



Warehousing in Europe - Northern actor perspective

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Abstract

Importance of warehousing has increased during the recent decade and among cost issues, these outlets have become value adding centers; responding to market changes with maximized corporate profitability. Our research concerns Finnish and Swedish companies, and their warehousing decisions in larger Europe. According to our longitudinal survey results, warehousing location in Finnish companies is more weighted towards East, while Swedish companies focus on West. Warehousing size itself will continue to increase, but smaller units have future too. However, most significant changes appear in the location criteria; most of the new establishments will consider road transportation connection, low distribution costs, infrastructure enabling intermodal transportation and availability of third party solutions. Among these assembly and manufacturing plant location plays important role. Overall from survey results it is seen that emerging economies of Europe are explaining quite many development paths, especially among Finnish respondents.

Keywords: Warehousing location; Criteria; Employment; Finland; Sweden.

1. Introduction

Warehousing has become an important enabler of globalized production networks, and quite often short lead times, volume and mix flexibility, postponed customizing in terms of assembly/packaging, as well as corporate profitability, is being achieved through warehousing outlets serving some particular trade area (Christopher et al. 2006; Baker 2007; Koskinen and Hilmola 2008; Hilletoft 2009). Even if warehousing remains as an important enabler of performance among global corporations, it is quite often outsourced (Cap Gemini 2007; Selviaridis and Spring 2007; Marasco 2008), and according to longer-term forecasts the trend will be sustained, even if economic turmoil continues throughout the world in the forthcoming years (UNCTAD 2008: 104-106). However, the employment factor is often forgotten within warehousing – according to Ducruet and Lee (2007) in 27 large European port cities warehouses employed 15.7 % of total transportation logistics employment, similar to the amounts employed by freight

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