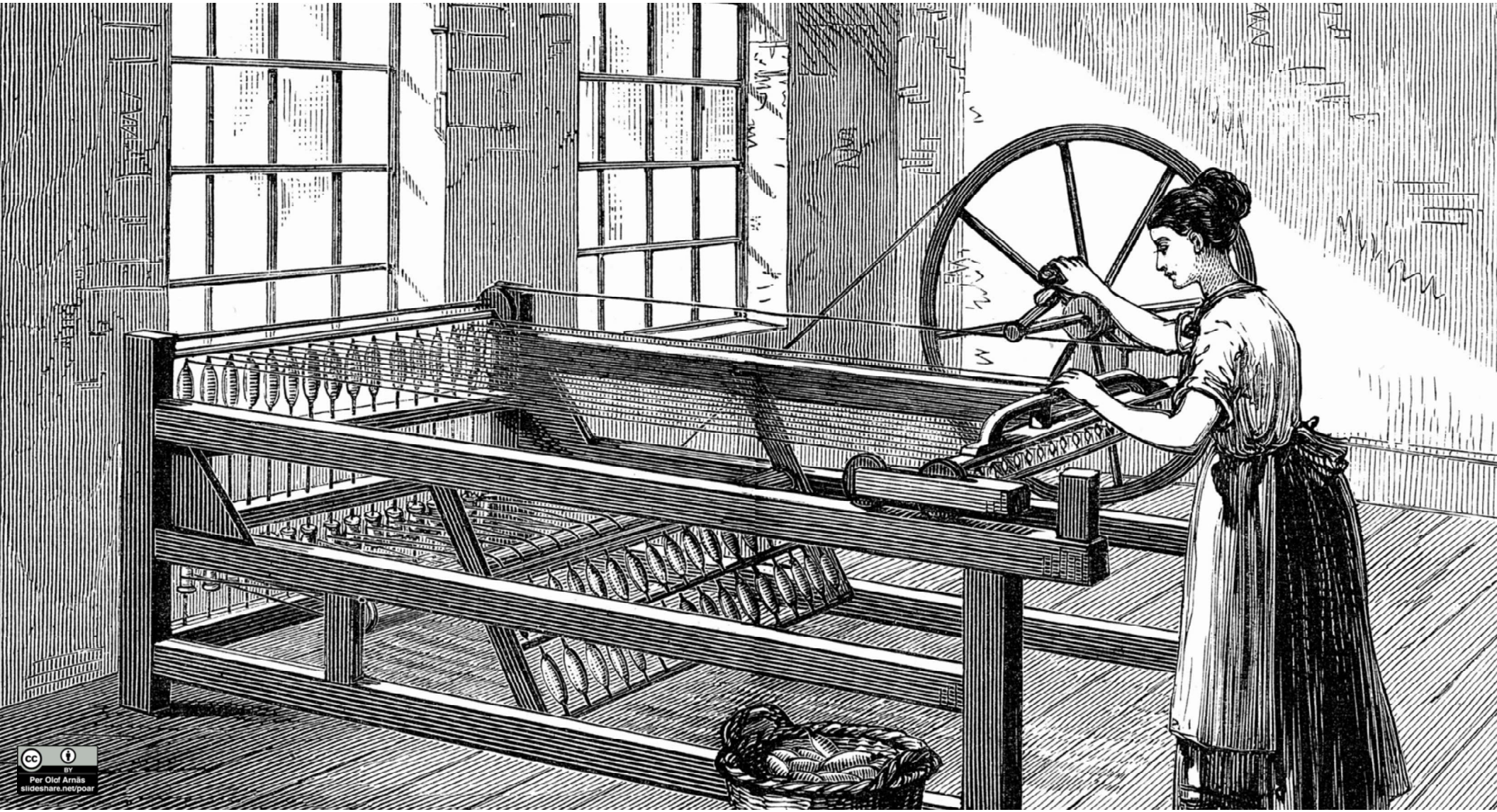

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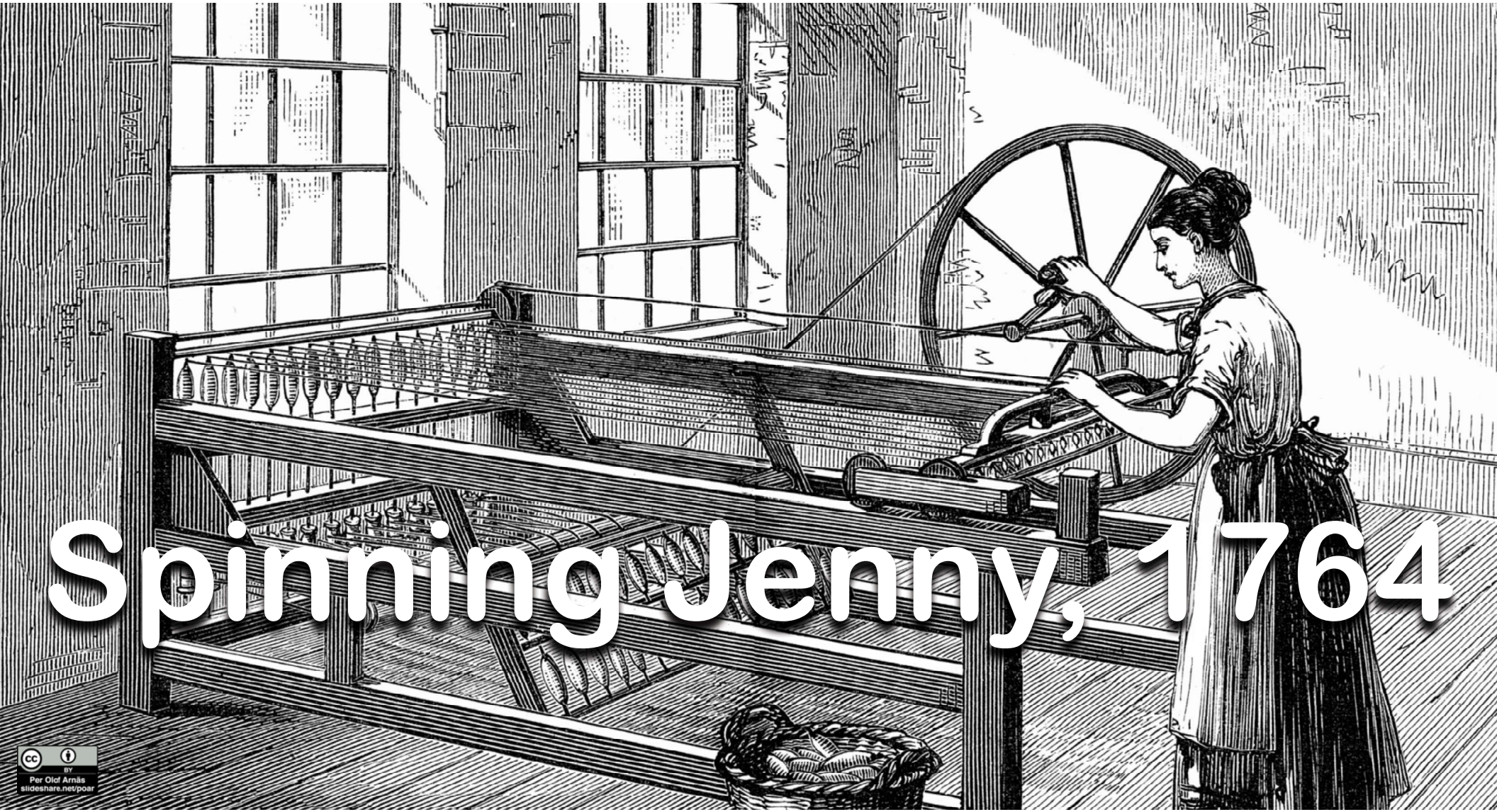

Spinning Jenny, 1764

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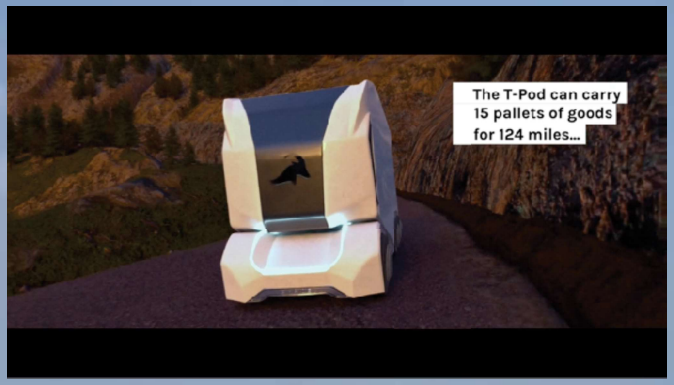
More automation



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Film: JD.com

Will you lose your job to automation?

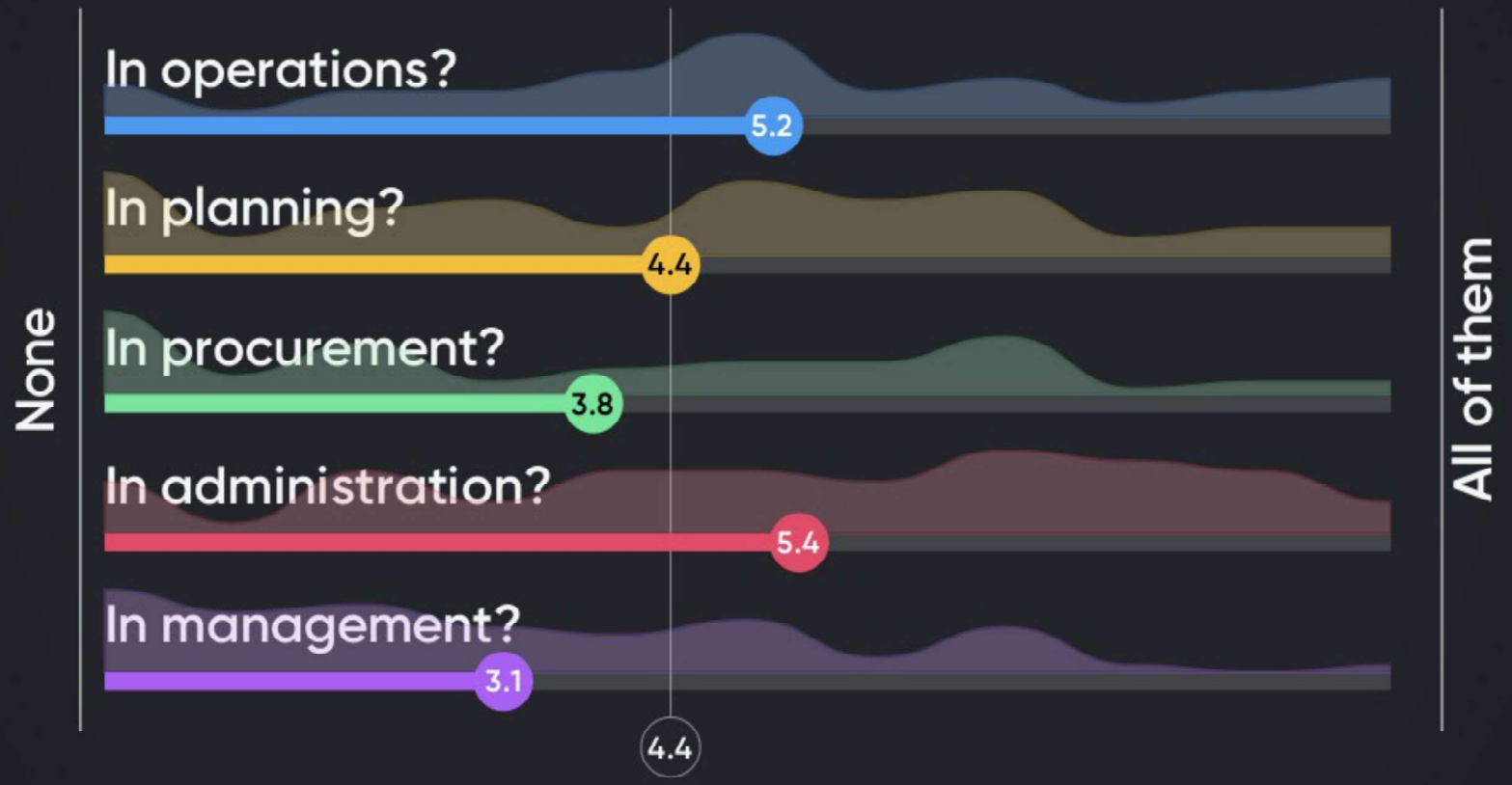
Mentimeter

menti.com

66 78 75

Who will lose their job in your company?

Mentimeter



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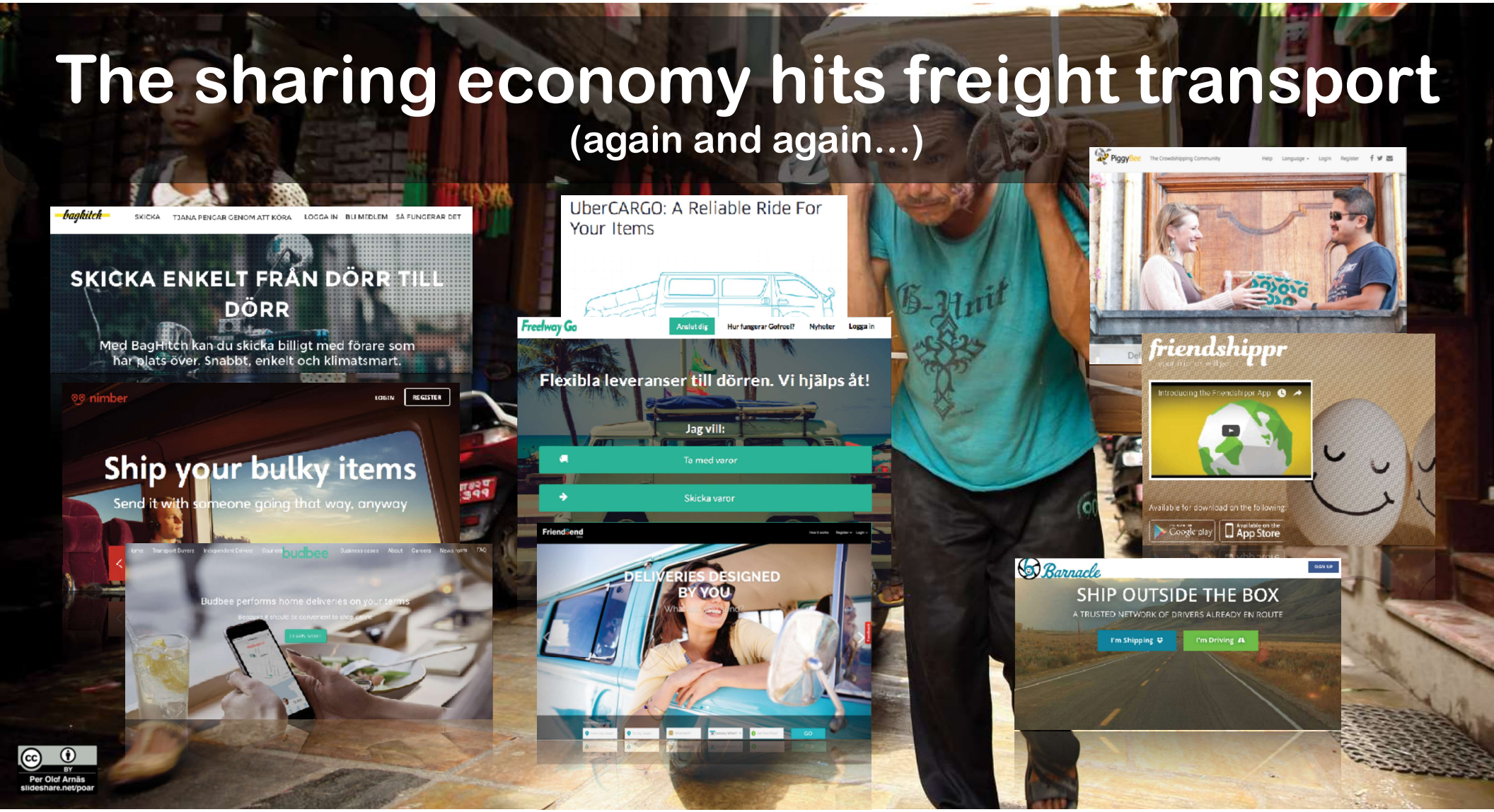
NORTHERN LEAD

The sharing economy hits freight transport

(again and again…)



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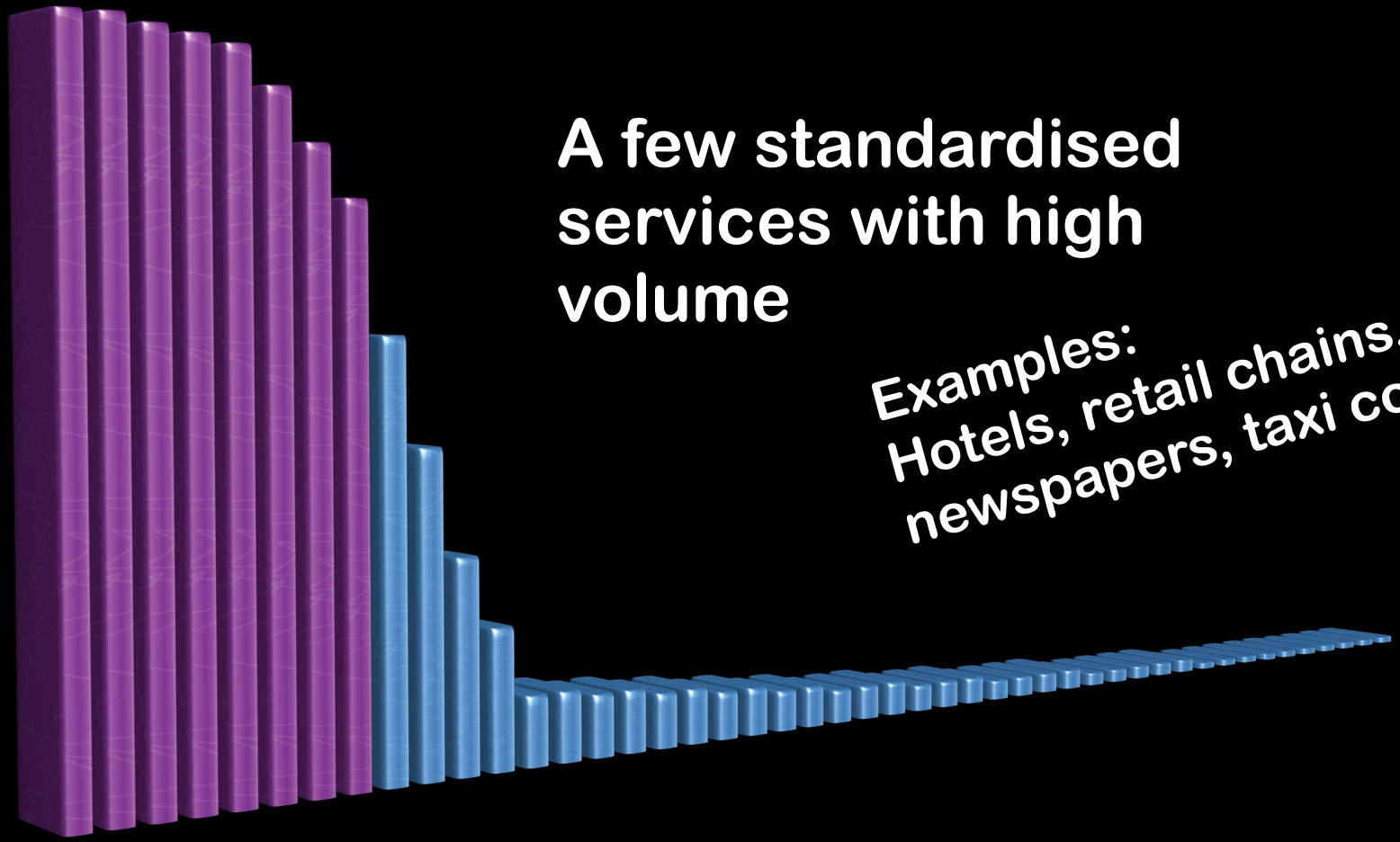
Supply (traditional)

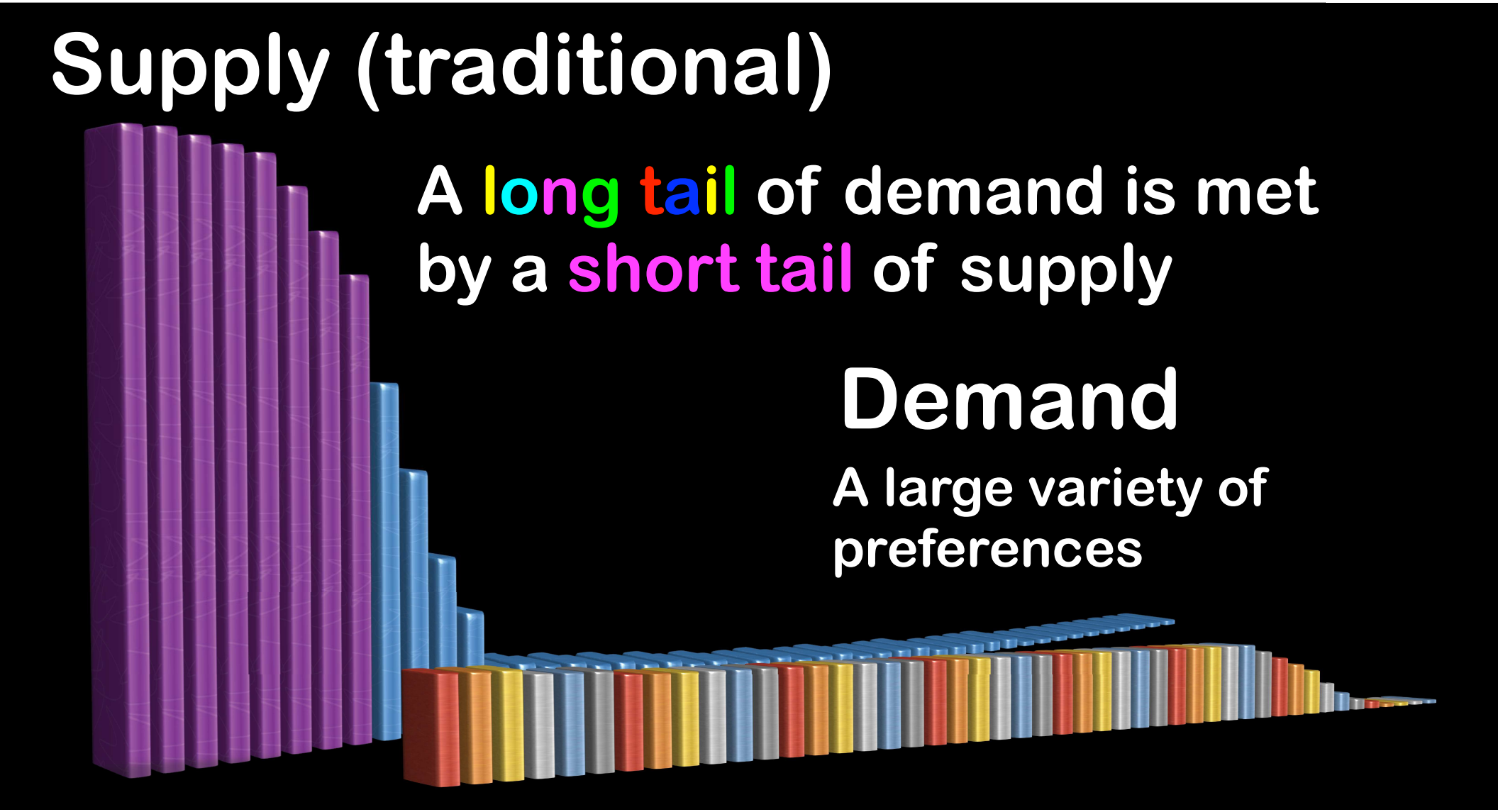


A few standardised services with high volume

Examples:
Hotels, retail chains, newspapers, taxi companies

Supply (traditional)

Supply (traditional)



Supply (traditional)

Supply (sharing economy)

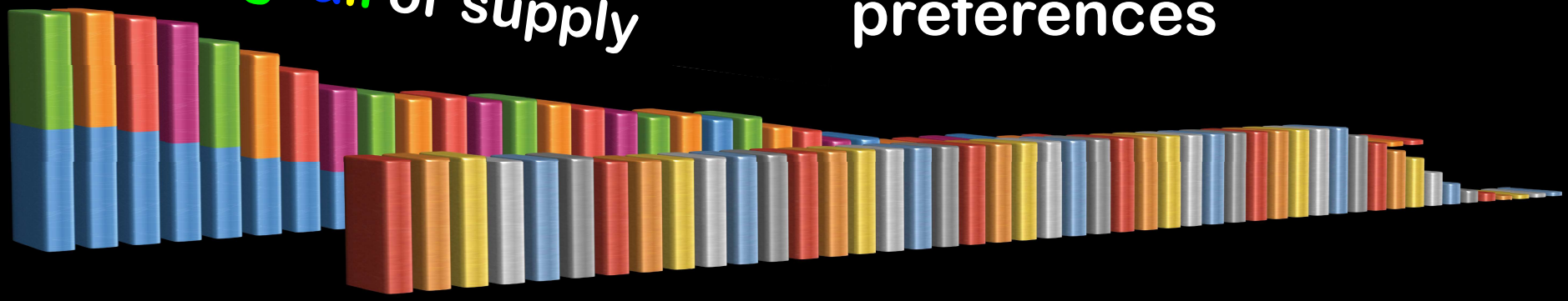
A large variety of services, each with a small volume

Made possible with technology!

A long tail of demand is met by a long tail of supply

Demand

A large variety of preferences



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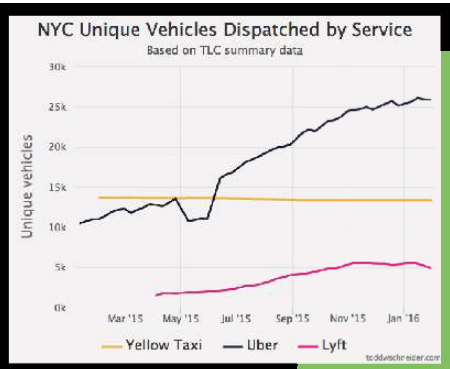
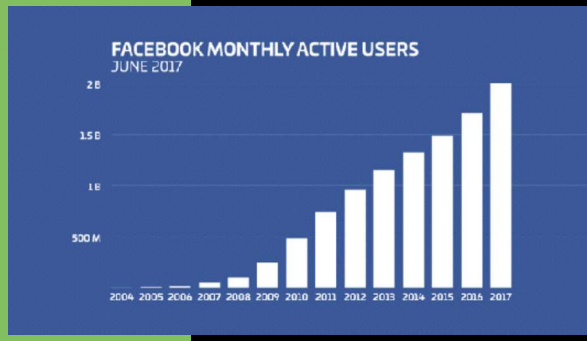


Uber

The world's largest taxi company, owns no vehicles.

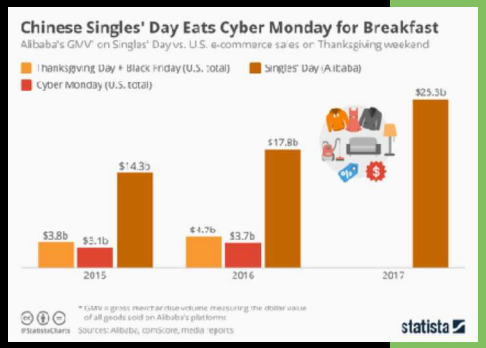
The world's most popular media owner, creates no content.

Facebook



Alibaba

The most valuable retailer, has no inventory.



The world's largest accommodation provider, owns no real estate.

Airbnb

Something interesting is happening.
TOM GOODWIN

wetpaint
creative digital solutions

/WetpaintMENA

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https://www.statista.com/chart/11810/singles-day-vs-cyber-monday-and-black-friday/

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Servitization

Expose data

Move up in the value chain

Consumer services

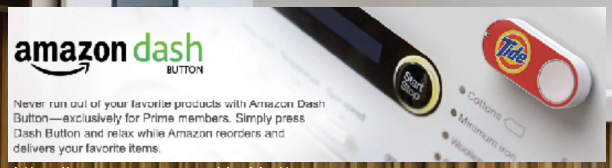
Upgrade drop points

Online retailer offers a courier that waits at your door – fashion advice not included

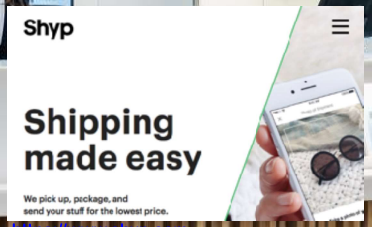
Friday, 02 May 2014 1:46

BROEDE CARMODY

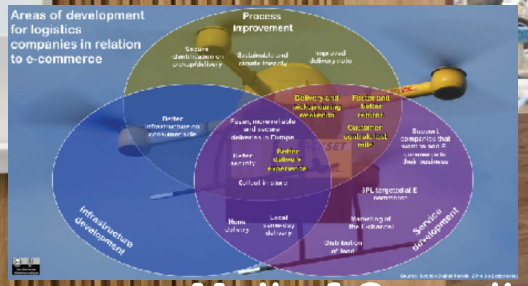
http://www.smartcompany.com.au/growth/innovation/41765-online-retailer-offers-a-courier-that-waits-at-your-door-fashion-advice-not-included.html



https://www.amazon.com/dashbutton



https://www.shyp.com



Mall of Scandinavia

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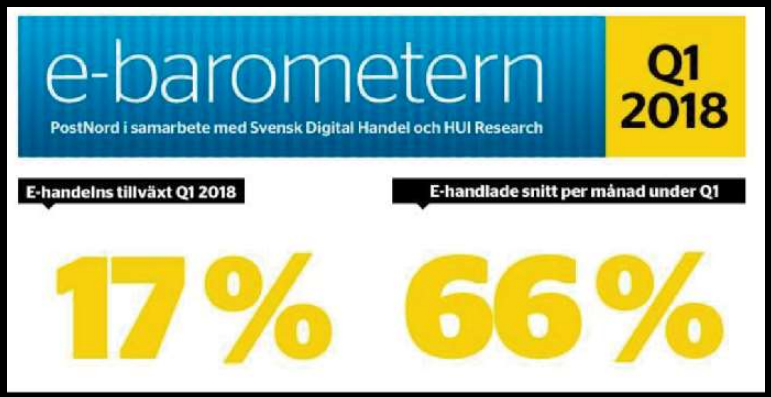
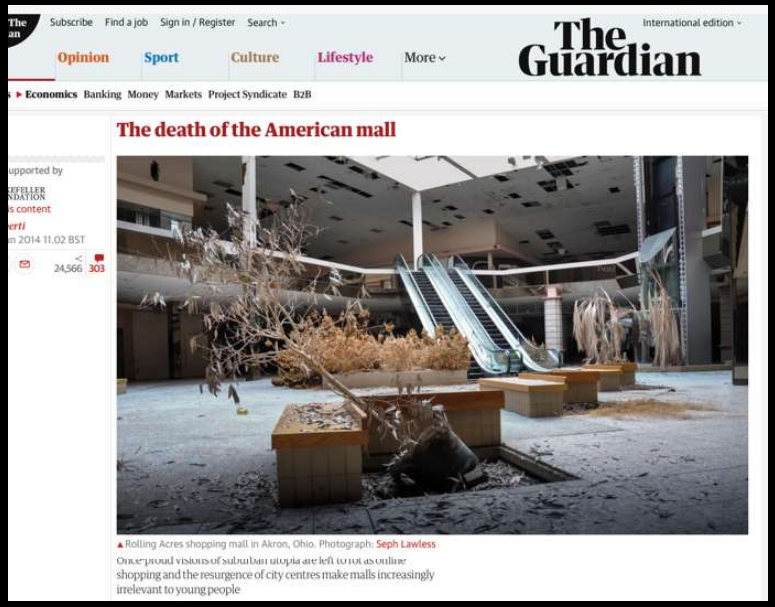
Swedish CEO: Amazon is expanding to Sweden within 12 months - "Then we're all dead"

Follow @BiNordic Follow @BINordic 2,896 followers

Tom Turula | 24 Oct 2017 5:12 PM | 30313





https://nordic.businessinsider.com/were-all-dead---amazon-is-launching-in-sweden-within-12-months-according-to-top-executive-2017-10
https://www.theguardian.com/cities/2014/jun/19/-sp-death-of-the-american-shopping-mall

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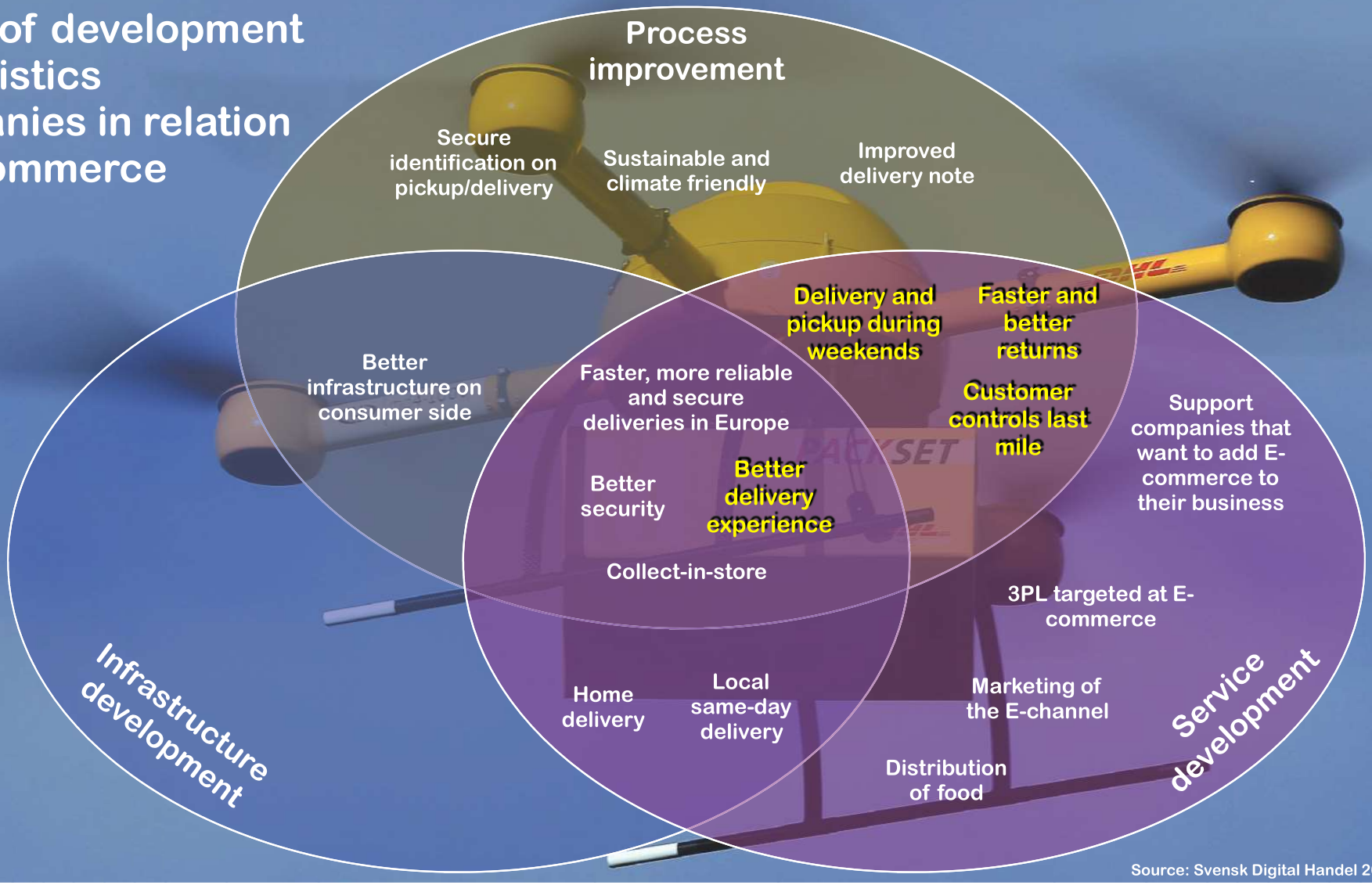
Areas of development for logistics companies in relation to e-commerce



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Source: Svensk Digital Handel 2014 Bo Zetterqvist

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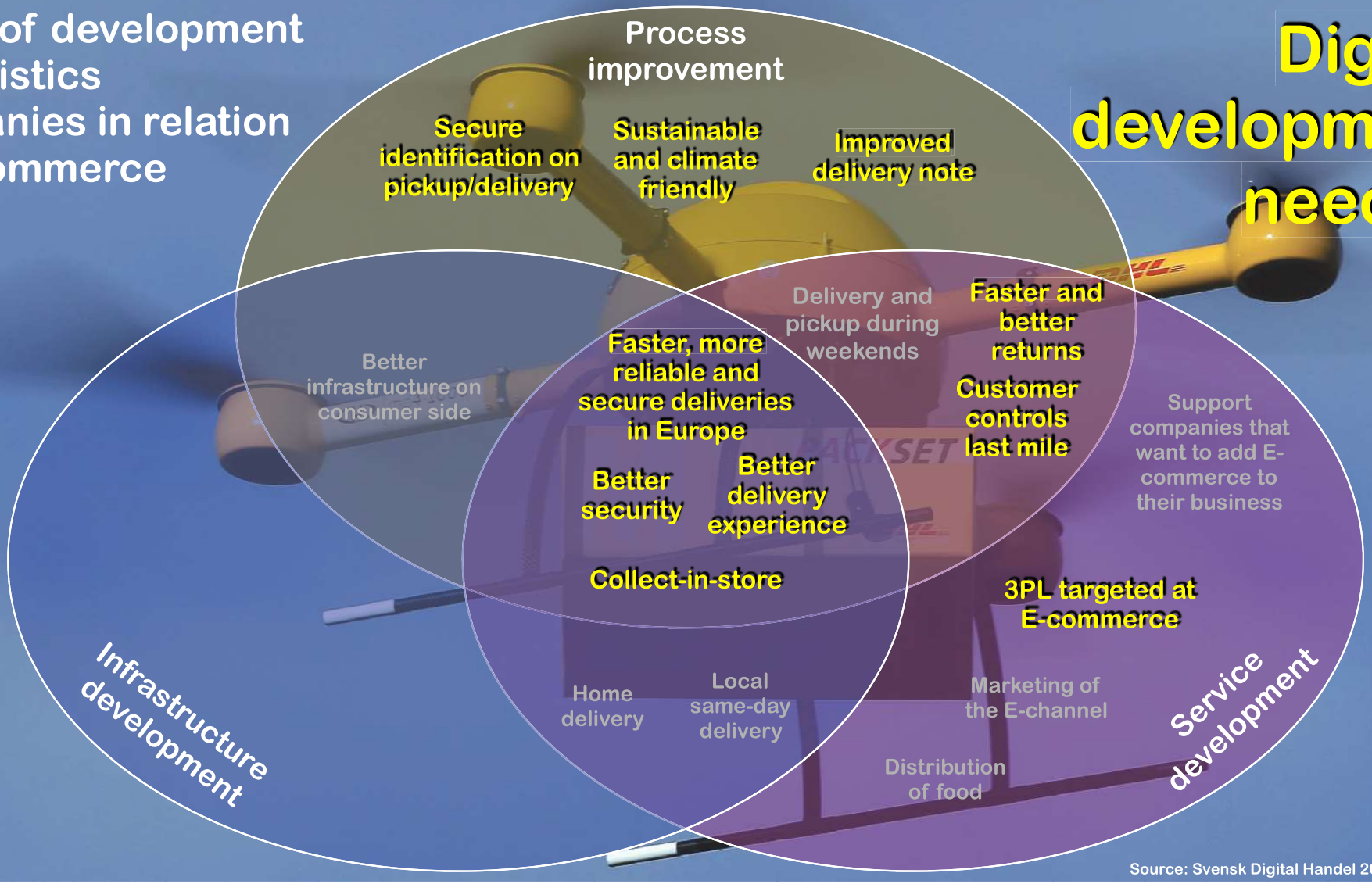

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Digital development needed

Secure identification on pickup/ delivery | Sustainable and climate friendly | Improved delivery note | Customer controls last mile | Faster and better returns | Faster, more reliable and secure deliveries in Europe | Better security | Better delivery experience | Collect-in-store | 3PL targeted at E-commerce

Process improvement

Use ICT to make the system more efficient

Real-time decision making, footprinting, better digital interaction between stakeholders

Service development

Use ICT to create new services

Digital information enables new business models

Infrastructure development

Use ICT to interact with infrastructure

Location Based Intelligence etc.

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Time horizons

Strategic

Tactical

Operational

Predictive

Real-time!

We are approaching this boundary

…and we are starting to move past it!

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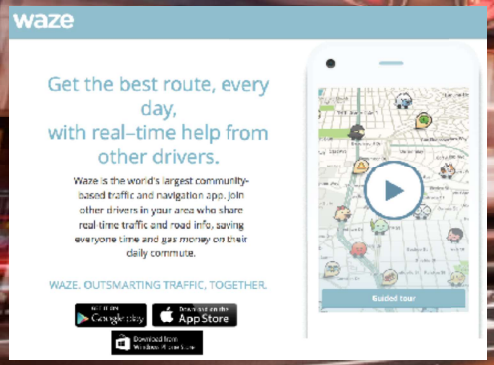
Real-time (data driven) decision making

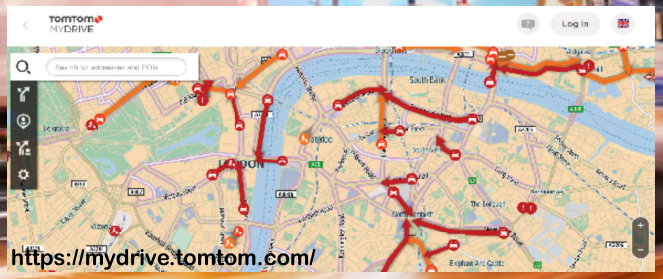
Data collection

Data processing

Data exploitation



http://waze.com



https://mydrive.tomtom.com/

http://mindconnect.se/

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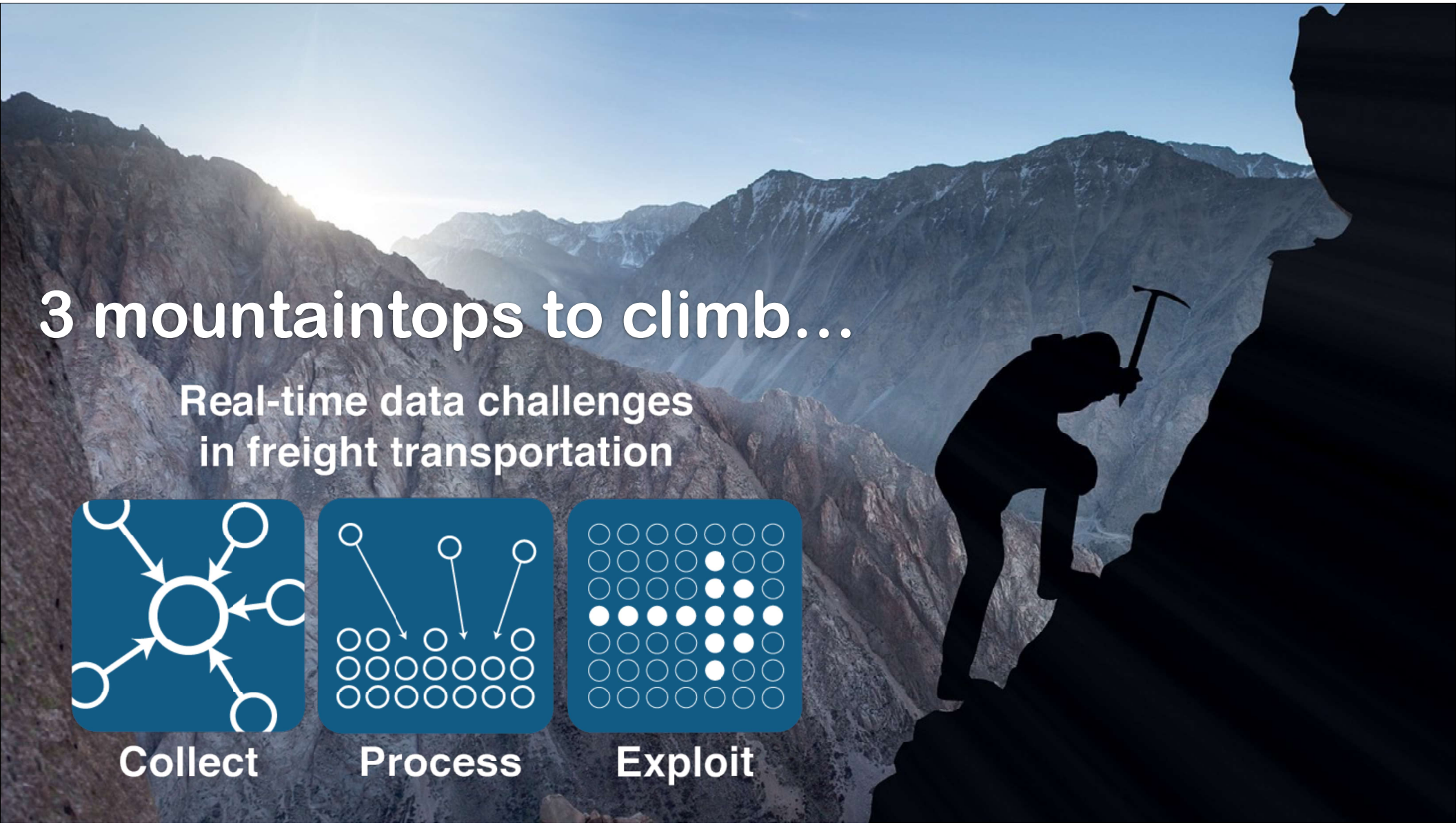
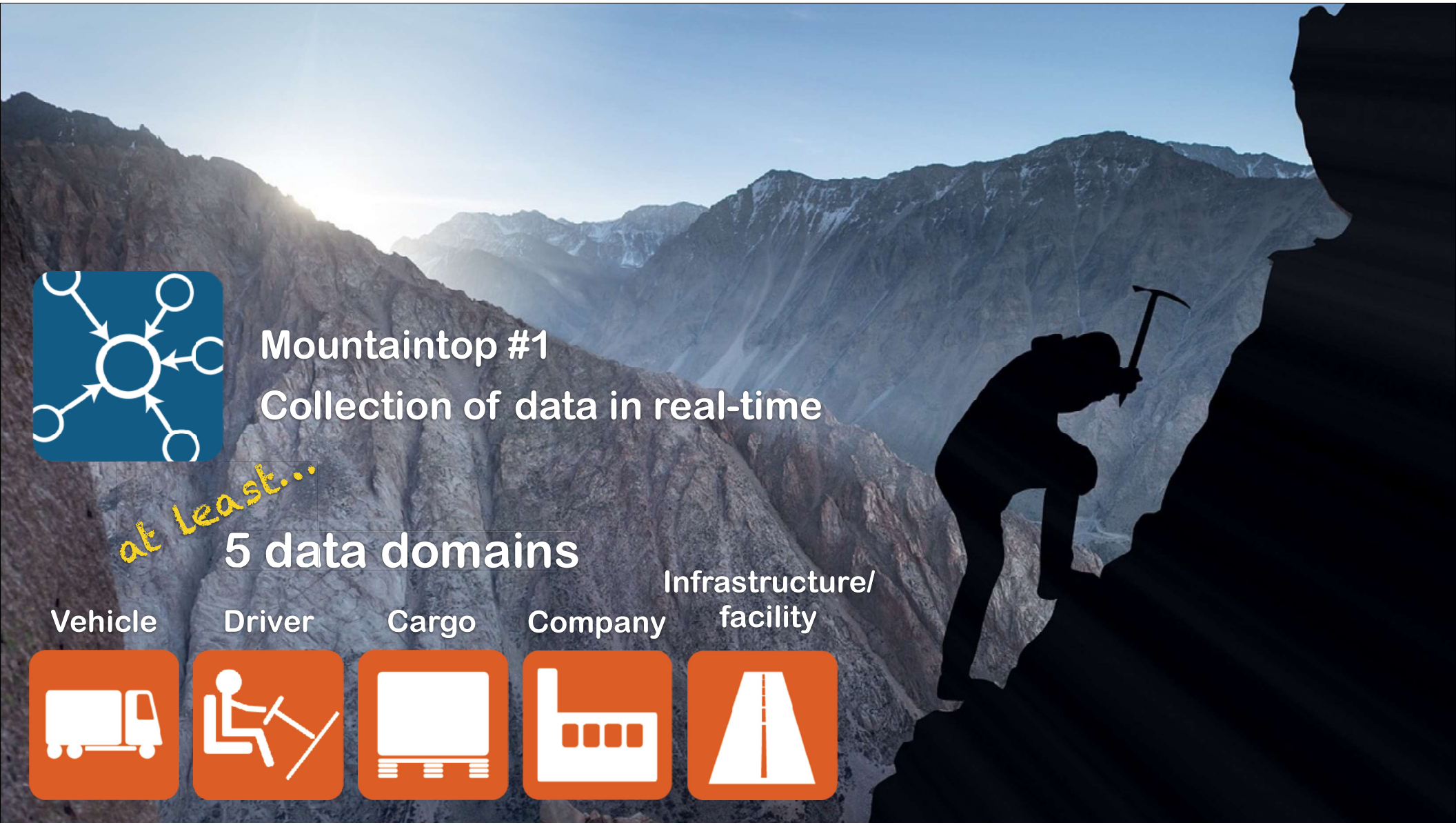
The Action of New York City by Trey Ratcliff on Flickr (CC-BY,NC,SA)


3 mountaintops to climb…
Real-time data challenges
in freight transportation
Collect
Process
Exploit

Mountaintop #1
Collection of data in real-time
3 data types
Fixed
Historical
Snapshot


Mountaintop #1
Collection of data in real-time
at least...
5 data domains
Vehicle
Driver
Cargo
Company
Infrastructure/
facility

DATA MATRIX

	Fixed	Historical	Snapshot
Vehicle	Length Weight Width Height Capacity + other PBS-criteria	Emissions Fuel consumption Route	Position Speed Direction
Cargo	Weight Origin Destination Accepted ETA	Temperature + other state variables	Temperature + other state variables
Driver	Education/training	Speed (ISA) Rest/break schedule Traffic behaviour Belt usage Alco lock history	Schedule status (time to next break etc.)
Company	Contracts/ agreements	Previous interactions	Backoffice support
Infrastructure /facility	Map + fixed data layers	Traffic history	Current traffic Queue Availability

Mountaintop #2

Processing of data in real-time

waze

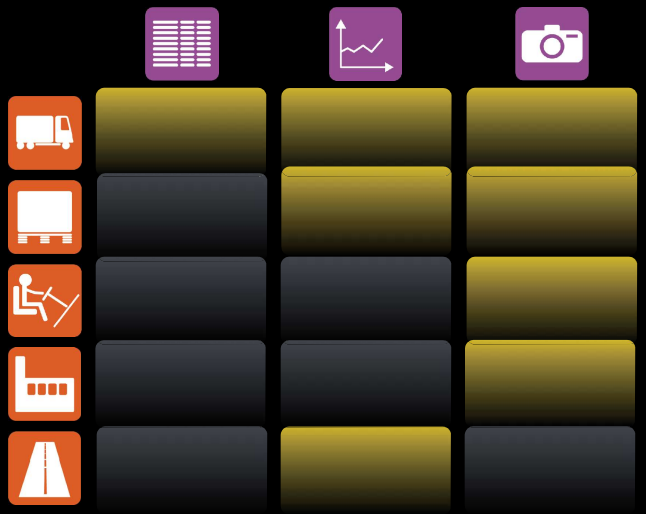
	Fixed	Historical	Snapshot
Vehicle	Length Weight Width Height Capacity + other FBS-criteria	Emissions Fuel consumption Route	Position Speed Direction
Cargo	Weight Origin Destination Accepted ETA	Temperature + other state variables	Temperature + other state variables
Driver	Education/training	Speed (ISA) Rest/break schedule Traffic behaviour Belt usage Alco lock history	Schedule status (time to next break etc.)
Company	Contracts/ agreements	Previous interactions	Backoffice support
Infrastructure/ facility	Map + fixed data layers	Traffic history	Current traffic Queue Availability

Mountaintop #3

Exploiting data in real-time

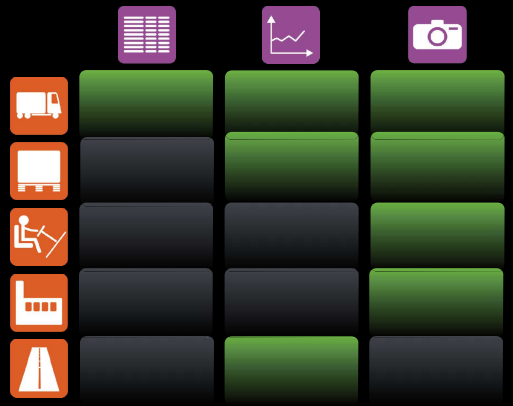
	Fixed	Historical	Snapshot
Vehicle	Length Weight Width Height Capacity + other FBS-criteria	Emissions Fuel consumption Route	Position Speed Direction
Cargo	Weight Origin Destination Accepted ETA	Temperature + other state variables	Temperature + other state variables
Driver	Education/training	Speed (ISA) Rest/break schedule Traffic behaviour Belt usage Alco lock history	Schedule status (time to next break etc.)
Company	Contracts/ agreements	Previous interactions	Backoffice support
Infrastructure/ facility	Map + fixed data layers	Traffic history	Current traffic Queue Availability

Requirement

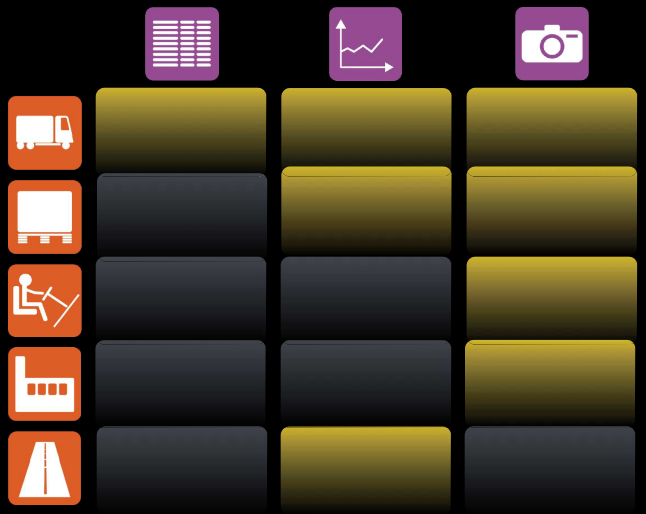


Transport 1

Transport 2



Requirement



Transport 1

Transport 2

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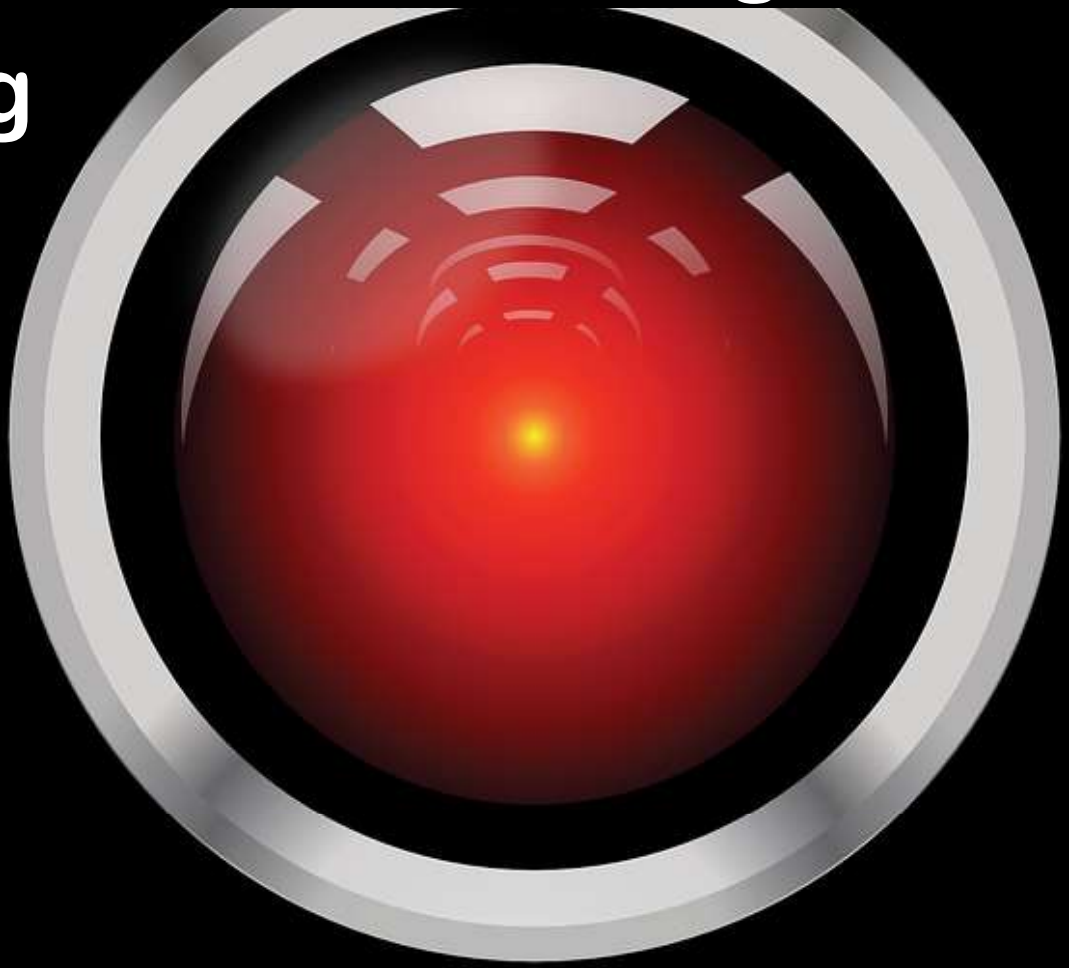
Artificial intelligence

Reasoning

Learning



Problem solving

Creating

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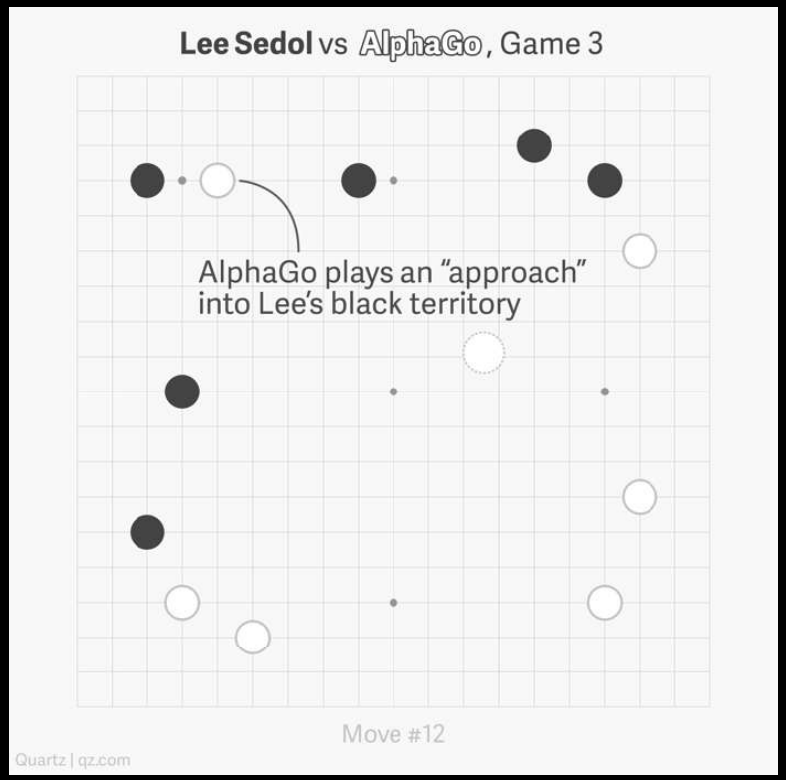
Specialised AI



General AI

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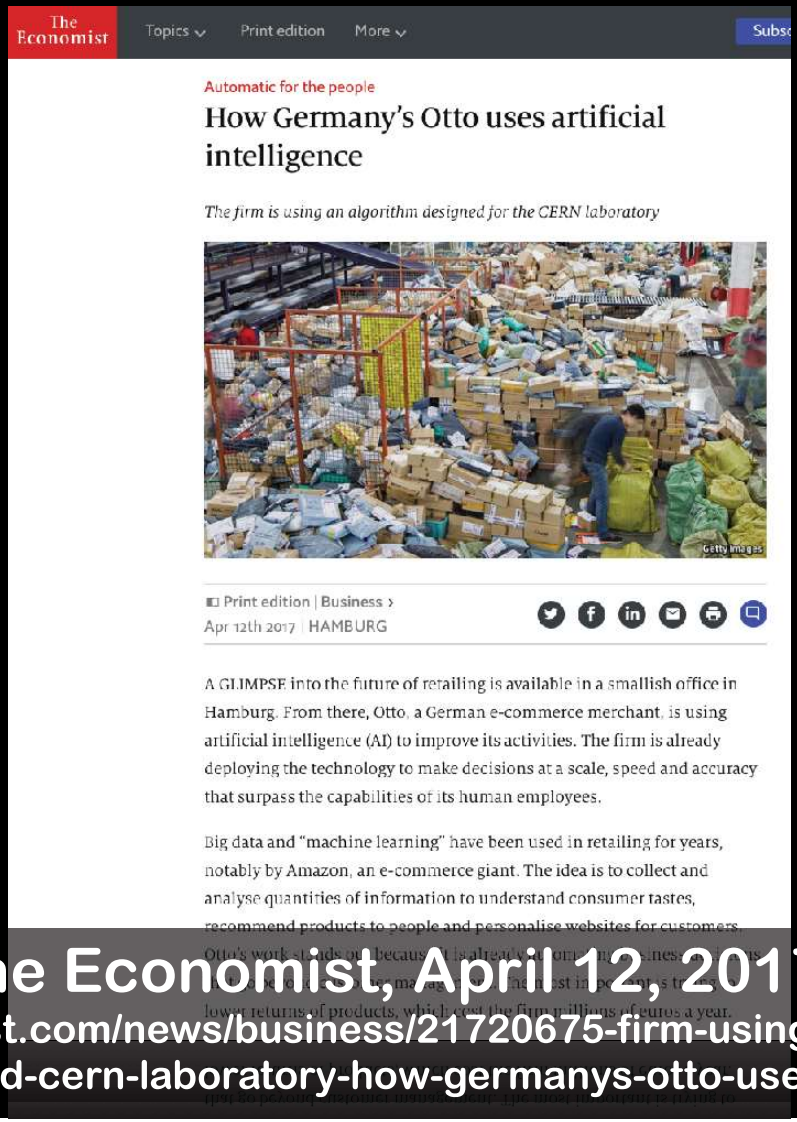
Joakim Jardenberg, #ensakidag nr 69, 20171019

Case

German e-retailer Otto uses artificial intelligence to make operational decisions



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How Germany's Otto uses artificial intelligence

The firm is using an algorithm designed for the CERN laboratory

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A GLIMPSE into the future of retailing is available in a smallish office in Hamburg. From there, Otto, a German e-commerce merchant, is using artificial intelligence (AI) to improve its activities. The firm is already deploying the technology to make decisions at a scale, speed and accuracy that surpass the capabilities of its human employees.

Big data and "machine learning" have been used in retailing for years, notably by Amazon, an e-commerce giant. The idea is to collect and analyse quantities of information to understand consumer tastes, recommend products to people and personalise websites for customers.

The Economist, April 12, 2017

http://www.economist.com/news/business/21720675-firm-using-algorithm-designed-cern-laboratory-how-germanys-otto-uses

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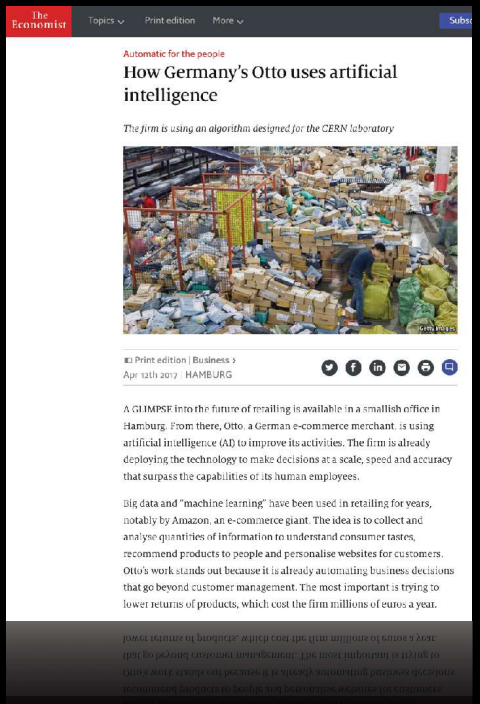
The Problem

- Returns are expensive
- Customers less likely to return product if delivery lead time is short
- Long delivery lead times due to dropshipping
- Customers want one shipment
- Leads to unwanted inventory



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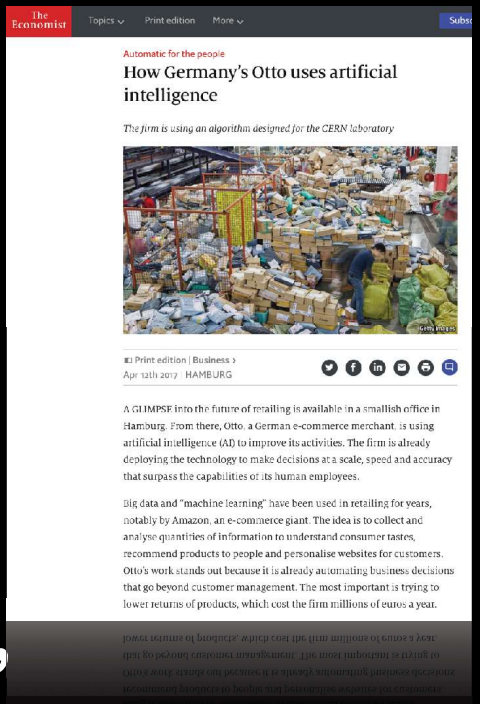
The Solution

- Enable short lead times without increasing inventory
  - At the same time, avoid multiple shipments to the same customer
- Try to predict future customer orders and pre-order from supplier
  - Too much data for human analysis, however



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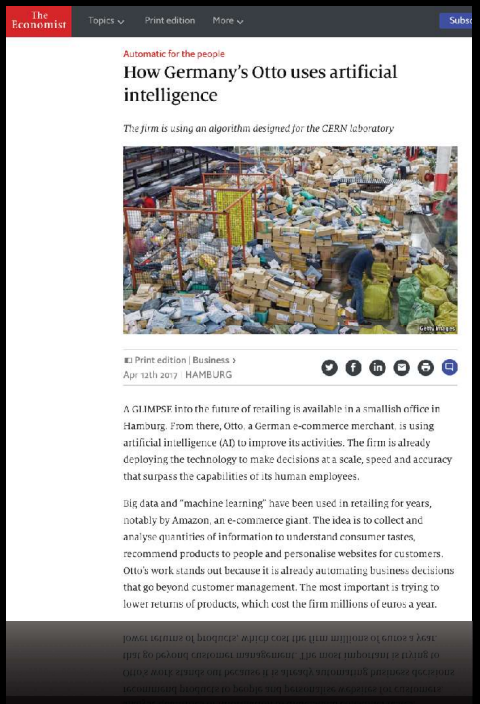
The Solution (cont.)

- Use an AI to analyse 3 bn transactions and 200 variables (past sales, searches on site, weather etc.)
- The AI foresees future customer orders and makes procurement decisions based on these projections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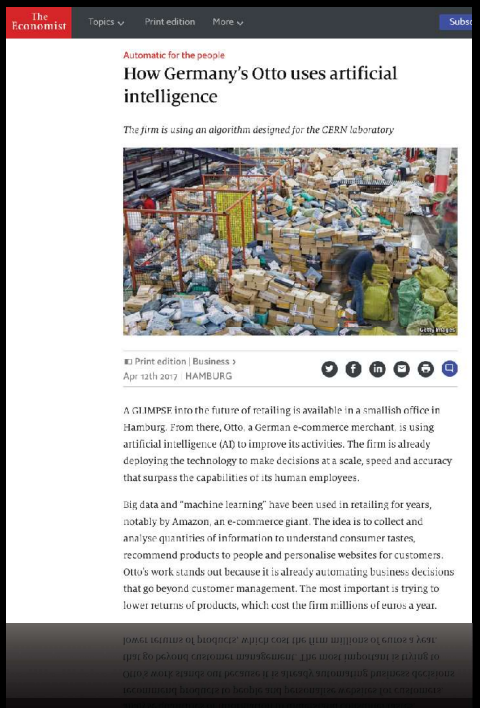
The Results

- The AI predicts with 90% accuracy what will be sold within 30 days
- The AI procures around 200 000 items per month
- Returns are diminished by 2 million items per year
- Stock level has been reduced by 20%
- More personel were hired (!)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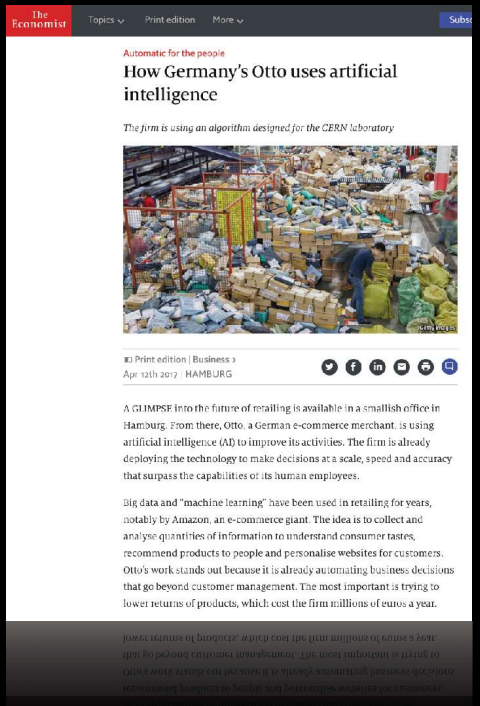
Takeaways

- AI used to make existing processes better
- AI is not only for Amazon and Google
- This development has just started…



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Example:
You are looking to buy a new sweater from a store.

The sweater has a unique QR code attached.

You scan the code with your mobile.

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?

Asks about this sweater

(Computers do this for you)

Blockchain			

The QR code is a hyperlink that asks a query of the relevant blockchain(s)

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?

Asks about this sweater

Blockchain

Product history

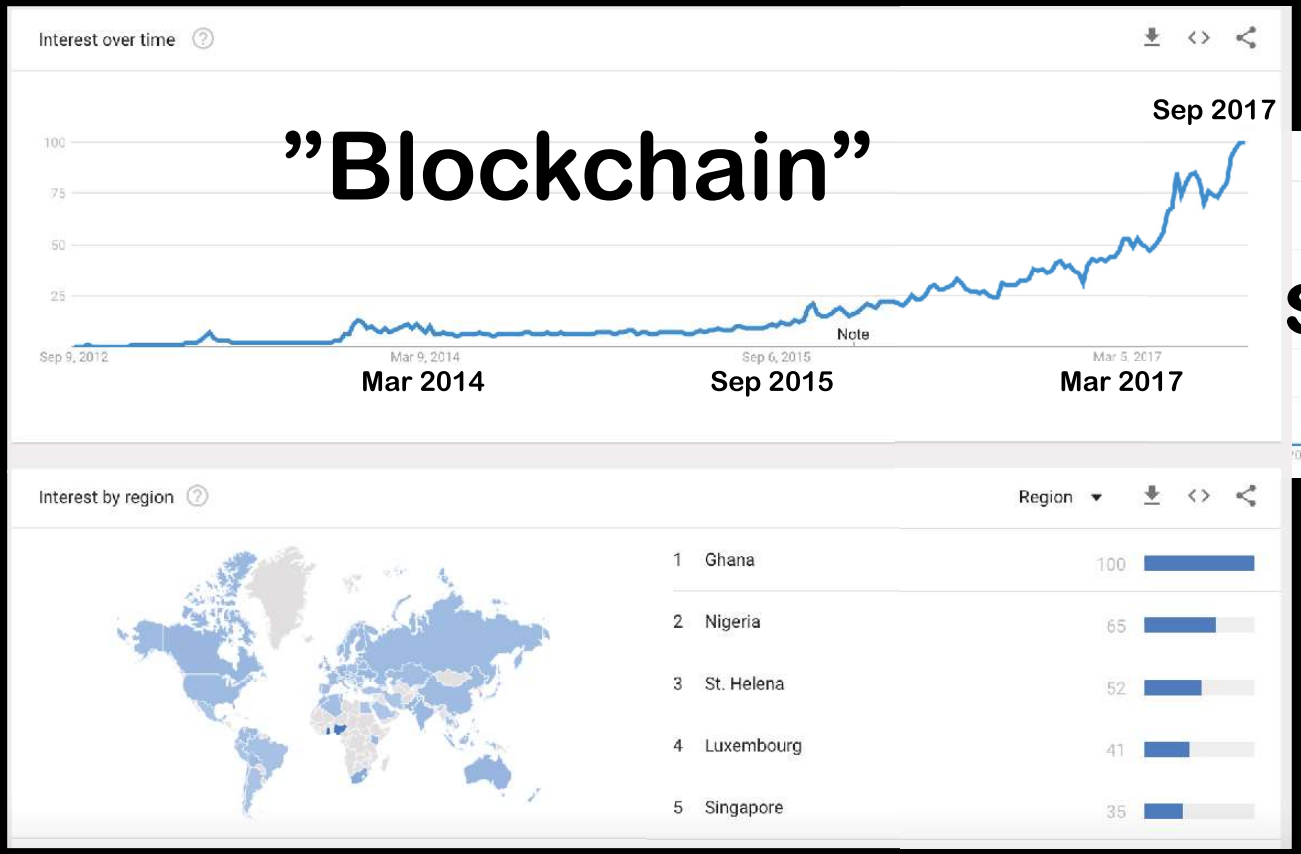
Carbon footprint

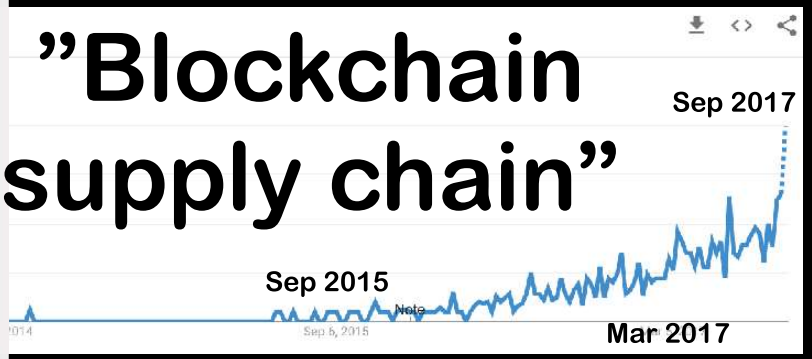
Date of production

Name of all sub-suppliers

Source of materials

The results are presented in your web browser


Interest over time
”Blockchain”
Sep 2017
100
75
50
25
Note
Sep 9, 2012
Mar 9, 2014
Sep 6, 2015
Mar 5, 2017
Mar 2014
Sep 2015
Mar 2017
Interest by region
Region
1 Ghana 100
2 Nigeria 65
3 St. Helena 52
4 Luxembourg 41
5 Singapore 35


”Blockchain supply chain”
Sep 2017
Sep 2015
Note
Sep 6, 2015
Mar 2017

Just 2 years!

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NORTHERN LEAD

Blockchain technology

Records transactions and data among actors that **do not trust** each other

Fully decentralized

Actors that **do not trust** each other = your typical supply chain

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Bitcoin, bitcoin coin, physical bitcoin, bitcoin photo by Antana on Flickr (CC-BY,SA)

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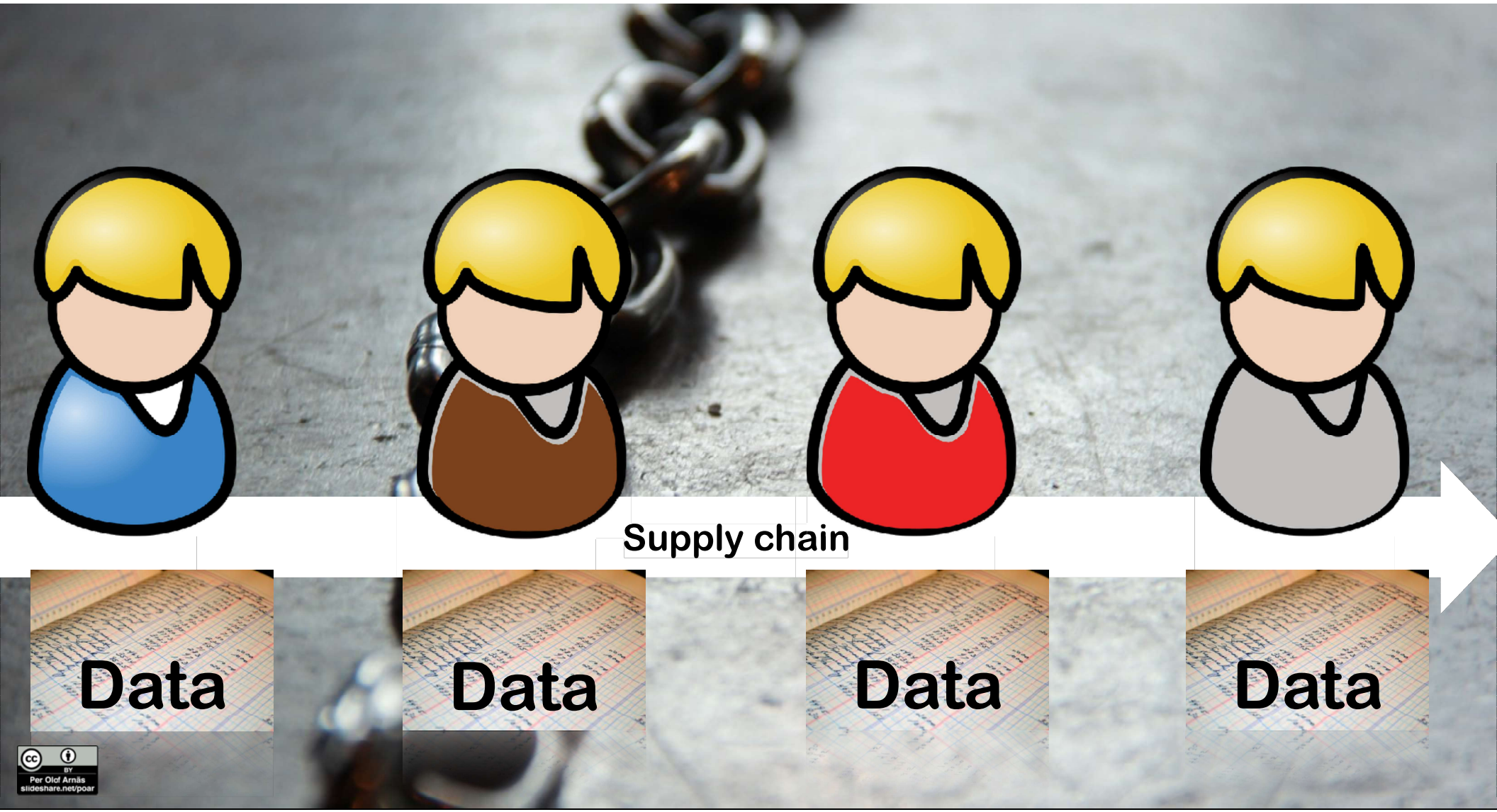

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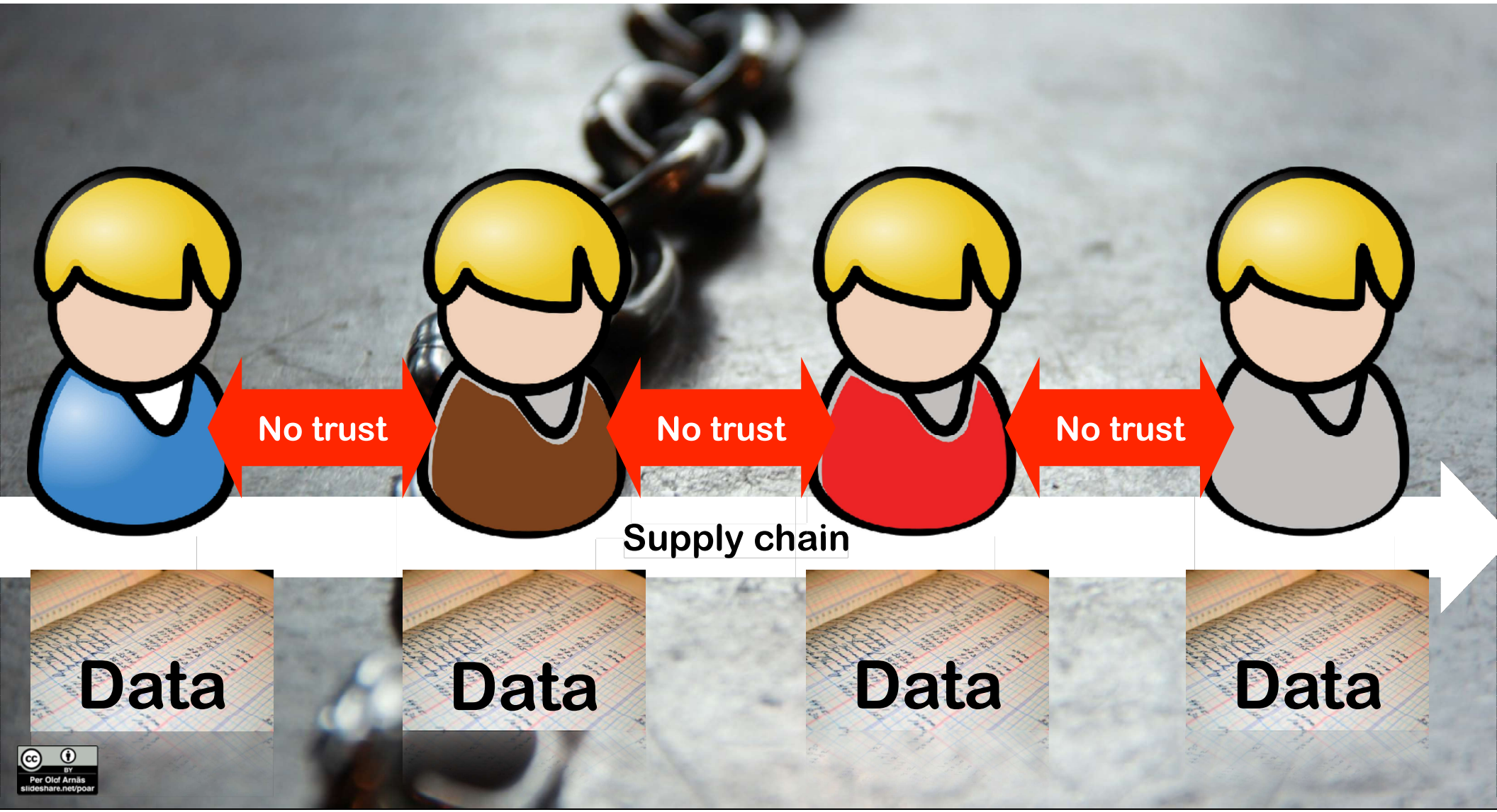

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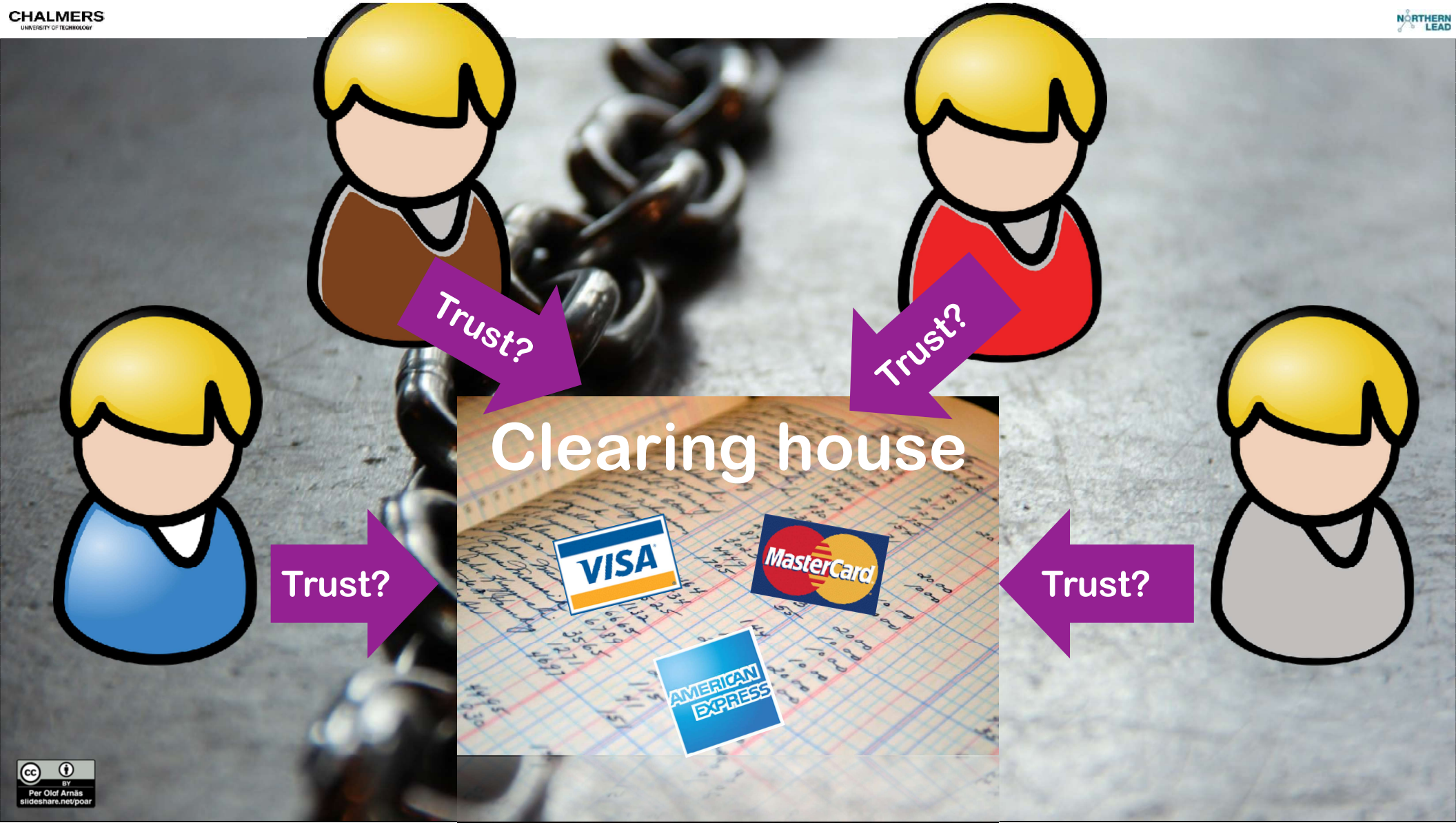

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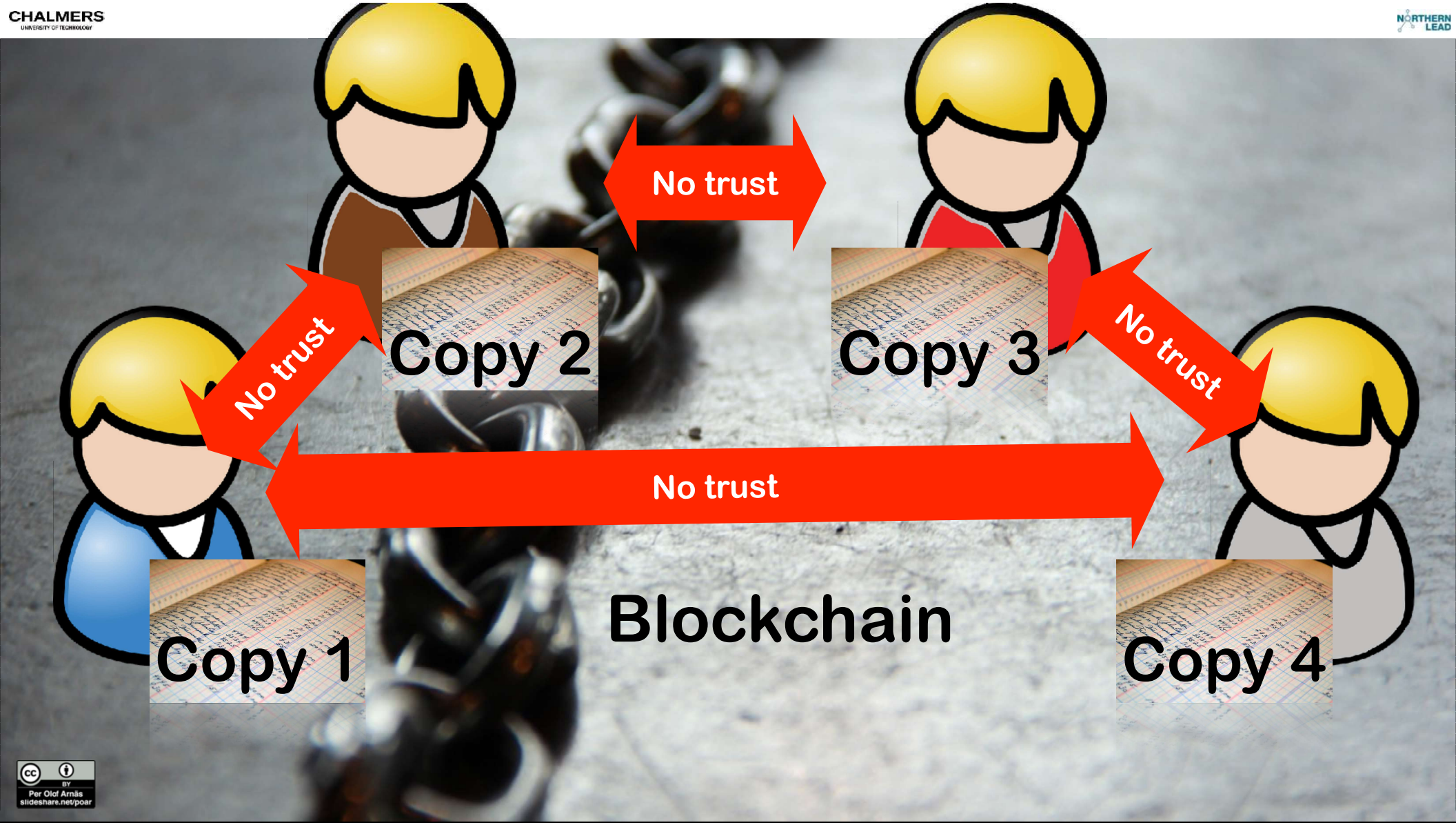
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NORTHERN LEAD
No trust
No trust
No trust
No trust
Copy 2
Copy 3
Copy 1
Copy 4
Blockchain
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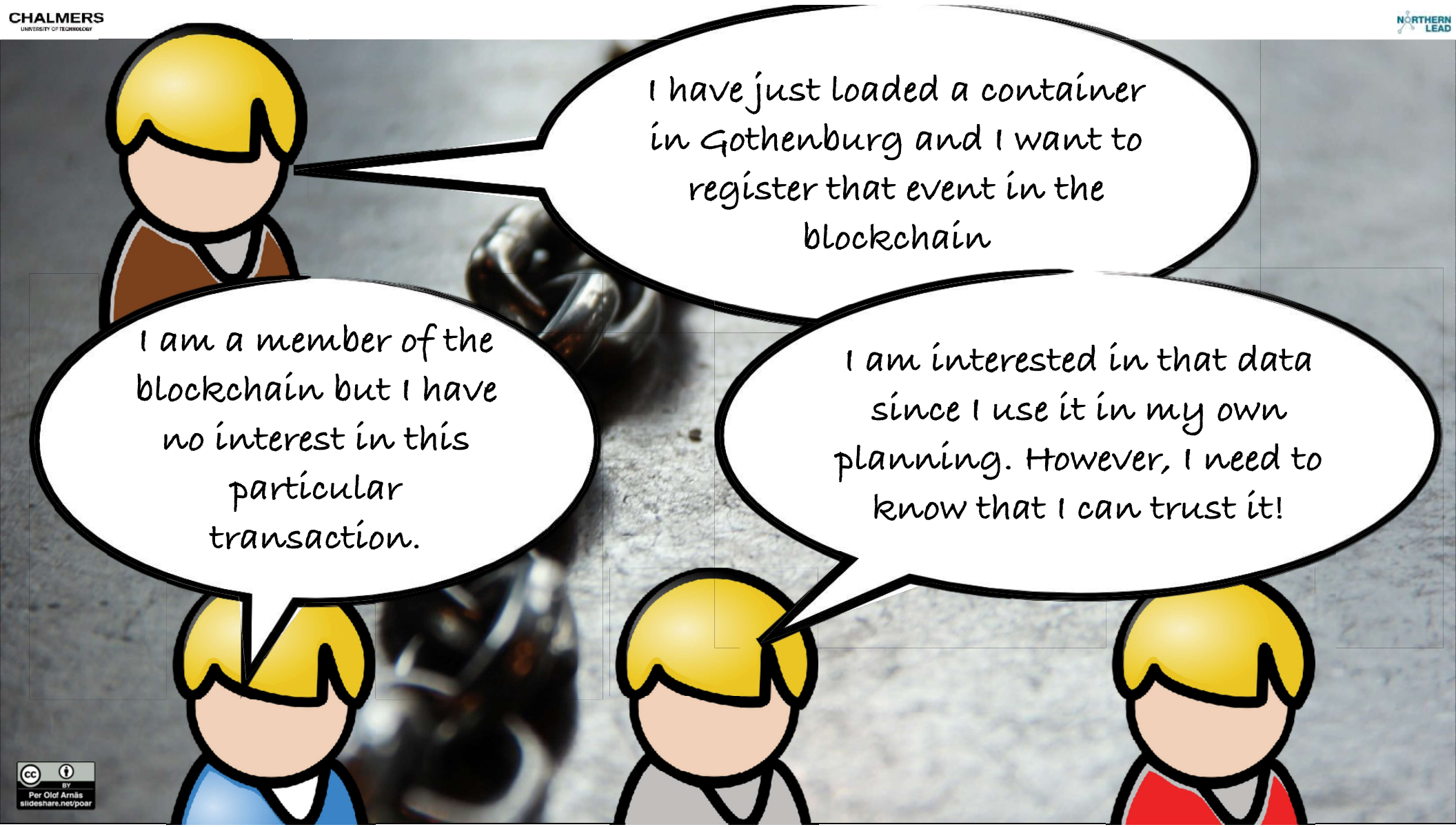
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I have just loaded a container in Gothenburg and I want to register that event in the blockchain
I am a member of the blockchain but I have no interest in this particular transaction.
I am interested in that data since I use it in my own planning. However, I need to know that I can trust it!
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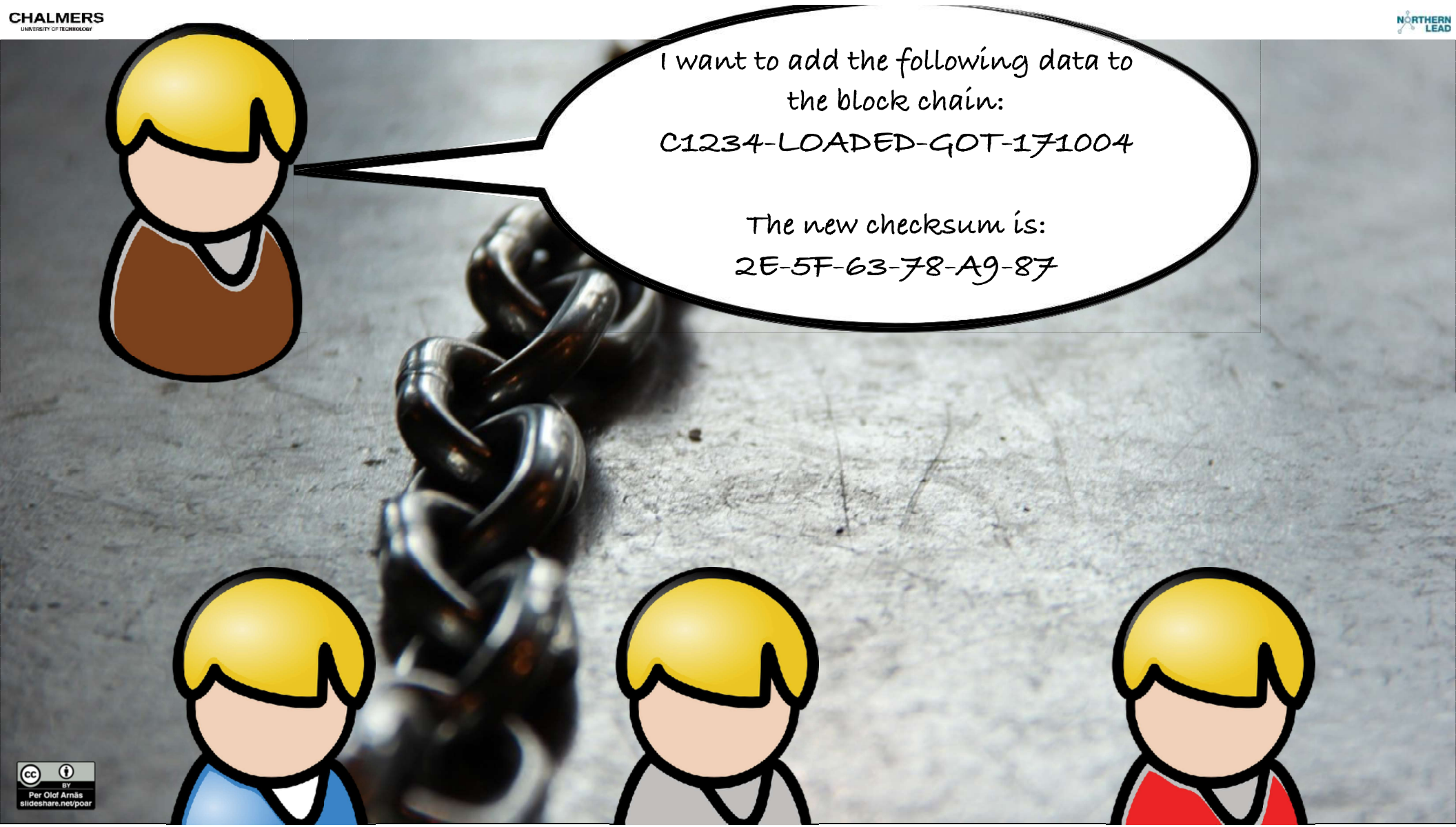

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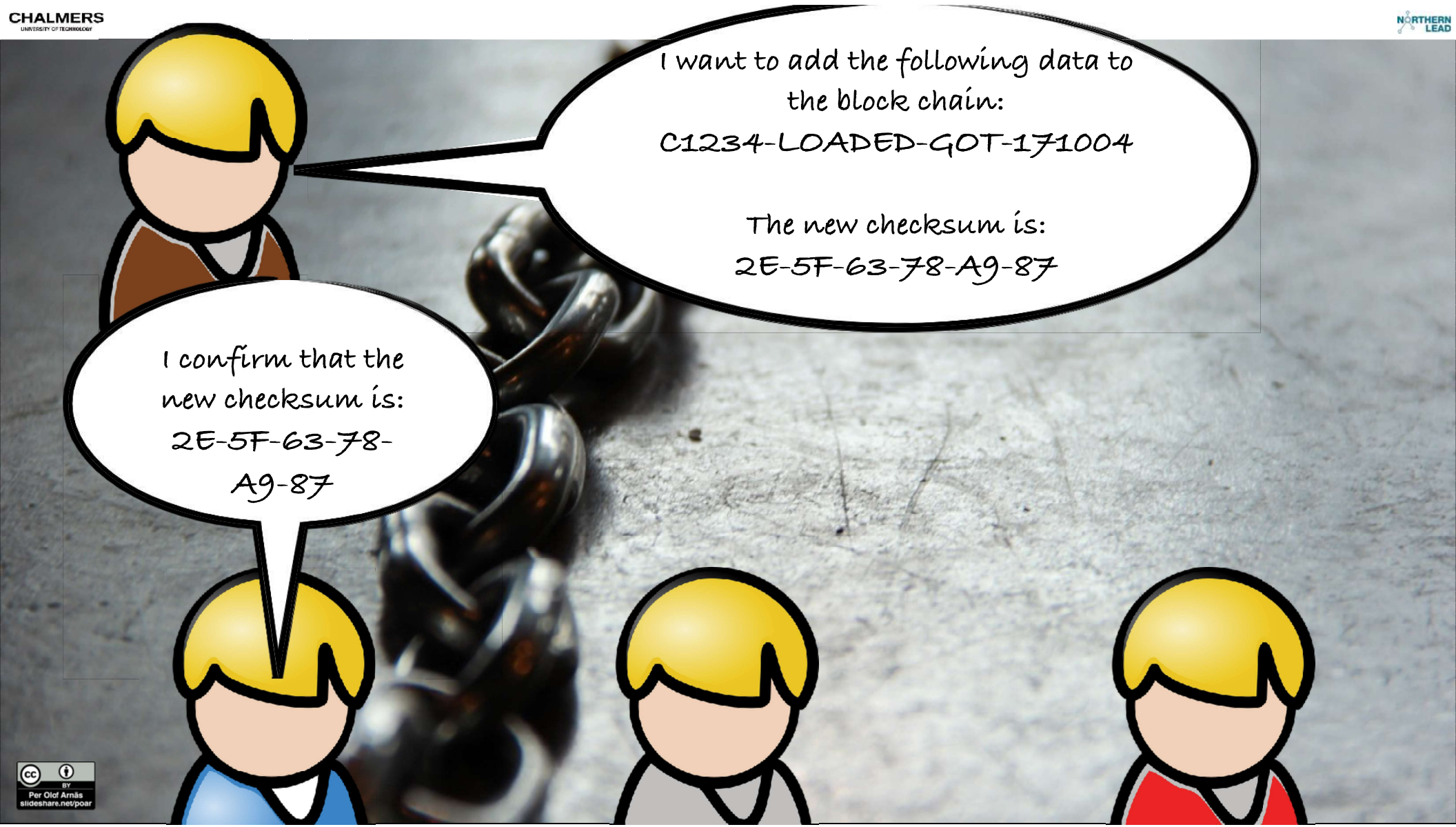

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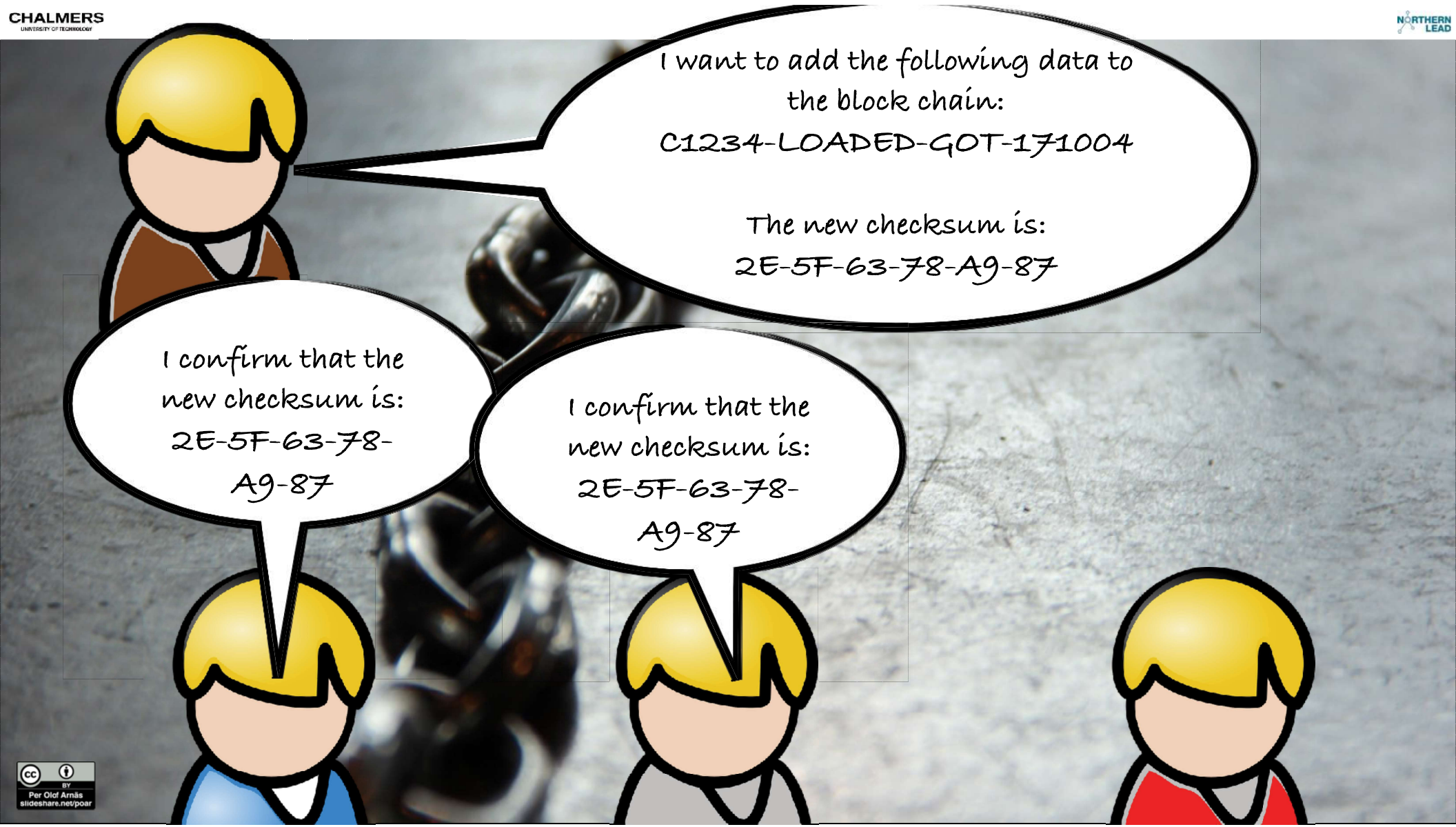

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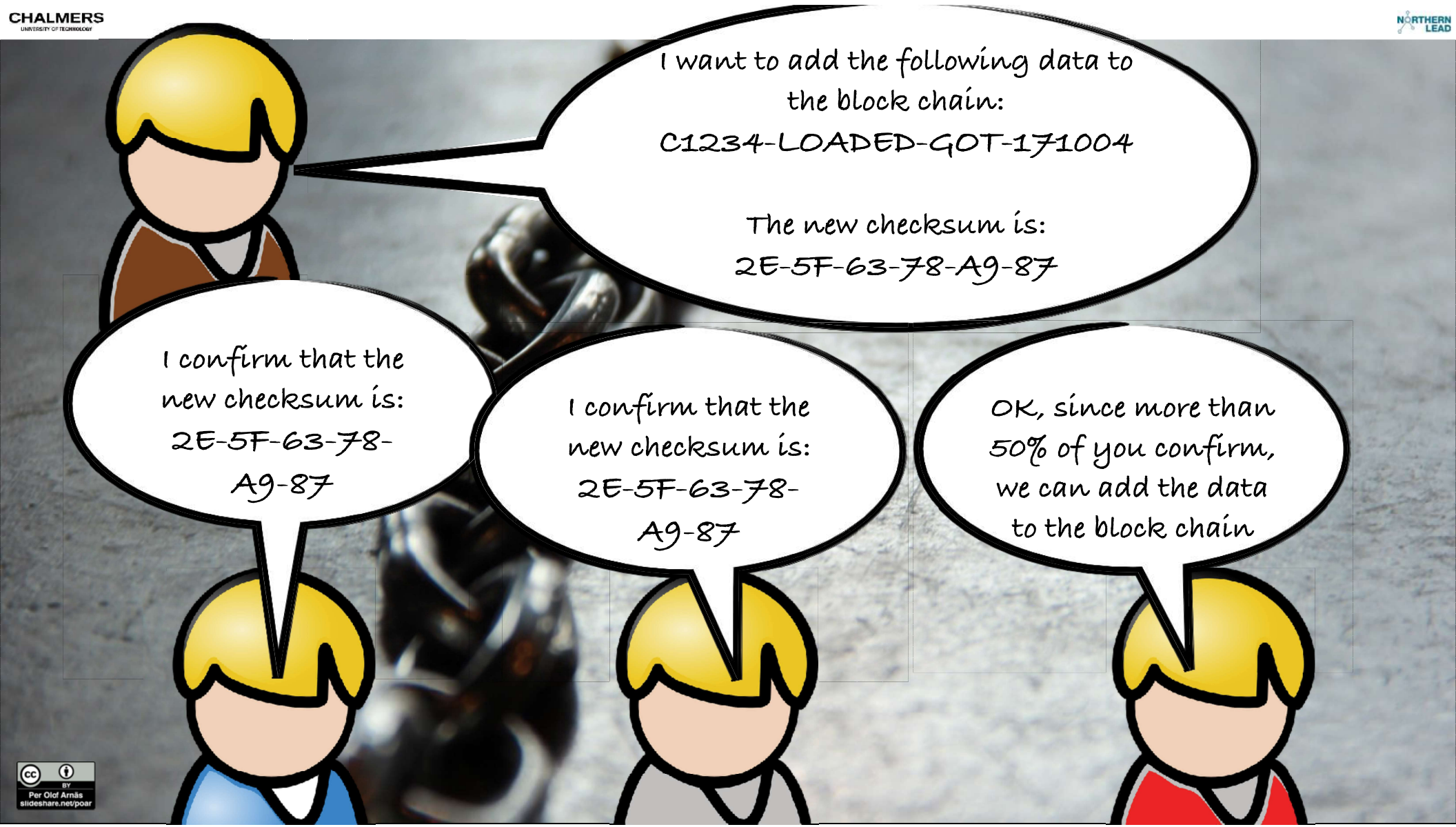

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NORTHERN LEAD

DATE	ACTOR	DATA	CHECKSUM
20171004-10:08:53	WAYNE ENTERPRISES	C1234-LOADED-GOT-171004	2E-5F-63-78-A9-87
20171004-10:09:01	LEXCORP	P23345-UNLOADED-MAD-171004	43-EF-5A-56-BD-6F
20171004-10:09:12	STAR LABS	JH8DJ? JAHD6&%JADJKHKP”	?
…	…	…	…

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NORTHERN LEAD

DATE	ACTOR	DATA	CHECKSUM
20171004-10:08:53	WAYNE ENTERPRISES	C1234-LOADED-GOT-171004	2E-5F-63-78-A9-87
20171004-10:09:01	LEXCORP	P23345-UNLOADED-MAD-171004	43-EF-5A-56-BD-6F
20171004-10:09:12	STAR LABS	JH8DJ?JAHD6&%JADJKHKP”	62-13-A5-30-85-98
…	…	…	…

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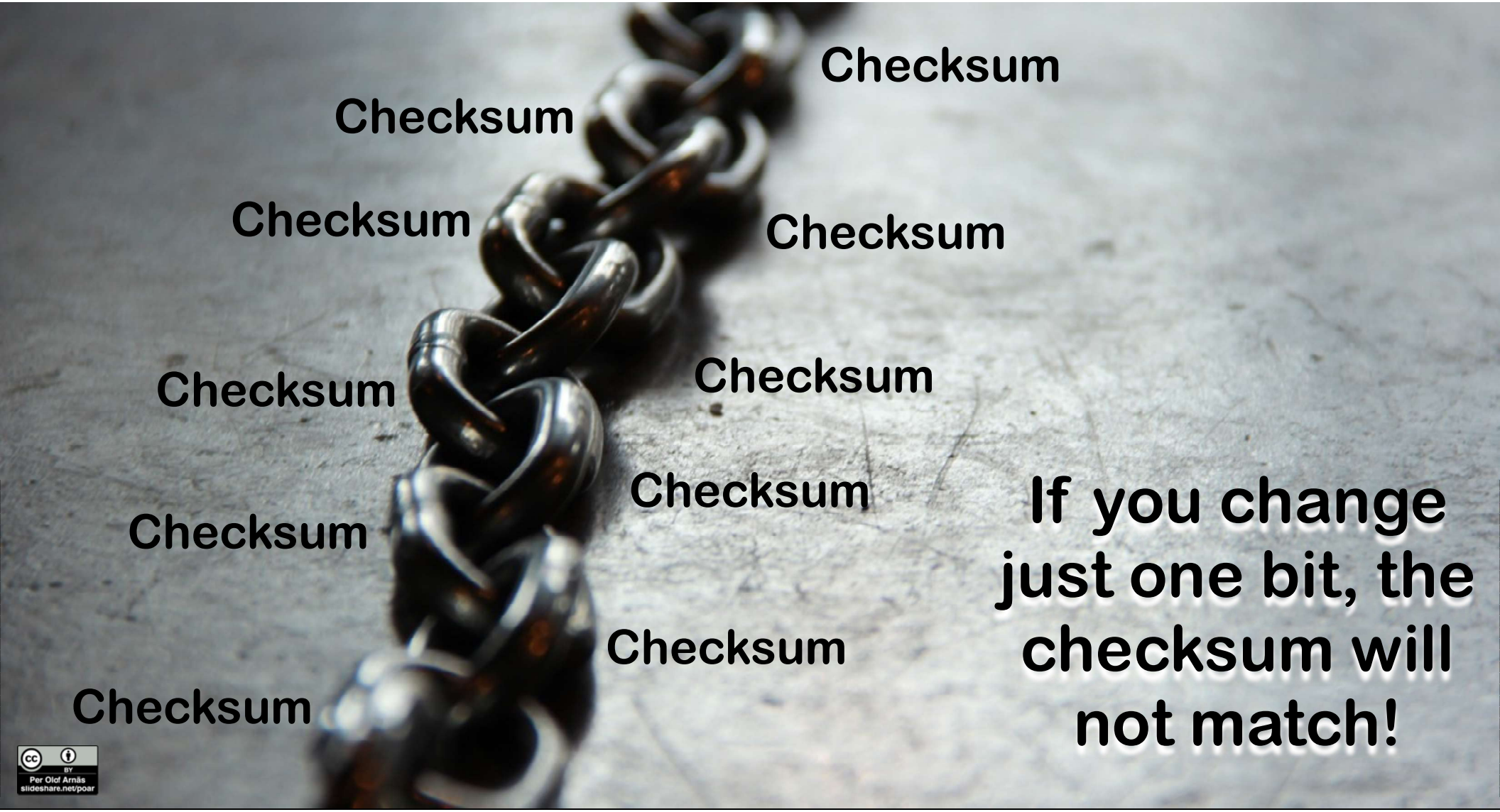

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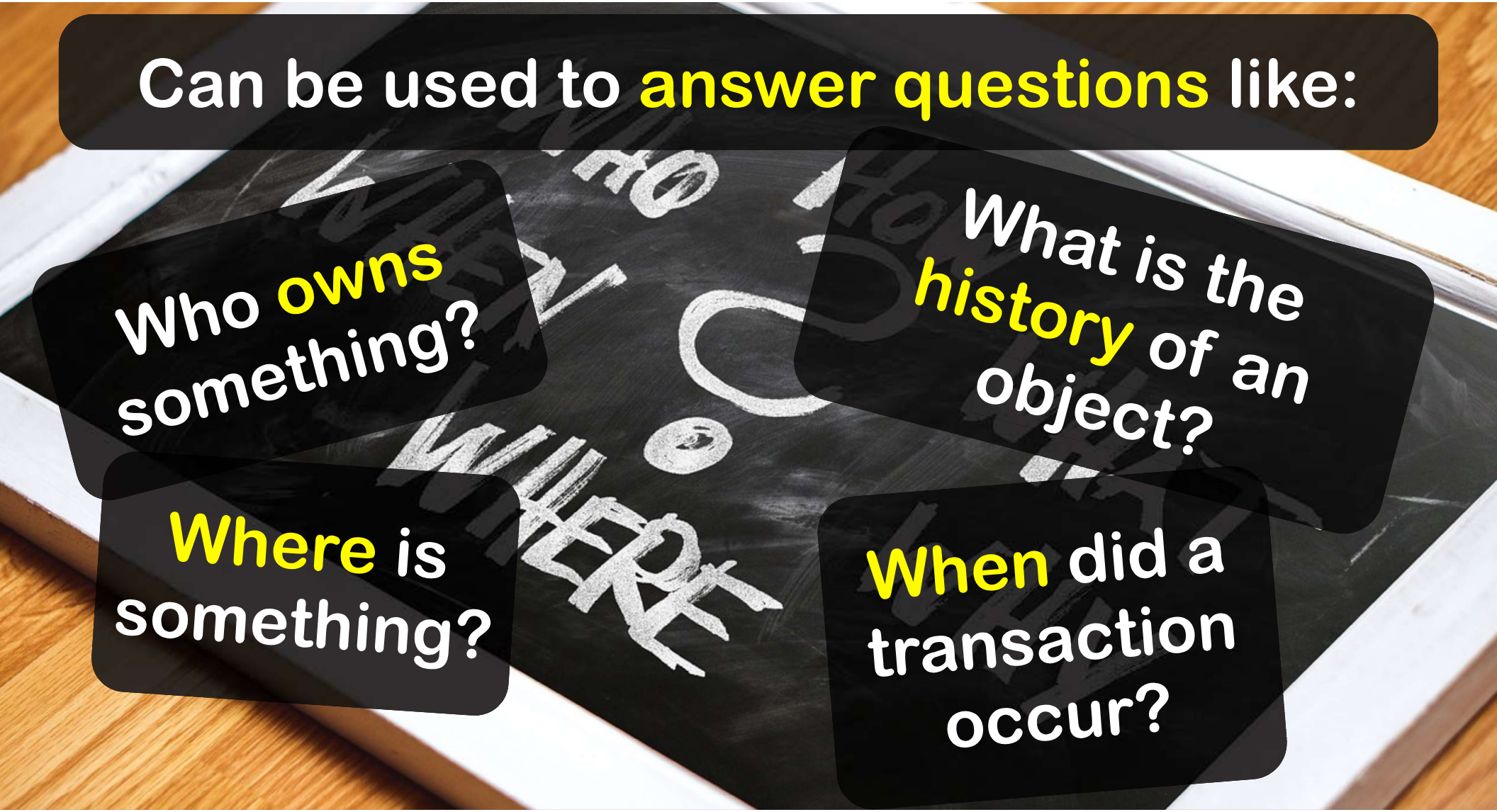
Can be used to answer questions like:
Who owns something?
What is the history of an object?
Where is something?
When did a transaction occur?

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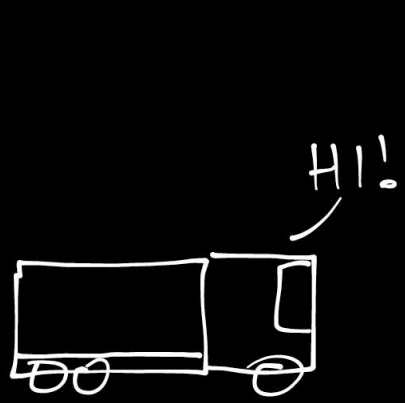

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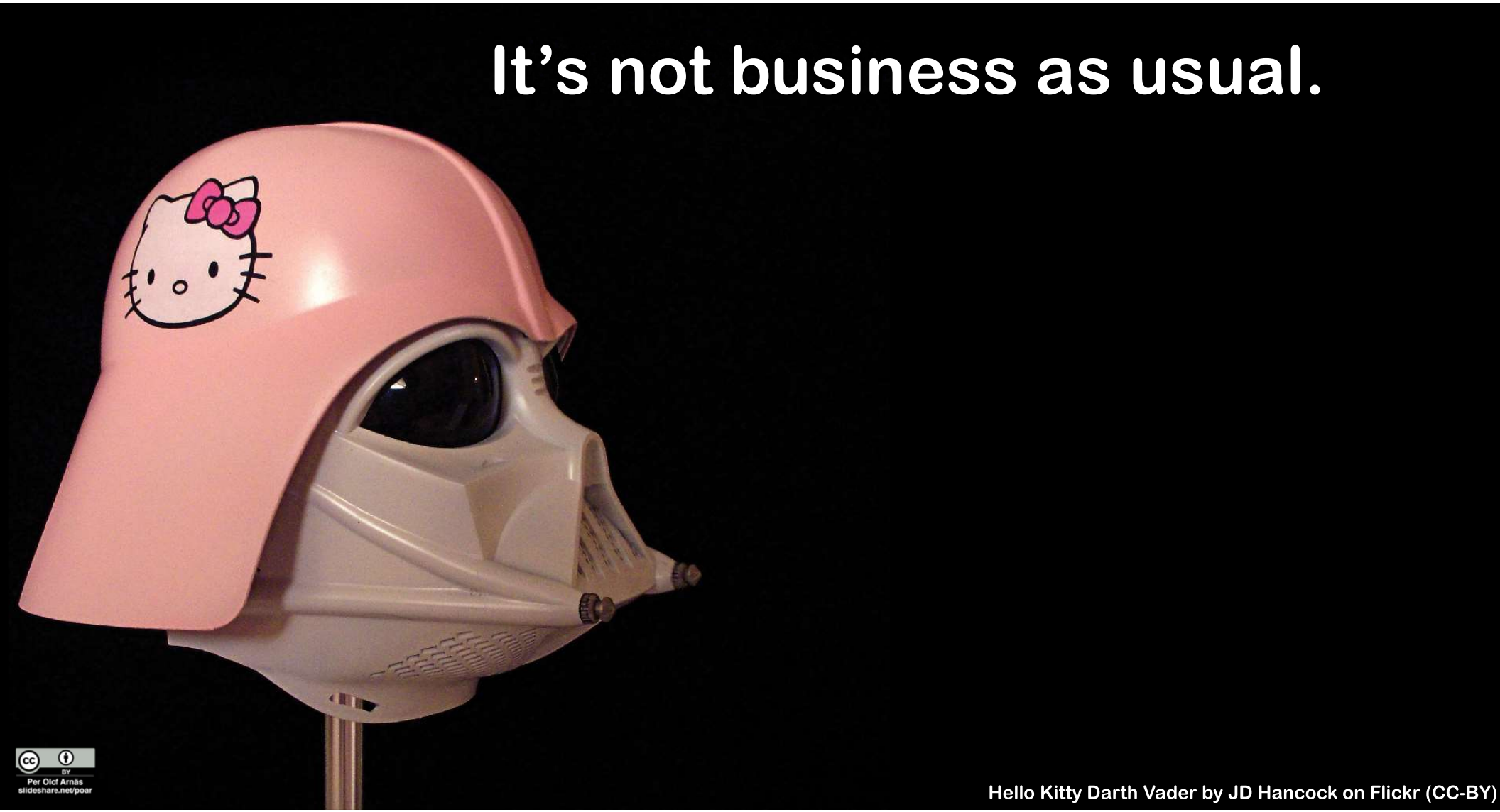
It’s not business as usual.



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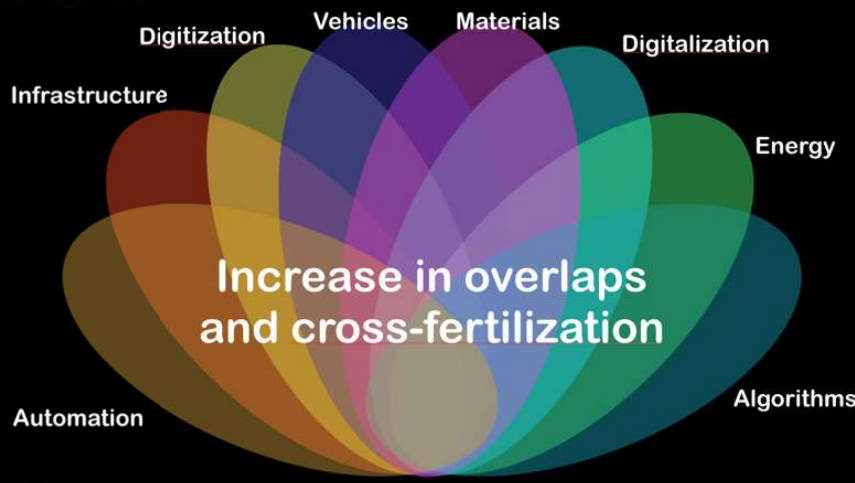
Hello Kitty Darth Vader by JD Hancock on Flickr (CC-BY)

It’s not business as usual.



There is no ’usual’ anymore.

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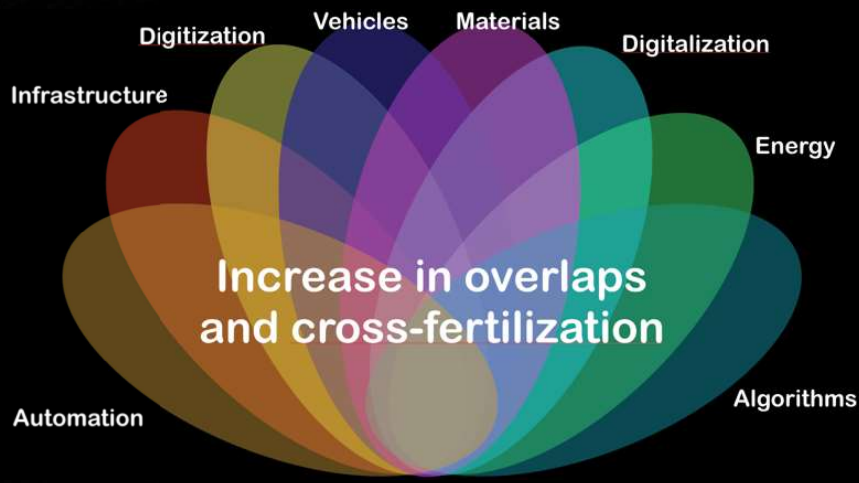
It’s not business as usual.



There is no ’usual’ anymore.

Get used to it.

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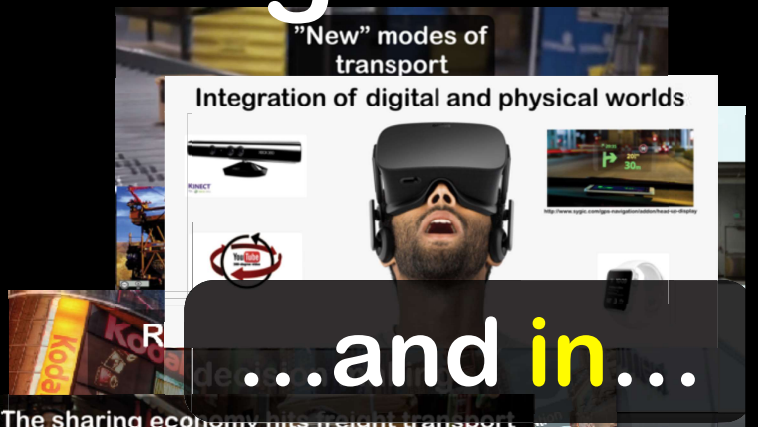
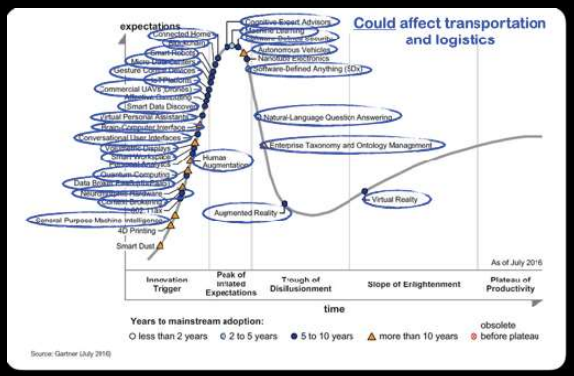
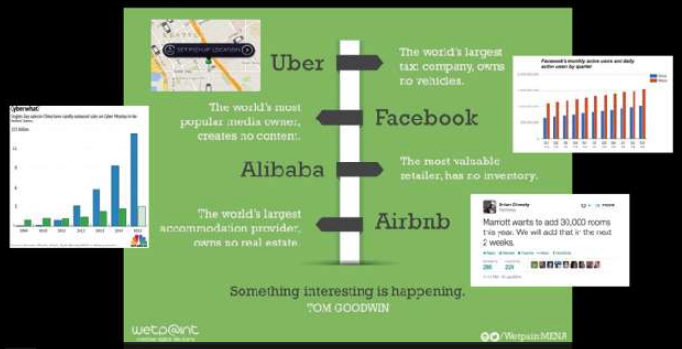
Things are happening...

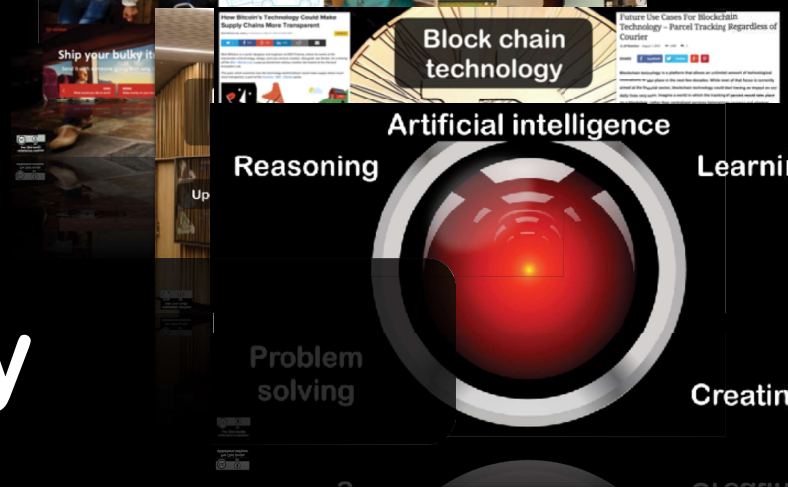
Around...

...to...









...the industry

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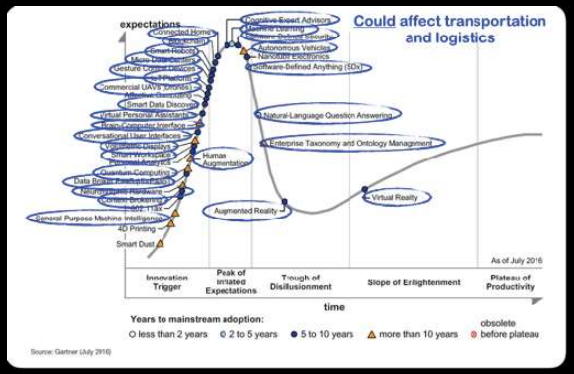
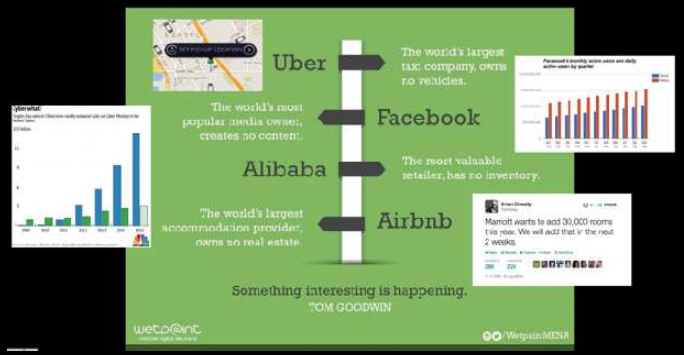
Digitization:

Digitalization:

LEARNING REACTION (PRO)ACTION





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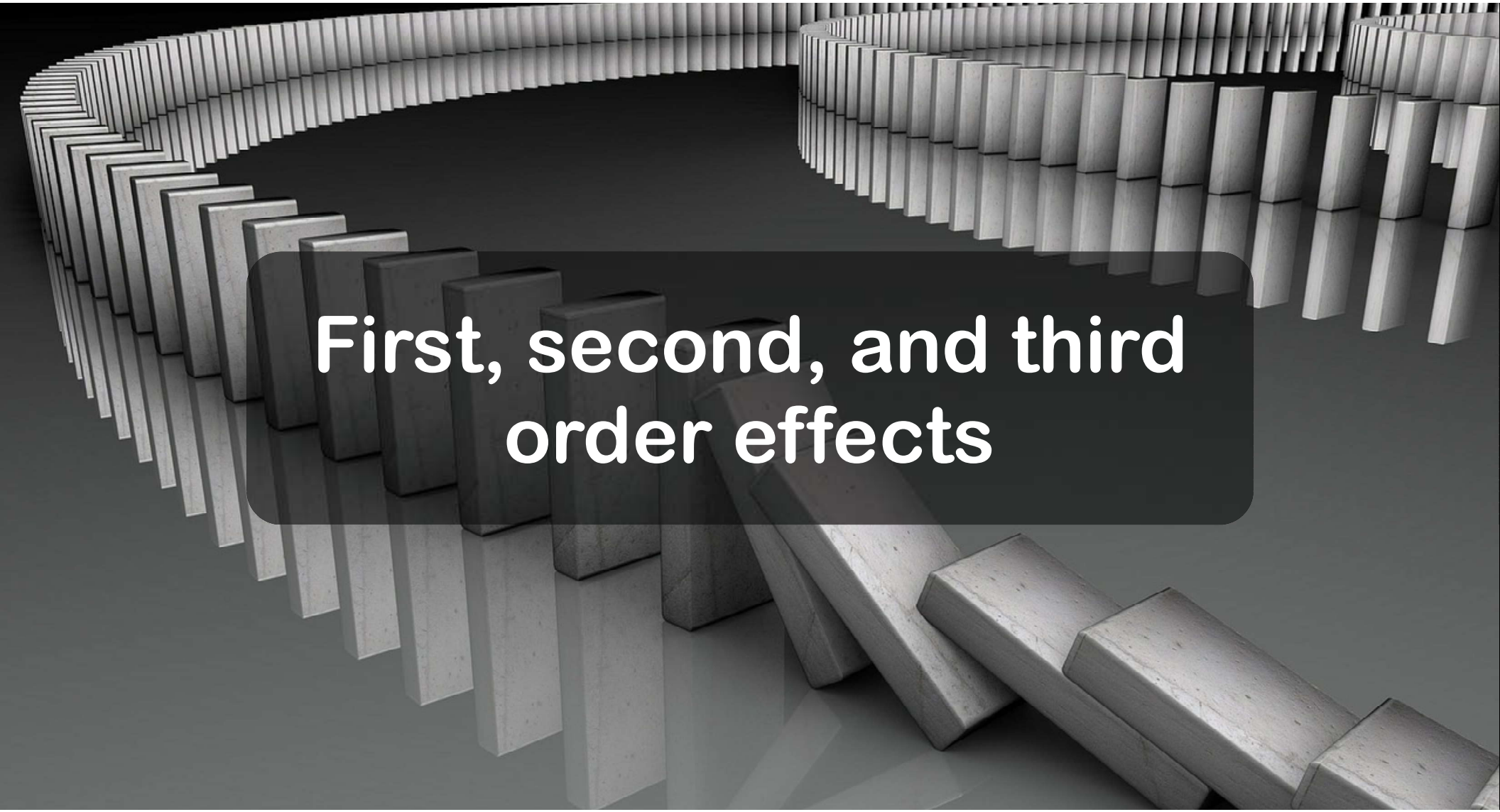
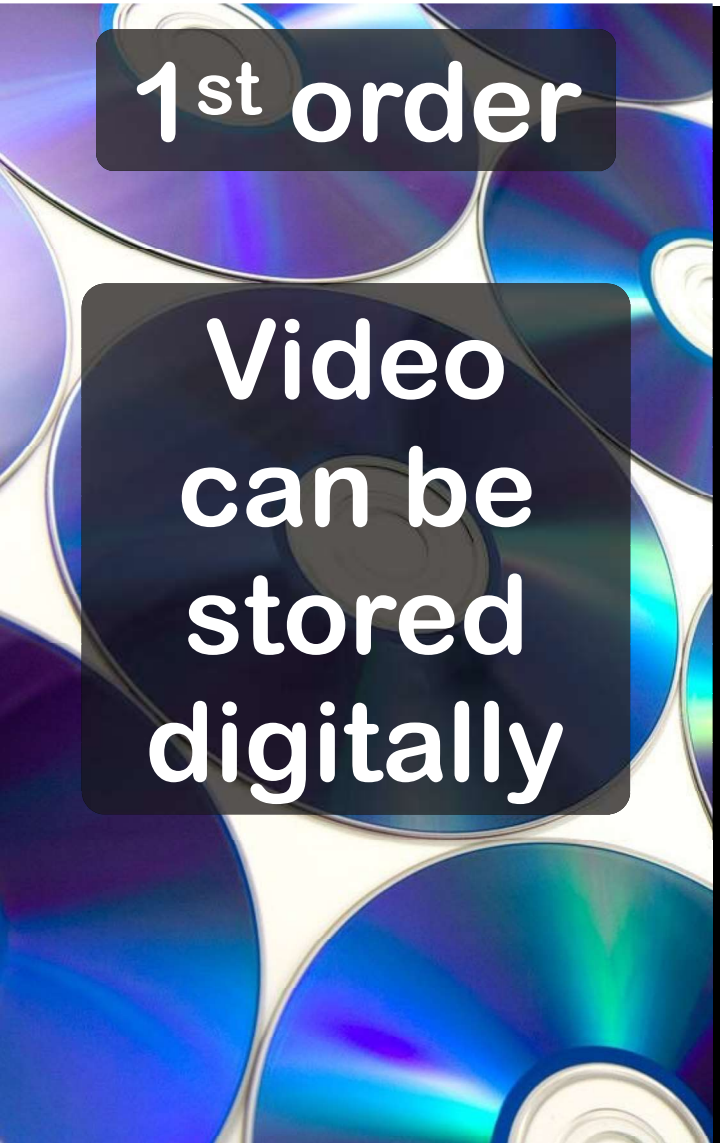
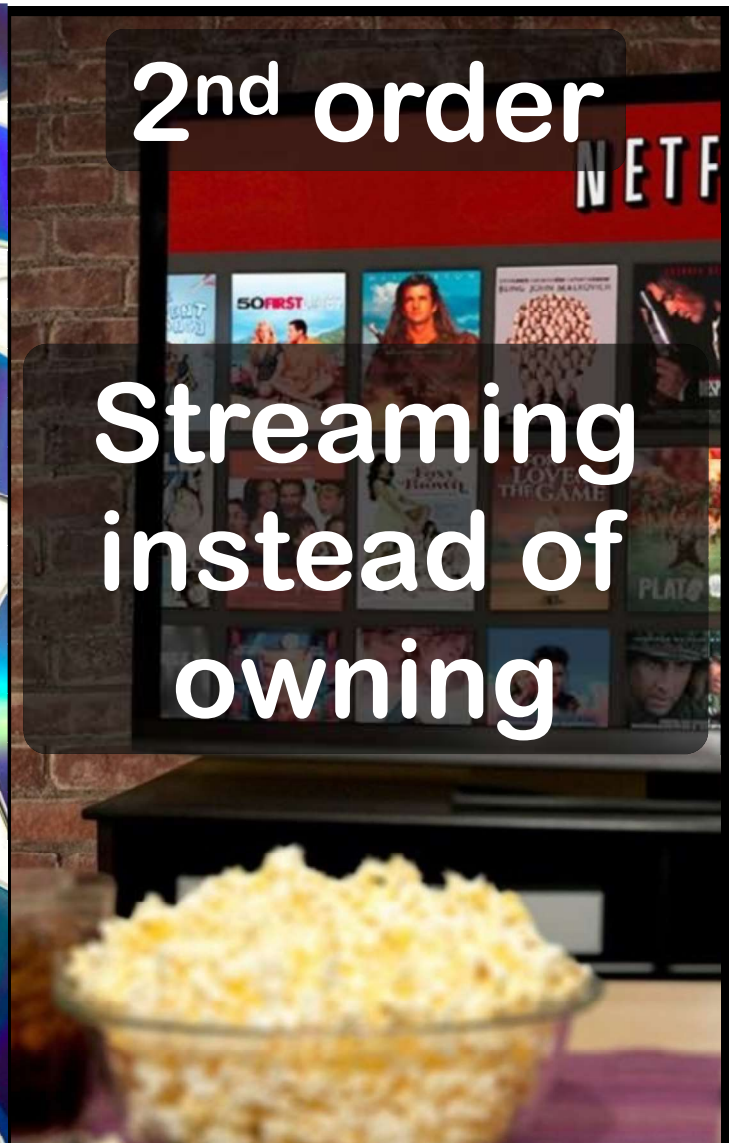


First, second, and third order effects


1st order
Video can be stored digitally

1st order
Video can be stored digitally


2nd order
Streaming instead of owning

1st order

Video can be stored digitally

2nd order

Streaming instead of owning

3rd order

Binge-watching becomes a thing

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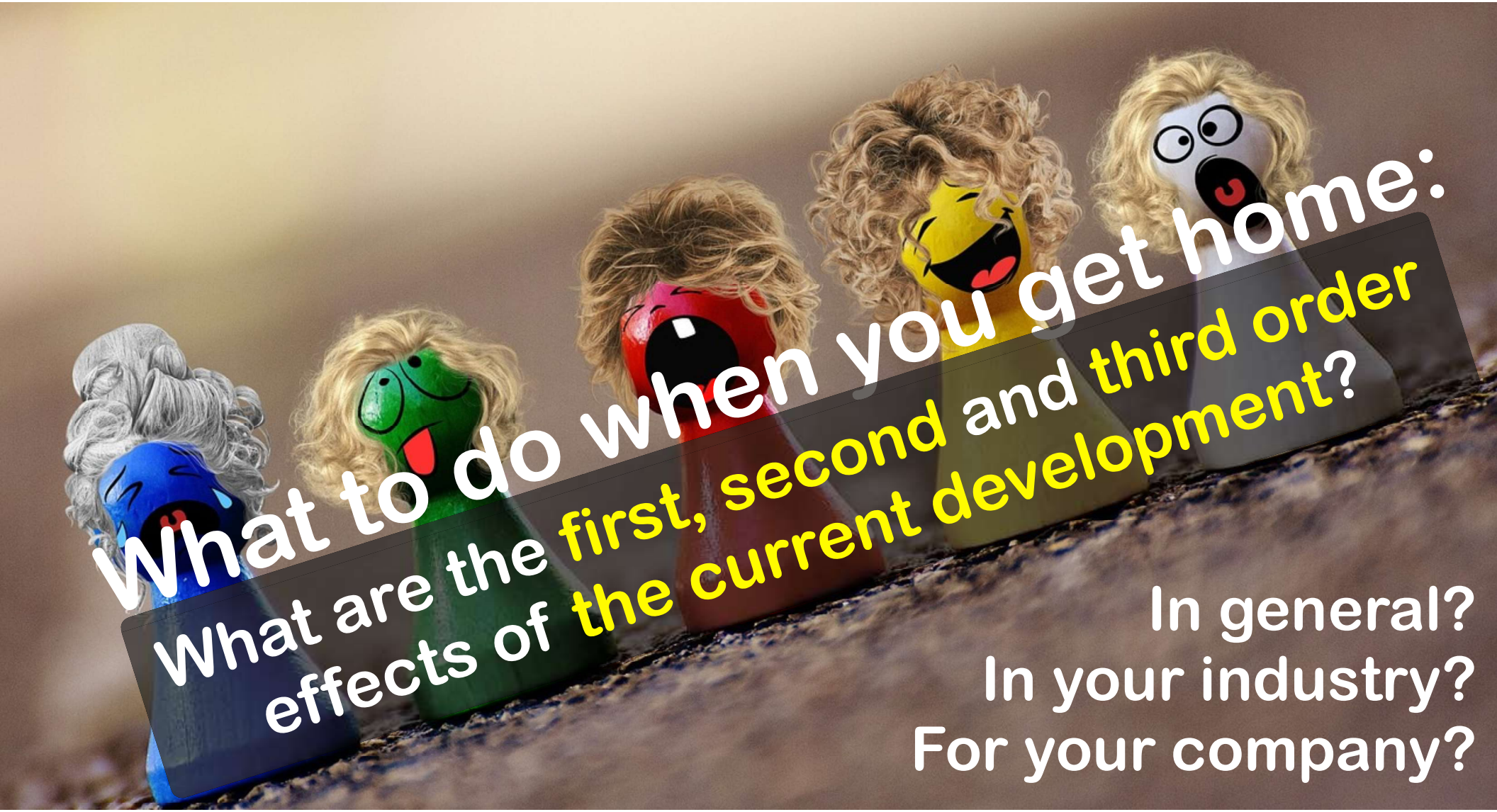
NORTHERN LEAD



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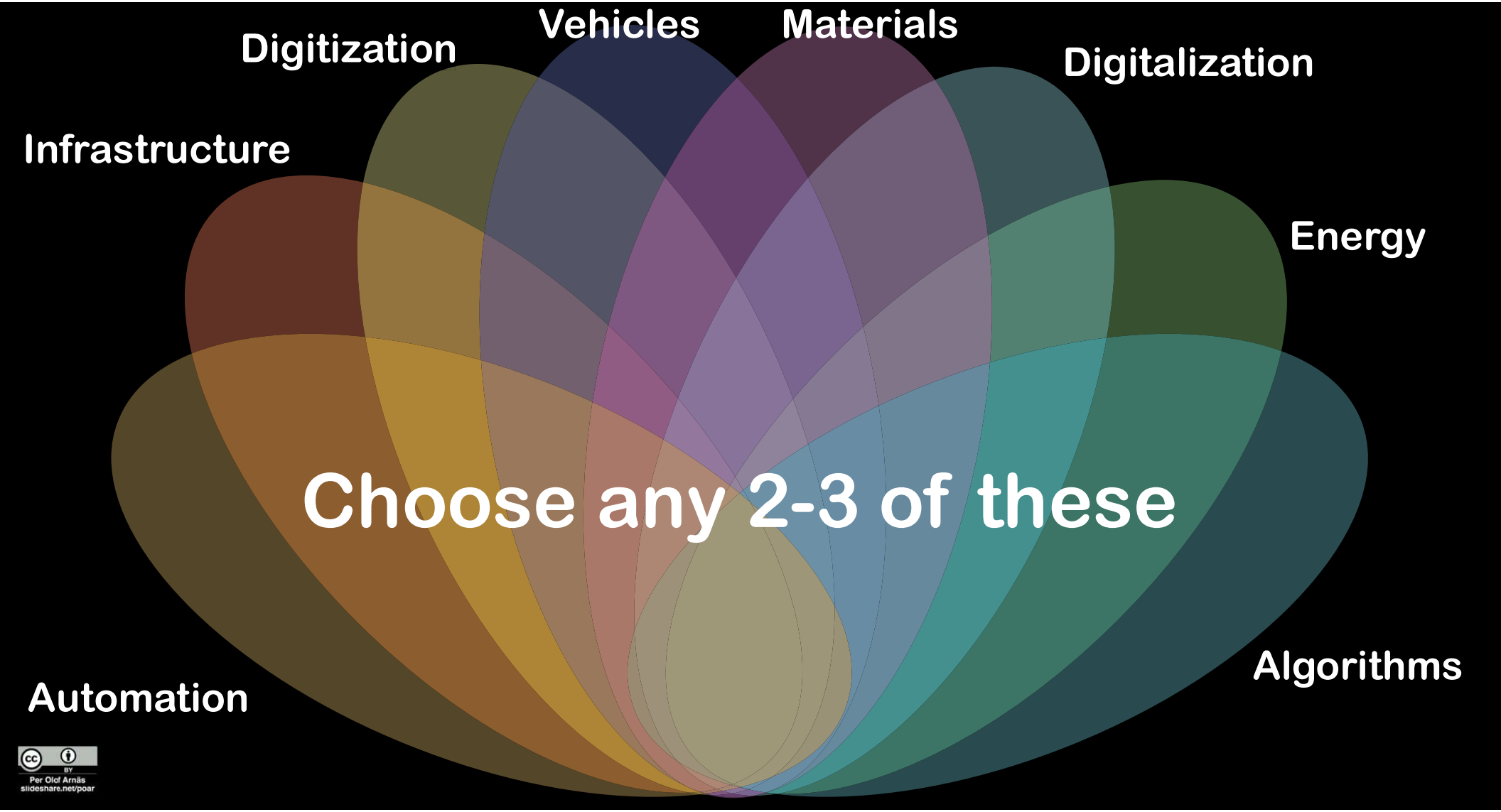

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Effects

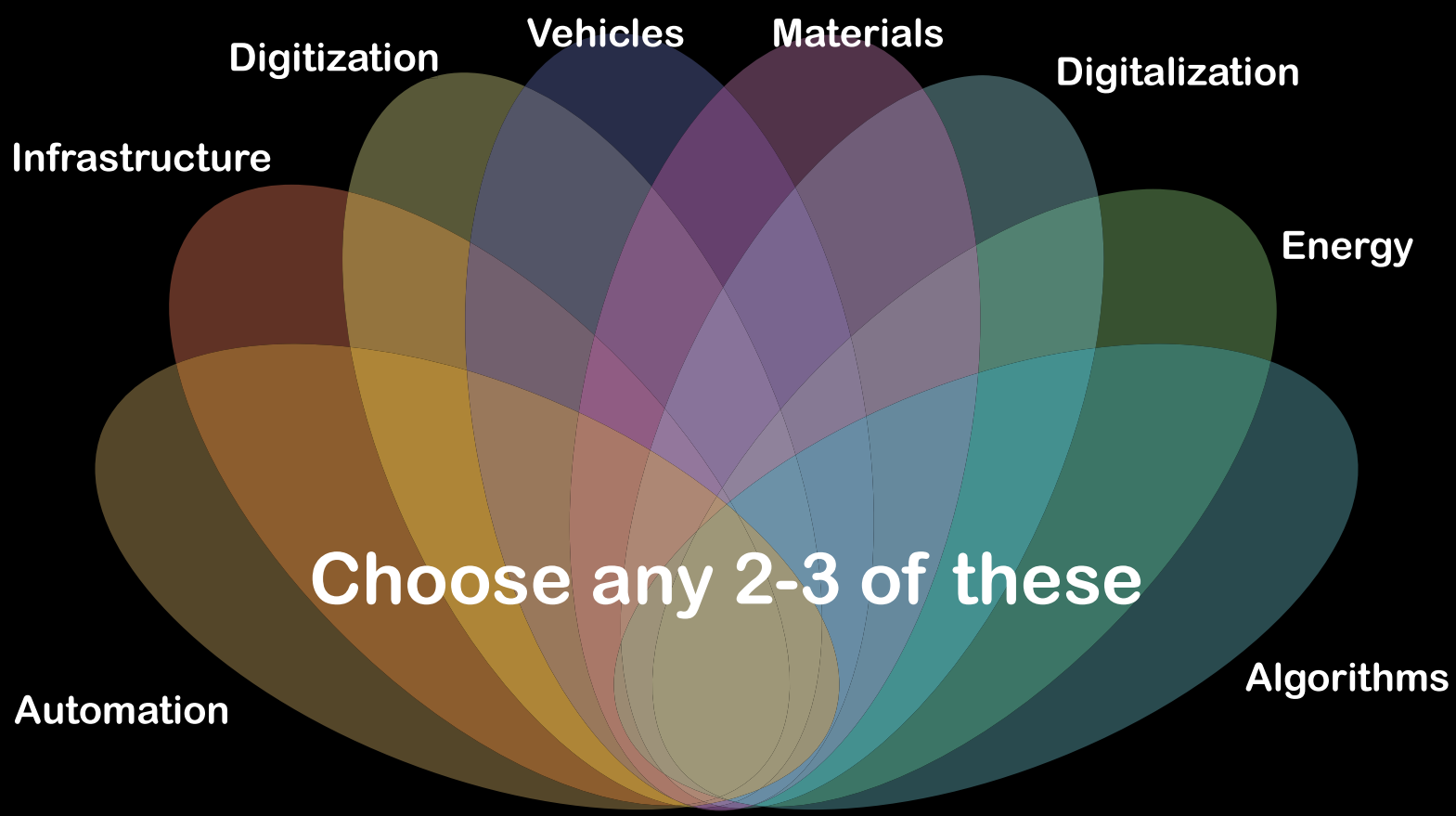
	1st order	2nd order	3rd order
In general	?	?	?
In your industry	?	?	?
For your company	?	?	?

1st order | 2nd order | 3rd order

In general

In your industry

For your company



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NORTHERN LEAD

I have another challenge for you

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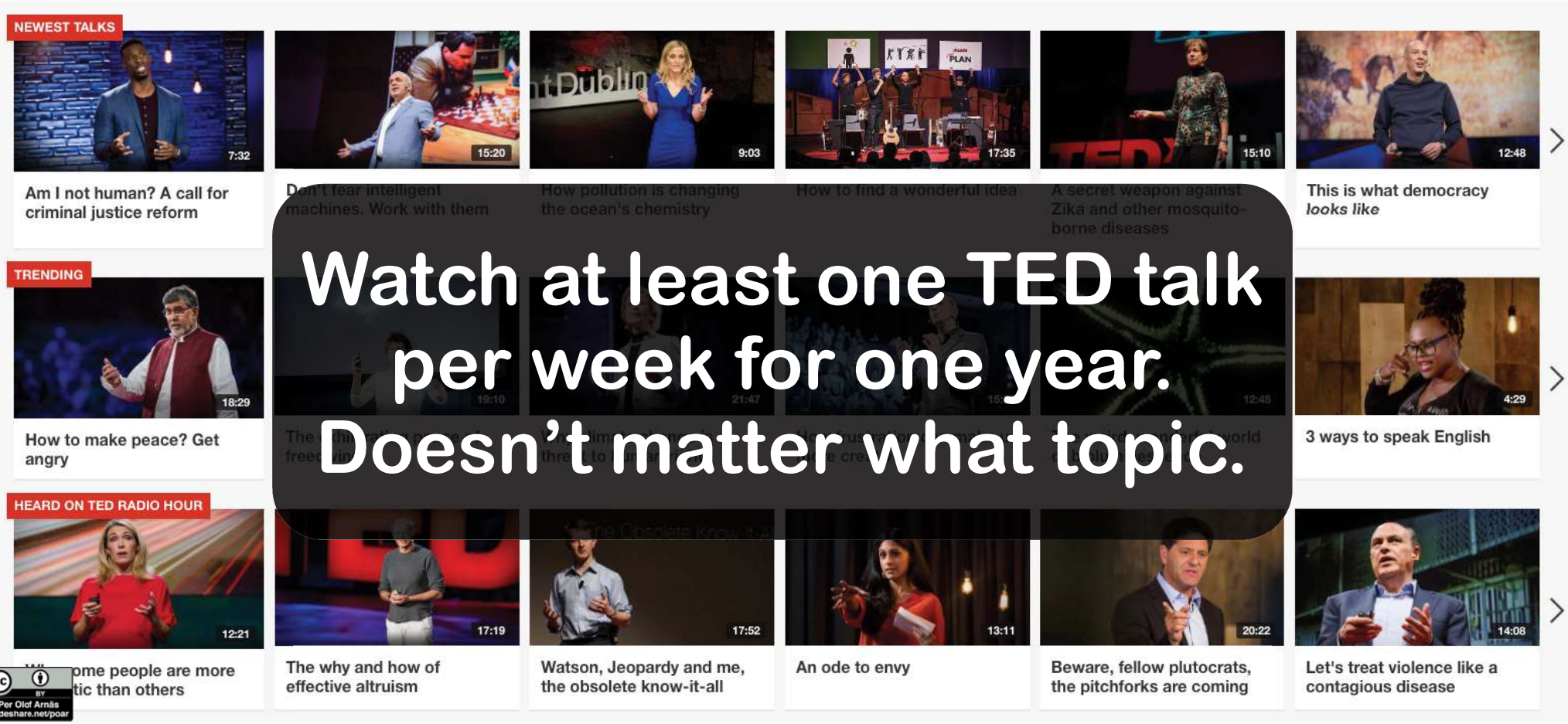
TED Ideas worth spreading



Watch at least one TED talk per week for one year. Doesn't matter what topic.

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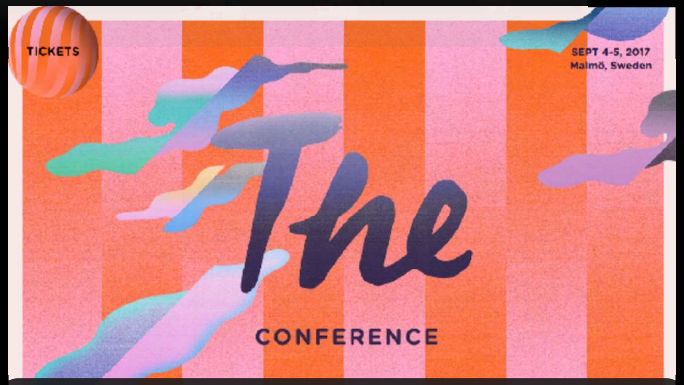
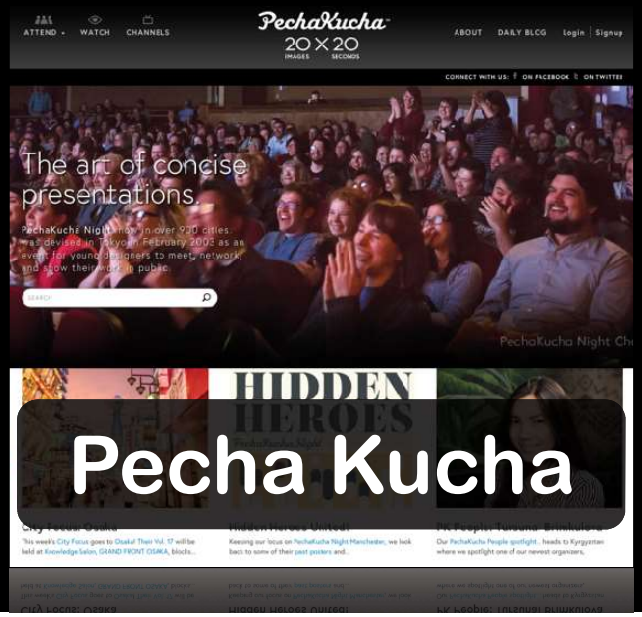
Attend at least one conference or seminar per year that is outside your field.

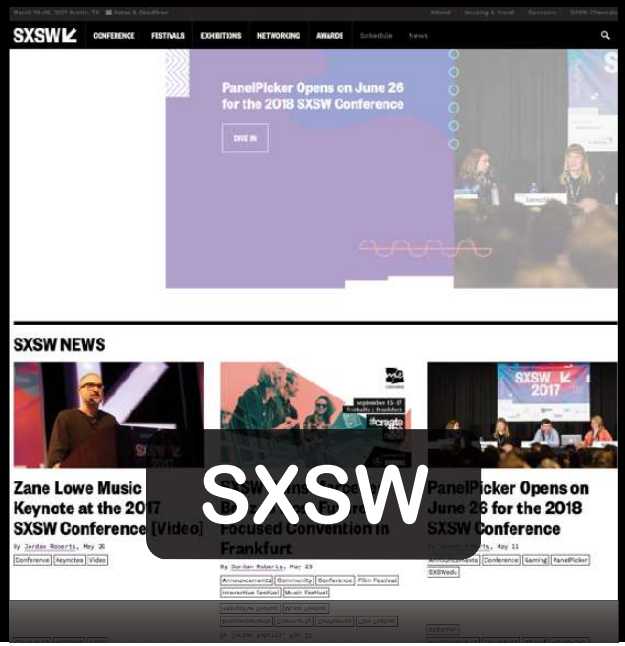
TEDx



The Conference



Pecha Kucha



SXSW

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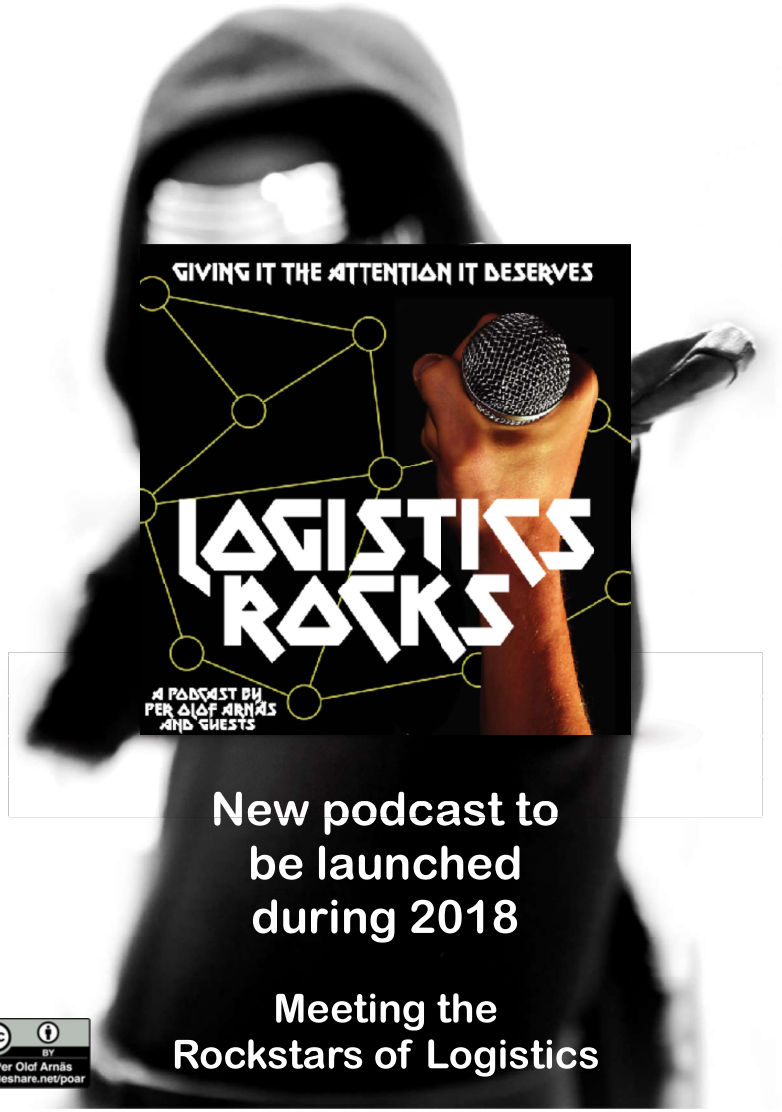

Some observations regarding the digital future of transportation

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Service Management and Logistics
per-olof.arnas@chalmers.se
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