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https://dx.doi.org/10.1049/iet-its.2014.0187

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Multi-criteria evaluation method for freight logistics innovations

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Abstract: The objective of this study is to build up a common approach for the assessment of logistics innovations. Innovations are referred to here as best practices and are considered as existing approaches or solutions providing an answer to a relevant problem or challenge in freight transport. The impact evaluation of logistics innovations takes into account strategic targets, topics covered, transferability and novelty of the best practices. A freight specific multi-criteria analysis approach was designed for the evaluation process.

1 Introduction

The minimisation of inventory and assisting the rapid flow of goods through the supply chain are the key elements in achieving cost efficiency and responsiveness in a volatile business environment [1]. Moreover distribution affects the overall profitability of a firm, because logistics and transport impact directly on both the supply chain cost and the customer experience [2]. The use of technology as an enabler for improved logistics services is increasing remarkably. The importance of environmental issues is also on the rise because of political and image issues.

As a result, sustainable and efficient freight solutions are being pursued and several operators and stakeholders are announcing reports on their innovations and best practices in freight logistics across Europe. Best practice is considered here as an existing approach or solution (industrial business cases, measures, administrative procedures and research results) providing an answer to a relevant problem or challenge in freight transport. However, their comparison and rational assessment pose a number of challenges, as different stakeholders have their own criteria for determining what they consider innovative best practice. There is a lack of standardised assessment methodologies throughout various industrial sectors.

The objective of this paper is to build up a systematic process for the assessment of logistics innovations and their transferability to other operating environments. A comprehensive method is striven for which is transparent and easy to use and understand. The methodology is addressed to European transport policy makers to pursue and several operators and stakeholders are announcing reports on their innovations and best practices in freight logistics best practice contributions, such as innovative technology trials, industrial systems, case studies and policy schemes.

2 Overview of impact assessment methodologies

The rigour of evaluation methods applied depends on the user group. Practitioners often use informal evaluation or simplified formal methods. The guidelines approach includes a simplified cost/benefit analysis. Researchers use comprehensive and sophisticated methods including multi-criteria analysis (MCA), which requires more extensive information collection (Fig. 1). An evaluation method cannot unambiguously determine the best solution without input on the preferences of the decision maker. However, it can provide information and aid in the decision-making processes [6].

2.1 Cost-benefit analysis (CBA)

The European Commission (EC) guide to CBA [7] offers to EU officials, external consultants and other parties a common agenda for the evaluation process. CBA of investment projects is explicitly required by the new EU Regulations for structural funds, cohesion fund and instrument for pre-accession countries, for projects with a budget higher than, 50, 10 and 5 Million Euro, respectively. The main limitation for the use of CBA in logistics solutions evaluation is the lack of willingness of many managers to share data on costs of technology trials. Therefore other evaluation methods are needed.

2.2 Multi-criteria analysis

MCA is a broad term for different methods for analysing available options taking multiple criteria into account. Dodgson [8] refers to MCA as ‘approaches that make the options and their contribution

IET Intell. Transp. Syst., pp. 1–8
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to the different criteria explicit, and require the exercise of judgement,” noting further that ‘they differ in how they combine the data.’ MCA techniques can be used to identify the most preferred option, to rank options, to short-list a limited number of options following a detailed appraisal, or simply to distinguish acceptable and unacceptable possibilities.

MCA methods for situations with either an infinite or discrete number of options range from informal ones only listing the characteristics of each option to sophisticated methods such as multi-criteria optimisation, goal programming, outranking methods and multi-value theory (MAVT) [9]. In MAVT [10] each decision alternative is assigned a value $v(x_i)$ for each attribute $x_i$ according to the preferences of the decision-maker. The alternatives are given values from 0 for the least desirable to 1 for the most desirable alternative with regard to each attribute. The attribute-specific values are then combined using a value function to represent the overall value of the alternative. MAVT using an additive value function

$$V(x_1, x_2, \ldots, x_n) = \sum_{i=1}^{n} w_i v_i(x_i)$$

is referred to as value tree analysis (VTA) [10]. The weights $w_i$ of the attributes $x_i$ indicate a subjective trade-off between attributes, that is, how significant the decision-maker considers a change from the worst to the best level of that attribute relative to a similar change in another attribute. An additive value function exists if, and only if, the attributes are mutually preferentially independent [11], that is, preference statements regarding one attribute are independent of the values of the others. The analytic hierarchy process (AHP) is an application of VTA, where scoring is based on pairwise comparison of alternatives and sub-objectives. While the pairwise comparisons are straightforward and convenient, the number of required comparisons easily become overwhelming in any real case model. AHP suffers also from logical inconsistencies such as rank reversal [13].

One limitation of the VTA method in the context of logistics solution evaluation is that it does not allow an in-depth understanding of causes and effects. Especially when it comes to understanding how a managerial decision led to investments in new technologies, it is necessary to know why this decision was taken. Another limitation is that it does not provide help for quantitative measurements on the scale and magnitude of the impacts. Therefore other methods are also needed.

### 2.3 Before-after studies

Before-after analysis is also used for impact assessment. The logic of a before-after study is relatively simple: ‘before’ refers to a measurement being made on the existing logistics activities before an intervention is introduced, and ‘after’ refers to a measurement being made after its introduction. The before-after design offers evidence about intervention effectiveness and is most useful in demonstrating the immediate impacts of short-term programs. This is because over the longer term, more circumstances can arise that may obscure the effects of an intervention.

Many urban freight cases have been evaluated using the before-after approach. In the case of a last mile logistics business in London, a study was used that describes how urban consolidation centres are effective in reducing freight traffic and its environmental impacts in towns and cities. The results show that the total distance travelled and the CO2 emissions per parcel delivered fell by 20% and 54%, respectively, as a result of this delivery system [14].

One of the limitations of before-after studies is that the original data collection effort of the ‘before’ situation must be repeated identically in the ‘after’ phase, which may suffer from bias through managerial decisions and changes in businesses or clients. This method is therefore not appropriate for evaluating any sort of logistics innovation. However, one of the great strengths of this method is that it provides very robust quantitative data on the economic, traffic, environmental and other external impacts of a solution. Some projects close to freight logistics have thus taken up this evaluation approach and integrated it into their framework; one of them is the EC project SMARTFUSION on the evaluation of electric vehicle trials and IT device development and testing for last mile distribution [15].

### 2.4 Policy impact assessment

The EC has established a thorough approach to monitoring impact assessment and performance indicators attached to the white paper on transport [16]. The assessment criteria and performance indicators reflect the three elements of sustainability: economic, social and environmental impacts. Even more general but comprehensive instructions for policy impact assessment across various sectors can be found in the EC impact assessment guidelines [17].

The city-vitality-sustainability or cleaner and better transport in cities (CIVITAS) initiative was launched in 2002 to support cities in introducing transport measures and policies towards sustainable urban mobility. During the several phases of the CIVITAS initiative, numerous research and demonstration projects were carried out in cities across Europe. As part of the research, a transferability algorithm was developed to facilitate a successfully implemented transportation measure or package of measures to be transferred to other cities [18].

### 2.5 Impact assessment in EC projects

The following EC-funded projects have performed impact evaluations: PROMIT, BESTUFS, SUGAR, NICHES, INNOSUTRA, SUPER GREEN, POSTMETRANS and STRAIGHTSOL. The main aspects have been to analyse and compare the solution outcomes with a set of target criteria at business and policy level, impact areas and success and failures. The focus has also been on transferability of best practices and how to make recommendations. Some projects such as SUGAR, NICHES and TURBLOG propose similar approaches to transferability (Table 1).

Previous projects show that the main criteria in impact evaluations have related to the economy, society and the environment and that these criteria have been used for strategic target evaluation in the developed methodology.

### 3 Evaluation method for freight logistics innovations

#### 3.1 Case selection principles

The logistics innovations considered in this paper are cases provided by different stakeholders. Here, the best practice is defined as an
Table 1 Methodological input from previous best practice projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Impact evaluation</th>
<th>Transferability</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROMIT</td>
<td>Degree of fulfilment of defined requirements. Benchmark criteria.</td>
<td>N/A</td>
</tr>
<tr>
<td>BESTUFS</td>
<td>Considerable and measurable positive effects (qualitative and quantitative) on relevant indicators. Positive and negative impacts.</td>
<td>N/A</td>
</tr>
<tr>
<td>SUGAR</td>
<td>Key performance indicators (KPI) at policy level</td>
<td>Good practice sites, transfer sites. Four transfer tools developed. Action plans</td>
</tr>
<tr>
<td>NICHEs</td>
<td>Defined impact areas</td>
<td>Move most promising concepts ‘niche’ position to a ‘mainstream’ urban transport policy application</td>
</tr>
<tr>
<td>TURBLOG</td>
<td>N/A</td>
<td>Worldwide view CIVITAS 10 step transferability algorithm</td>
</tr>
<tr>
<td>INNOSUTRA</td>
<td>Commercial innovations and public policy initiatives. Success and failure. Systems analysis framework</td>
<td>N/A</td>
</tr>
<tr>
<td>FREIGHTVISION ENABLE</td>
<td>N/A</td>
<td>Analysis of situation and problems in target, mapping challenges and needs</td>
</tr>
<tr>
<td>SUPERGREEN</td>
<td>KPIs grouped into five main categories</td>
<td>N/A</td>
</tr>
<tr>
<td>POSMETERS</td>
<td>Criteria for policy schemes, innovative technologies, key players</td>
<td>N/A</td>
</tr>
<tr>
<td>STRAIGHTSOL</td>
<td>Multi-criteria decision analysis applied</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Innovative and feasible approach beyond the common practice. Innovations include products, processes, services, technologies or ideas that are more effective than previous ones and are accepted by markets, governments and society. To find potential best practice cases in logistics the case study methodology is used. A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-time context, especially when the boundaries between the phenomenon and context are not evident [19]. When the purpose of the case study is to develop a theory, not to test it, the researchers can select the most suitable cases for the study and not worry whether the cases should be a representative of some population [20]. Therefore this paper employs the most developed solutions in Europe as the cases, the selection of which is the result of a comprehensive process.

The focus of the study has been urban freight transport, green logistics, co-modality and e-Freight. These topics were chosen as they represent the most pressing issues in freight transport and logistics in terms of economic, social and environmental sustainability, as well as being closely linked to important innovations and developments in freight service provision to meet the needs of European economies, and finally because they are at the core of the EC freight transport logistics action plan from 2007 [21].

19 institutions in ten European countries searched for and identified a series of cases that fulfilled a minimum specification. The cases should have a positive response to the elementary questions: Is it an innovation? Is it targeting both private benefits and public policy objectives and is the information publicly available? In total 272 cases from the year 2012 were submitted by the project partners. Thus it was necessary to narrow down the selection. This was done by further analysing the identified cases using four pre-assessment criteria [22].

- **Innovative character and feasibility**: The solution should be innovative and include more effective products, processes, services, technologies or ideas that are accepted by markets, governments and society. Both the level of innovation and feasibility of a practice are taken into account.
- **Impact/effects**: The solution should have a positive strategic impact on business and/or policy targets.
- **Accessibility of information**: A minimum of accessible information is needed for consideration. This information has to allow an assessment and evaluation of the case.
- **Transferability of best practice cases**: Transferability of cases to other domains, situations, framework conditions or business structures has to be secured. At least a partial implementation with certain (necessary) adjustments should be possible outside of the originating environment.

Transferrability refers to how applicable the best practice in question is in restructuring transport system and logistics chains in other application areas. This might mean introducing new business models, service concepts and operational principles. Information technology might be used in connecting operations to logistics networks. Moreover the time horizon has an impact on transferability. This approach to transferability is in line with the ten-step transferability algorithm developed as part of CIVITAS to facilitate measures to be transferred to other cities. The hypothesis is that if measures have been successfully implemented within a given geographical, demographic, socio-economic, cultural, technological, institutional and organisational setting, then comparable results in terms of the degree of attainment of the measures’ objectives can be achieved in areas characterised by a similar setting [18].

After the analysis, 50 cases were named as best practices or evolving best practices. The selection of urban freight cases are analysed in detail in the paper by Leonardi et al. [22].

The next step after the pre-assessment consisted of material and information collection for the selected 50 cases. A standardised collection format was developed. To advance the level of knowledge of all selected cases, a thorough information collection and basic segmentation is necessary within the format. The required information was retrieved through desk research and contact with the developers of a solution.

### 3.2 Impact evaluation

The guideline for the methodology development has been, while comprehensive, to keep it both relatively easy to understand and transparent. The objective of the evaluation methodology is to show where the case is most usable or appropriate. The analysis should further address the type of problem and the circumstances in which the results are most useful. The advantage of using one common tool for all cases is that it helps to harmonise the results and meets the demand for a simplified approach.

For the impact assessment of the logistics innovations, a common approach based primarily on MCA was developed. Cost-benefit and policy analyses were also employed. Evaluation criteria and indicators were selected and created for the best practice impact analysis. VTA was chosen as the main approach for the case evaluations, as it offers a standardised way to take multiple aspects into account and make their impacts commensurable. For the reasons discussed above, the available case data are not equally well suited to other assessment methodologies. Achievement of strategic targets, topics covered by the best practice and transferability to other domains were selected as the main evaluation criteria as outlined in Fig. 2.

It should be noted that the assumption in VTA of mutually preferential independency may not hold to all extents, for example, the value of transferability of a case may depend on how well the strategic targets are achieved. However, the additive value function used in VTA is still judged to be a reasonable approximation. It could be possible to restructure the value tree to avoid preferential dependencies, but this would make the structure of the model more complex and was thus omitted. In addition, the primary aim of the developed methodology is not to compare the cases with
Fig. 2  Impact evaluation value tree

each other, but to find cases that support desirable targets, to find
covered topics with new innovations and approaches and assess
the transferability of each case.

The main evaluation criteria were further defined through an
enquiry completed by consultation with a group of experts [23].

The strategic targets were grouped into the sub-categories
economy, service, society and environment. The topics covered by
a case were grouped into infrastructure and technology, organisation
and co-operation, operations and services, regulations and policy
and knowledge, tools and methods (Table 2). Transferability and
novelty were assessed based on the

For each sub-category a set of attributes, here called impacts, were
defined to measure the performance of the case with regard to the

Table 2  Topics covered

<table>
<thead>
<tr>
<th>Infrastructure and technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to transport networks, infrastructure and nodes</td>
</tr>
<tr>
<td>Freight consolidation and transshipment</td>
</tr>
<tr>
<td>Implementation of low emission technologies</td>
</tr>
<tr>
<td>IT-technologies and solutions (for management and administration)</td>
</tr>
<tr>
<td>Innovative vehicles, vessels and equipment</td>
</tr>
<tr>
<td>ICT (e.g. routing and guidance), transport optimisation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisation and cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business to business solutions, cooperation</td>
</tr>
<tr>
<td>Competitive aspects: collaboration (cooperation with competitors), prioritisation (priorities on infrastructure and in nodes)</td>
</tr>
<tr>
<td>Communication between authorities: cooperation, procedures, legal frameworks</td>
</tr>
<tr>
<td>Communication between businesses and authorities: coordination, consultation</td>
</tr>
<tr>
<td>Business models: new form of ownership, risk management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operations and services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business to customer (B2C) solutions (e.g. e-commerce and last mile delivery)</td>
</tr>
<tr>
<td>Innovative operational solutions</td>
</tr>
<tr>
<td>Value added services, development (or extension) of services</td>
</tr>
<tr>
<td>Service quality and sustainability agreements/certification</td>
</tr>
</tbody>
</table>

| Transport management, fleet management |

<table>
<thead>
<tr>
<th>Regulations and policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access rules and restrictions of urban areas</td>
</tr>
<tr>
<td>Land use and spatial planning: assessment and siting of transport facilities and infrastructure</td>
</tr>
<tr>
<td>Infrastructure financing: taxation, user charges, PPP Environmental standards and policy</td>
</tr>
<tr>
<td>Interoperability and standardisation: vehicles, equipment, loading units, infrastructure</td>
</tr>
<tr>
<td>Safety and security: measures, regulations, insurance</td>
</tr>
<tr>
<td>Knowledge, tools and methods</td>
</tr>
<tr>
<td>Modelling and forecasting</td>
</tr>
<tr>
<td>Data collection and statistics</td>
</tr>
<tr>
<td>Education and training</td>
</tr>
<tr>
<td>Working and implementation guidelines</td>
</tr>
<tr>
<td>Monitoring and benchmarking of processes</td>
</tr>
</tbody>
</table>

sub-category (see Tables 2 and 3). Instead of using the standard 0
to 1 scale for the impacts, as usually done in VTA, a −2 to +2
scale was used to highlight that both positive and unfavourable
impacts are taken into account

(2) High positive impact
(1) Slight positive impact
(0) No impact or no available information
(−1) Slight unfavourable impact
(−2) High unfavourable impact

For each impact type belonging to strategic targets and
transferability and novelty, evaluation guidelines were developed
to standardise the evaluations and minimise the effect of subjective
views of the evaluators (see Table 3).

The overall value of a best practice was calculated following the
VTA principles using an additive value function. The weighting of
the sub-criteria and impacts was done in a hierarchical manner.
However, the selection of weights was seen to be less essential in
this application, since the main objective of the analysis was to
highlight the favourable and unfavourable impacts of each case.

The assessment of a best practice was done using a three-step
process as shown in Fig. 3. In the first step, an expert evaluator
reads the full version of the case description and assigns a score
(−2 to +2) to each impact type on an evaluation spreadsheet. All
numerical judgements are accompanied by a written justification
noted down in the evaluation table. The evaluations rely only on
the written case description. Impact types for which no
information is found receive an impact score of 0. Targets, topics
and transferability issues are evaluated. Most cases deal only with
some issues listed as evaluation criteria. After the first evaluation,
a second evaluator together with the first one goes through all the
issues to gain a mutual understanding and change the evaluation if
needed. Next, the evaluations are again reviewed by other partners
involved in the process, in the framework of a separate working
and public sector organisations in developing their data
exchange standards used are UN/EDIFACT and UBL/XML.

3.3 Example of results – Case TIEKE

The TIEKE (Finnish Information Society Development Centre)
Verkottaja Service is an internet based service that assists business
and logistics sector and in other business sectors to implement
standard based electronic data exchange as part of their daily
business practice. The data exchange standards used are UN/
EDIFACT and UBL/XML.
### Table 3: Evaluation guidelines for impact types belonging to strategic targets and transferability and novelty

<table>
<thead>
<tr>
<th>Economic issues</th>
<th>Distribution impacts</th>
<th>2: Smooths the distribution of total output, income or wealth among individuals or among the factors of production (such as labour, land and capital). 1: Smooths the distribution on at least one subcategory.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency and productivity in logistic processes, transport service (incl. costs)</td>
<td>Employment level and conditions</td>
<td>2: Significant creation of new permanent jobs. 1: Some new jobs created.</td>
</tr>
<tr>
<td>New business</td>
<td>Environmental issues</td>
<td>2: Introduction of technology with significantly less emissions and noise (e.g. eVehicles). 1: Introduction of technology with slightly less emissions and noise.</td>
</tr>
<tr>
<td>Availability of funding/Reduced financial risks</td>
<td>Green technology</td>
<td>2: Use of renewable energy only or significant load factor improvement. 1: Use of electricity instead of fuel, energy-efficient transport mode, load factor improvement.</td>
</tr>
<tr>
<td>Economic growth/Transport activity</td>
<td>Use of resources (energy)</td>
<td>2: The case has several characteristics supporting strongly success (e.g. efficient, low cost, easily transferrable, environmentally friendly) and no remarkable constraints. 1: The case has some characteristics supporting strongly success and no remarkable constraints. Note: feasibility is only evaluated for cases that have not yet been implemented in real life.</td>
</tr>
<tr>
<td>Modal shift</td>
<td>Climate change (GHG)</td>
<td>2: The case contributes to standardisation. 1: Contribution to harmonised practice where appropriate.</td>
</tr>
<tr>
<td>Reduction of administrative burden</td>
<td>Transferability and novelty</td>
<td>2: When there are clear and measurable benefits. 1: When benefits are clear but are based on estimates, or model or only some part of benefits are measurable.</td>
</tr>
<tr>
<td>Service issues</td>
<td>Invention</td>
<td>2: The case has an innovative character.</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>The case is feasible (economic, political)</td>
<td>1: Contribution to harmonised practice where appropriate.</td>
</tr>
<tr>
<td>Quality (incl strikes, weather)</td>
<td>Image</td>
<td>2: The case is feasible (economic, political). 1: Contribution to harmonised practice where appropriate.</td>
</tr>
<tr>
<td>Safety (e.g. to avoid damages)</td>
<td>Security (e.g. to avoid thefts)</td>
<td>2: The case contributes to standardisation. 1: Contribution to harmonised practice where appropriate.</td>
</tr>
<tr>
<td>Access to services</td>
<td>Maturity</td>
<td>2: The case has several characteristics supporting strongly success (e.g. efficient, low cost, easily transferrable, environmentally friendly) and no remarkable constraints. 1: The case has some characteristics supporting strongly success and no remarkable constraints. Note: feasibility is only evaluated for cases that have not yet been implemented in real life.</td>
</tr>
</tbody>
</table>

Note: The case is feasible (economic, political) if the case has several characteristics supporting strongly success (e.g. efficient, low cost, easily transferrable, environmentally friendly) and no remarkable constraints. The case is not feasible if the case has some characteristics supporting strongly success and no remarkable constraints. The case is feasible (economic, political) only if the case does not have any remarkable constraints. The case is not feasible if the case does not have any remarkable constraints. The case is feasible (economic, political) only if the case does not have any remarkable constraints.
The case has clear and reliable information and which is widely available in English or other languages. The implementation is in full scale, implemented at least in pilot. The case is transferrable to other geographical levels. The case is scalable in all aspects including business model, solutions, hard and software, and interfaces. The case is transferable to other systems and regulatory systems. The case is accessible, without any restrictions. The case is implementable in real life (not a pilot).

Society issues The case has been implemented in full scale.

Balanced provision of goods 2: No monopoly situation, several providers available including SMEs 1: Data exchange, geographical areas.

Wealth generation (Incl. SMEs) 2: Increases monetary measures (natural, human and physical assets), economic value of services and solutions provided, income, wealth generation, balanced allocation of wealth. 1: Reduced wealth generation.

Highest safety and security 2: For example reduces the number of vehicles, lower speed, modal shift, modal mix, less mileage because of optimisation, minor reduction in vehicles used, pre-notes and better information regarding dangerous goods, incidents and expectations are informed, more fluid traffic.

Economic Standardised information exchange smoothens processes. Significantly reduces paper work and time used for information processing. Administrative processes become more efficient. Service: Fewer mistakes as information is transferred electronically. Gives the image of a modern & sustainable organisation. Environment: Less use of paper. Transferability and novelty: Messaging/standards are international/interoperable, use of EDI, work on global interoperability/interchange of different standards. The e-Freight project provides good basis for this.

Fig. 3 Impact assessment process

Table 4 gives a qualitative evaluation of TIEKE and illustrates the different aspects of the evaluation. Specific gaps in the e-Freight area are partly addressed by this Best Practice solution. Impacts are described and recommendations are derived from the findings on the benefits obtained, such as time savings and high transferability.

Fig. 4 shows the scoring results for TIEKE and other e-freight cases. It is a series of mean impact values obtained from the impact assessment of strategic targets (blue 0.13), topics covered (red 0.19) and transferability and novelty criteria (0.94). The values obtained for targets and topics are quite low, because the area of e-Freight is narrow, compared with all criteria, resulting in many zero impacts in the model. The TIEKE service is available globally and the guidelines are free of charge on the Internet, which explains the high value for transferability.

3.4 Reliability of the proposed method

The proposed method is designed to be fully reproducible and transparent. Evaluation guidelines and peer review procedures are defined in order to minimise the impact of individual subjective views. The sources of the evaluation judgements are traceable because of documented justifications. However, as the evaluations are based solely on case descriptions they are strongly dependent on how in-depth the information is, and on how positive and unfavourable impacts are described. The information collection guidelines require the evaluator to answer all the questions on the form. As cases tend to emphasize positive impacts, the researchers must approach the given information critically. The cases are also at different stages of development; some have been operating over a longer period of time while others are in the pilot phase. Furthermore, some cases are based on highly detailed and very...
informative in-depth studies, while others may offer only a brief description, complicating the evaluation task. Should the evaluator reach a conclusion that is not directly indicated in the best practice case description, this could easily lead to wrong interpretations. Thus only the issues indicated in the best practice case descriptions are included in the evaluation, even when the descriptions are not complete. Hence the evaluation is mostly indicative and points out the areas that the cases affect. Comparison between different cases based only on the numerical evaluation may be misleading for the reasons described above.

4 Conclusions

This paper presented a generic evaluation method for the impact assessment of logistics innovations and their transferability to other operating environments. The method includes a VTA-based multi-criteria structure and a defined process for information retrieval and assessment of the cases. The main evaluation criteria are strategic targets fulfilled by the innovation, the logistics topics covered, as well as its novelty and transferability to other operating environments. Literature studies and expert panels showed that the main strategic targets of logistics innovations are economy, service and society and environmental issues. The employed VTA approach enabled a balanced consideration of a vast number of specific impact types, accounting for both positive and negative effects, as well as comparison of initiatives with similar focus. The methodology is not limited solely to evaluation of logistics best practice solutions. However, it should be noted that different domains may require customisation of the evaluation criteria.

In this study, 272 potential innovation cases were identified, from which 50 best practices were chosen based on pre-selection criteria. These best practices representing urban freight, green logistics, co-modality and e-Freight were evaluated using the developed method revealing their main positive and unfavourable impacts. The results showed that the positive effects were clearly dominating for all the selected best practices. The most promising cases from each cluster were also identified. The impact of the evaluators’ individual subjective views on the results was minimised because of the structured evaluation method, evaluation guidelines and peer review procedures. However, the evaluations were based solely on the information available and documented in the case descriptions, which should be remembered when analysing the results.

The method fulfils the current need for an objective evaluation method of logistics best practices. It is applicable for making both business and policy recommendations and can also be used for before-after evaluations and self-assessment by companies. Unlike previous models, this model allows the identification of innovations where good impacts exceed unfavourable ones, lists any unfavourable impacts and pinpoints the targets fulfilled and topics covered by a best practice as well as its transferability.

The evaluation model enables alternative weightings of different sub-criteria in order to emphasise, for example, environmental or economic impacts. This makes it possible to model the views of different decision makers or highlight certain types of cases. However, these possibilities have not yet been taken advantage of in this study, but will be further examined in coming research.

5 Acknowledgments

This paper was based on work being carried out as part of the EC-funded project BESTFACT, Best Practice Factory for Logistics [24]. The objective of BESTFACT is to develop, disseminate and enhance the utilisation of best practices and innovations in freight transport that contribute to meeting European transport policy objectives on improved competitiveness and lower environmental impact. The project examines solutions in urban freight transport, green logistics, co-modality and e-Freight. The authors also thank the project partners for their input.

6 References

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