

## Industry insight – Transport and logistics

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### In a nutshell

- Transport management aims to provide quality and cost-effective services to get passengers and freight from A to B. The industry uses air, sea or surface transport (including road, rail and pedestrian).
- Logistics enables efficient management of the supply chain by ensuring that goods or services are available where and when they are needed in good condition and at competitive prices.
- Transport and logistics plays a critical role in the UK economy and there are good opportunities for graduates. There remains a high demand for skilled and experienced workers.
- Some areas of transport and logistics report skills shortages meaning candidates will benefit from professional qualifications, such as those offered by the [Chartered Institute of Logistics and Transport \(CILT\) UK](#).
- Graduates in the transport and logistics industry typically need to be analytical with good IT skills, have the ability to work in teams and deal with pressure and develop skills in management.

### What kind of work can I do?

Because of the size and diversity of the sector there are numerous areas that can be worked in.

#### Transport

[People 1<sup>st</sup>](#) defines nine specific industries within passenger transport:

- aviation – for specific roles see [air cabin crew](#), [air traffic controller](#), [airline pilot](#);
- bus and coach;
- UK waterways;
- rail;
- light rail and metro;
- taxi and private hire;
- community transport;
- driver training;
- transport planning – for specific roles see [passenger transport manager](#) and [transport planner](#).

#### Logistics

Industries that are covered under logistics relate to the moving, supplying and storing of goods. They include:

- air freight;
- driving (road haulage);
- postal services;
- removals;

- sea and rail freight;
- storage and warehousing;
- wholesaling.

For more information on the above areas of logistics see [Delivering Your Future](#).

Specific roles that fall within logistics include [freight forwarder](#), [logistics and distribution manager](#), and [warehouse manager](#).

There are various functions that you can perform in the above areas of transport and logistics, they include:

- planning;
- strategy;
- management of people, projects, functions and products;
- finance;
- marketing;
- customer service;
- engineering;
- research and development;
- information technology;
- health and safety.

Some of the larger graduate training schemes across the sector allow you to sample different departments to get an overview of the company and the key skills required in various roles.

## **What's it like working in this industry?**

- Transport and logistics exemplify the 24/7 culture. Some, but by no means all, roles require shift work including evenings, nights and weekends. In addition, depending on the role, travel may be a regular feature both locally, nationally and even internationally.
- There are many factors that affect the industry and that will continue to have an impact in the future. They include: environmental issues, sustainability, IT, state of the economy, fuel costs or a decrease in the world supply of fuel, changes in the sourcing of overseas products, social inclusion, global tourism trends, legislation and funding.
- Graduate initial salaries can range from £15,000 to £18,000 and may be double this at managerial level. It may be possible to reach a management position within five years. (The Chartered Institute of Logistics and Transport (CILT) UK, 2012).
- The UK logistics industry is worth over £96billion to the UK economy each year and employs around 2.3 million people in over 188,000 companies. Approximately 8% of the UK workforce is employed in logistics (Delivering Your Future, 2012).
- Wholesaling employs the greatest number of people in logistics with 41% of the workforce. The postal service is the second largest logistics employer with 14% of the workforce, while driving (road haulage) accounts for 13% of the workforce. A quarter of the value of all transported goods in the UK is carried as air freight (Delivering Your Future, 2012).
- The UK passenger transport industry contributes approximately £23.6billion to the UK's GVA. Passenger transport employs around 735,000 people in the UK and is critical to the UK economy. Four sectors within passenger transport dominate the industry, they are: bus and coach, taxi and private hire, rail, and aviation. Together they account for 88% of the passenger transport industry (People 1<sup>st</sup>, 2012).

- 78% of the passenger transport sector is male, although there are variations within the sector, e.g. only 13% of taxi drivers are female but 79% of air travel assistants are female. There is also a significant gender imbalance in logistics, with 76% of the workforce in England being male (People 1<sup>st</sup>, 2012 and Skills for Logistics, 2010).
- 18% of the passenger transport industry would describe themselves as being from a black, Asian, or ethnic minority background compared to 9% in the logistics industry (People 1<sup>st</sup>, 2012 and Skills for Logistics, 2010).
- There are opportunities to work all over the UK in most divisions of transport and logistics with increasing opportunities to work globally.

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## Entry and progression

### How do I find a job?

Transport and logistics sector jobs are advertised all year round through various channels including company websites, careers services, recruitment agencies, national and local press, graduate directories and local authority departments. There are also specific websites dedicated to transport and logistics, including:

- [Aviation Jobsearch](#);
- [Careers in Logistics](#);
- [CILT – Appointments Online](#);
- [Flightglobal](#);
- [Jobs in Transport](#);
- [Logistics Manager](#);
- [Planning Resource Jobs](#);
- [Supply Chain Online](#).

Essential background reading about the industry, careers, qualifications and current issues that can help with sourcing a job are available from professional bodies and sector skills councils such as:

- [Chartered Institute of Logistics and Transport \(CILT\) UK](#);
- [Department for Transport \(DfT\)](#);
- [People 1<sup>st</sup>](#);
- [Skills for Logistics](#);
- [Transport Planning Society \(TPS\)](#).

Graduate training schemes are available with some large employers and are typically in the areas of freight forwarding, logistics and distribution management, transport planning and passenger transport management. The training schemes usually work on a rotation basis, allowing trainees to experience different areas of the business. Recruitment onto the schemes is usually carried out at certain times of the year (typically with a September start date) and early applications are advisable. Check specific companies' websites for further details.

Speculative applications are accepted in the transport and logistics industry and may be particularly useful with small companies who may not have large recruitment budgets. Be sure to express the sort of role you are interested in and ask to be kept on file in case any suitable positions arise.

## What skills do I need?

[Skills for Logistics](#) and [People 1<sup>st</sup>](#), the two sector skills councils for logistics and passenger transport, report skills shortages within the sectors. These are in various areas and include technical, practical and IT skills. The [National Skills Academy for Logistics](#) can help employees to gain required skills and advises employers on training schemes.

Skills that employers look for in the logistics and transport sector include:

- good communication (written and verbal);
- teamwork skills;
- analytical problem solving skills;
- ability to multitask;
- ability to work under pressure;
- customer service skills;
- people management skills;
- good organisational and planning skills.

You should also be willing to take on responsibility early. Solutions do not happen overnight so you need to appreciate that projects you have worked on may continue to impact on society for years. The ability to see the bigger picture and the broader impact of your decision making is essential.

Specific degrees are available in logistics and transport/distribution management and for some roles a degree in this area may be an essential requirement. However, this is a multidisciplinary industry and the skills and knowledge required can be extremely varied. This means that degrees in many different subjects can be useful including engineering, economics, marketing, IT, business studies, mathematics, languages and HR.

Transport and logistics is an industry that is fairly accessible to those without a degree or HND and it may be possible to start at a lower level and work your way up. However, having a degree or HND can be a good demonstration of the relevant skills you possess and can help set you apart from the competition. Certain qualifications are also required for management positions and having a degree or other higher education qualification can help you to reach these roles quicker.

## Where can I find work experience?

Employers value relevant experience as it not only shows your capability and skills in the area but also demonstrates your interest and commitment to the industry.

Sandwich degrees are available in relevant subjects such as logistics and supply chain management, and transport management and logistics. These courses allow the student to spend a year in industry, acquiring the practical skills to accompany the theory they learn on the course. They can be extremely useful in demonstrating what it would be like to work in the sector and may lead to extra work experience afterwards and potential job offers.

Other related work experience, such as warehousing, customer service, administration or general management would be an advantage. This may be achieved through part-time or temporary work and would demonstrate that you have skills in teamwork and communication.

You could also get in touch with logistics or transport companies to see if they offer periods of work experience or opportunities to work shadow their employees. When enquiring about this make sure you specify your interest in the area and be clear about your availability.

## **Is postgraduate study useful?**

Entry into the transport and logistics industry does not require a postgraduate qualification; however they are particularly useful for career progression, especially if you want to reach management positions.

A relevant Masters degree or other postgraduate qualification may enable you to enter at a higher level but it is also possible to carry out further study once you are in a role. Specific subjects vary depending on the area of the sector you wish to work in but may include general business courses such as the Masters in Business Administration (MBA) or specific transport and logistics qualifications. The [Chartered Institute of Logistics and Transport \(CILT\) UK](#) offers a number of relevant professional qualifications, including:

- Level 2 Certificate in Logistics and Transport – aimed at new entrants to the profession;
- Level 3 Certificate in Logistics and Transport – suitable for those in junior management or supervisory positions;
- Level 5 Professional Diploma in Logistics and Transport – designed for graduate entrants and managers;
- Level 6 Advanced Diploma in Logistics and Transport – for those in middle management wanting to move into a more strategic role.

Many companies will support their employees through these qualifications.

## **How can my career develop?**

There are many opportunities to reach supervisor, management or director levels within the transport and logistics industry. In large companies or local government, career paths are likely to be structured with defined training routes or qualifications that lead to promotion. Smaller employers may not have a specific career pathway and promotion is likely to come with experience and increased responsibility.

In all areas, continued professional development is an important aspect of the role and will help with career progression. Professional bodies such as the [Chartered Institute of Logistics and Transport \(CILT\) UK](#) and the [Transport Planning Society \(TPS\)](#) offer help and support in professional development and training and have dedicated sections on their websites.

In some sectors of transport and logistics it may be necessary to move locations or employers in order to progress. You may also want to experience different modes of transport or to specialise in a particular niche area. Due to the nature of transport and logistics work, many large companies have international offices or connections with overseas companies and so working abroad may be possible.

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## **Typical employers**

The main professional body for this diverse sector is the [Chartered Institute of Logistics and Transport \(CILT\) UK](#) but many other organisations and examining bodies are involved. More information about these sectors can be found on the websites of the two sector skills councils - [Skills for Logistics](#) and [People 1<sup>st</sup>](#).

## Big players

- Central and regional government and local authority schemes, for example: the Department for Transport via the Civil Service Fast Stream, the Highways Agency, local authorities including Transport for London, and the armed forces.
- Transport consultancies.
- Airport authorities: such as BAA, employ graduates although they tend to have few specific graduate opportunities. Some individual airports offer graduate schemes.
- Airlines: British airlines and international carriers including British Airways, Ryanair, Flybe, Tui and freight airlines such as TNT and DHL.
- Network Rail.
- Passenger transport companies: such as Go-ahead, National Express and First Group, running buses, trains and trams.
- Third-party logistics (3PL), freight forwarders and shipping companies: e.g. Exel/DHL, TNT, Maersk, Allport Ltd, Stobart Group, Kuehne + Nagel, and Freightliner.
- Postal services – with Royal Mail being the largest employer.
- Supply chain logistics, including manufacturing and retail companies, which offer logistics graduate schemes, sometimes described as distribution or supply chain management.

## Small to medium-sized enterprises (SMEs)

There are many opportunities with small and medium-sized companies in the transport and logistics area. [People 1<sup>st</sup>](#) report that over 97% of the passenger transport industry is made up of micro businesses due to the dominance of taxi and private hire operators. While [Delivering Your Future](#) state that on average in the UK, 83% of businesses employ fewer than 10 people.

This means that although the big players in the industry account for a large percentage of the workforce, you should also consider the smaller, independent companies when looking for a job. They will be available in areas such as road haulage, removal firms, storage and warehousing, transport consultancies and private hire operators.

These smaller companies are less likely to offer graduate training schemes and career progression may be less structured. However, it is likely that you will be able to take on more responsibility from an early stage and you might also have the opportunity to work in a variety of different areas within the company. These small enterprises typically advertise vacancies on their own company website, in the local press or through networking and word of mouth.

## Self-employment

Self-employment is not widely possible across the whole of the sector but it is available in certain areas. With experience it is possible to become self-employed as a consultant offering expertise across parts of this sector, including transport planning and passenger transport.

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## Opportunities abroad

It is possible to work for a passenger transport organisation, such as an airline, ferry or coach company and to work, at least some of the time, in one or several countries.

It will be easier to find work in the European Union where there are no visa restrictions but roles in other countries are possible, especially if you work for a company with a worldwide presence.

British transport planners are valued across the globe, as other increasingly congested countries try to grapple with burdens on their travel networks and devise integrated transport solutions or improve their basic infrastructure.

An increasing number of manufacturing, retail and third-party logistics (3PL) organisations are expanding into other parts of the world with large distribution centres or stores. This is most significant in Europe (particularly the newer member states in Eastern Europe), the Middle and the Far East but also includes other global regions. Examples of international companies include Kuehne + Nagel, a global logistics provider that has 900 locations across 100 countries; CEVA Logistics, a global supply chain management company with facilities in over 170 countries; Freightliner, a leader in rail freight which operates in the UK, Poland and Australia; and DHL which operates in the international express and logistics industry and links more than 220 countries and territories worldwide.

Not surprisingly, the areas with most activity tend to be those experiencing the fastest economic development.

The transport sector in Europe plays a significant role in its economic development and there are increasing moves to make Europe's freight and passenger movements more integrated both in terms of modes and country.

Around the world, transport is seen with varying degrees of importance. Small, densely populated countries such as Singapore invest heavily in public transport systems, whereas the private car is seen as a right in the US and investment in public transport is low.

## Will my qualifications be recognised?

The [European Higher Education Area \(EHEA\)](#) aids the transferability of qualifications across the 49 countries which are involved in it. The Bologna Process aims to standardise qualifications so that any UK qualification can be easily compared to others from participating countries.

You can also contact [ENIC-NARIC](#) for information on the recognition of your qualifications in other countries.

Many of the professional qualifications, such as charterships and the certificates and diplomas offered by the [Chartered Institute of Logistics and Transport \(CILT\) UK](#) will be recognised overseas.

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## Future trends

The main issues within transport and logistics are concerned with reducing congestion and environmental impact, supporting the economy, improving accessibility and public transport, and improving safety and security.

## Sustainability and economy

Transport and logistics companies need to be looking for ways to develop sustainable services that cause less harm to the environment while also saving costs. This is a big task especially with rising fuel costs and passengers and customers wanting an improved service without having to pay more.

Certain schemes do exist to help with this and companies are looking at their own solutions. The Fleet Operation Recognition Scheme (FORS), established by Transport for London, aims to help and encourage operators to work towards a safer, greener and more efficient haulage system. Having started in London, other regions are now looking at taking on this scheme.

Volvo has created an auto-pilot system for commercial vehicles that takes over gear-changes, throttle and brakes on gradients to ensure it is all handled in the most fuel-efficient way. It is believed that this method could cut fuel consumption by up to 5%.

Meanwhile UPS has started to use plastic-bodied delivery trucks which are reported to be 40% more fuel efficient than their previous diesel trucks.

Aerospace companies are also looking at ways to make aircraft more fuel efficient due to the rise in fuel prices. Airbus has developed the A320neo (new engine option) and Boeing has developed the 737 Max, both of which incorporate new efficient engines that reduces the amount of fuel consumption and lowers operating costs and noise production.

Transport planners need to be aware of sustainability issues and need to consider matters such as social inclusion, air quality, crime and security.

Transport is a significant contributor of carbon dioxide emissions. This is likely to keep up the momentum for more sustainable forms of transport development and continuing research into production of cleaner fuels and vehicles.

The government has introduced the Local Sustainable Transport Fund which is delivering over £1billion of investment into sustainable travel across England. It hopes to demonstrate that economic growth and carbon reduction go hand in hand.

## Legislation

Public Private Partnerships (PPP) are where a public sector authority and private sector company have a contract to provide a certain service together. This type of privatisation is increasing in transport as it is a way of funding large-scale initiatives. Now virtually all of the bus industry is privately owned and the National Air Traffic Services (NATS) and the Channel Tunnel Rail Link (CTRL) are also PPPs.

The way that freight is transported is subjected to increasingly complex international legislation. There is potential for more pressure to source 'local' products to reduce the carbon footprint and use alternatives to road transport such as rail and waterways.

## Security

Terrorism threats will continue. New technologies in frontline security measures, already seen at airports and ports, are likely to be tested and introduced on rail and underground systems. These steps, designed to reduce the threat of terrorism, are accompanied by new methods to deal with it if it does occur.

Some countries are following mutual recognition agreements for air cargo security. Agreements exist between the European Union, Switzerland and the United States to recognise each other's security regimes. The International Air Cargo Association believes other countries should follow this lead.

## Technology

Technological developments have wide-reaching impact, from real-time information for public transport users direct to their hand-held devices to fully automated distribution centres and 'intelligent' stock level systems.

The increasing cost of fuel is beginning to create a greater dependency on IT in order to increase efficiency and drive down costs in a hugely competitive sector. New entrants to the sector will need to embrace IT and how it can help to achieve solutions.

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## Jargon buster

- **3PL** - third-party logistics.
- **BAA** - British Airports Authority, a leading airport operator.
- **CAA** - Civil Aviation Authority.
- **CILT** - Chartered Institute of Logistics and Transport.
- **CTRL** - Channel Tunnel Rail Link.
- **DBFO** - design, build, finance, operate.
- **DfT** - Department for Transport.
- **DSA** - Driving Standards Agency.
- **FORS** - Fleet Operation Recognition Scheme.
- **Hire and reward** - third-party logistics.
- **NATS** - National Air Traffic Services.
- **Pax** - shorthand for passengers.
- **PCV** - passenger carrying vehicle.
- **PFI** - private finance initiative.
- **PLG** - private and light goods.
- **PPP** - Public Private Partnership.
- **TIACA** - The International Air Cargo Authority.
- **TPS** - Transport Planning Society.

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