TRANSPORT DECISIONS OF CERTAIN FIRMS
IN THE BLACK COUNTRY

By W. R. Cook

This article sets out the results of an enquiry into the transport decisions of some of the larger firms in the Black Country.

THE AIM OF THE ENQUIRY
The intention was to investigate the transport requirements of the firms as they appeared to their own transport managers, and to examine the various forms of transport chosen by them and how their decisions were arrived at. It is important to know this in order to judge how firms will react to changes in transport policy, and to make a proper assessment of policy. A particular objective was to discover the reasons for the declining use of rail transport and for the general hostility believed to exist towards the railways.

BRIEF SUMMARY OF CONCLUSIONS
It must be borne in mind that all the firms studied belonged to one geographical area, that all were relatively large, and that the range of their business activities was limited. But there is no reason to suppose that they are less logical in their business organisation and decision-making than firms elsewhere or smaller firms.

1. The decision-making process did not conform closely with what might be expected by a student of the classical theory of the firm.

2. The observed differences could be only partially explained. The historical development of the firm and the personal qualities of managers are significant factors in explaining these differences.

3. While transport costs are important, they are not always a decisive factor.

4. The variations in quality of transport service are more important to some firms than to others, and are not normally thought of in money terms. These differences are important, but there is not the infinite variety in transport requirements which is sometimes suggested.

5. There is an element of inertia which leads a business to continue with established practice until some new factor arises.
6. The transport department is, in general, considered of rather less importance than the production, marketing and purchasing departments, and receives rather less attention. There is a feeling that profits are not made in the transport department, though they may be frittered away there. But the amount of attention paid to transport varies from firm to firm.

7. There is wide variation in the ability of transport managers and persons responsible for running transport, and the calibre of the people involved does not always reflect the size, complexity and importance of the firm’s transport problems.

THE METHOD OF OBTAINING INFORMATION

The Black Country is defined as the West Midland conurbation excluding the city of Birmingham. The area is covered almost entirely by the new county boroughs of Dudley, Walsall, Wombourne, and Wolverhampton. Information was obtained from interviews in depth with the persons responsible for transport in 29 organisations, covering 33 firms selected from a list of the 81 largest firms in the area. Although the enquiry covered only 40 per cent of the listed firms, the coverage of “metal using” and “engineering” classifications was over 90 per cent. The selection of firms was not random in the technical sense. The firms approached first were those with whom contact could be easily established through personal acquaintances. This may have introduced a slight bias towards the east of the area.

Interviewing started in the autumn of 1964 and was completed in the spring of 1966. All the interviews were conducted personally by the writer. They were based on a prepared schedule of questions, intended to give the interviews direction and to facilitate summaries and comparisons of answers, but also designed to encourage “open ended” comment. This was valuable because it was not always clear in advance what questions would be most interesting, and the approach helped to secure that issues were not prejudged by the formulation of the questions. The questions are reproduced in the Appendix (pages 341-4).

Some firms were members of a group. These were all separate production units and had separate management organisations, and most had been independent firms in the past. A few were members of a group with other firms in the Black Country, e.g. G.K.N. and Tube Investments. Sometimes the person interviewed had responsibilities for group transport beyond the particular firm in which he worked, and in the Birmid Group there was a transport company, W. J. Chatwin Ltd., which covered several firms. In other cases the transport manager of the firm visited had responsibilities for other firms in the group which were outside the area or too small to appear on the list.

THE FIRMS

Size

The table below shows the number of employees in the organisations covered by a transport manager or superintendent. This means that some of the firms are grouped.

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Table I

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 1,000</td>
<td>5</td>
</tr>
<tr>
<td>1,000—1,500</td>
<td>4</td>
</tr>
<tr>
<td>1,500—2,000</td>
<td>9</td>
</tr>
<tr>
<td>2,000—4,000</td>
<td>9</td>
</tr>
<tr>
<td>No satisfactory answer</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>29</td>
</tr>
</tbody>
</table>

One firm had only 300 employees. This showed a sharp decline since its inclusion in the Ministry of Labour classification as having a minimum of 750 employees; but the reason for the change was reorganisation of productive method, not reduction of output. In fact the output of the firm had increased. The case illustrated the fact that the number of employees is not an entirely satisfactory indication of the size of a firm's transport problems. Some work is labour-intensive by its nature. For example, pattern making for castings used a great deal of labour in proportion to both physical volume and value of output. Moreover, two firms making the same product may have quite different ratios of labour to output if the capital equipment of one is more modern.

Another indication of the size of firms and of their transport problem is given by the weight of goods moved.

Table II

<table>
<thead>
<tr>
<th>Goods moved outwards</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons</td>
<td></td>
</tr>
<tr>
<td>Under 10,000</td>
<td>1</td>
</tr>
<tr>
<td>Over 10,000 under 50,000</td>
<td>12</td>
</tr>
<tr>
<td>Over 50,000 under 100,000</td>
<td>2</td>
</tr>
<tr>
<td>Over 100,000 under 220,000</td>
<td>5</td>
</tr>
<tr>
<td>Over 220,000 under 400,000</td>
<td>2</td>
</tr>
<tr>
<td>No information</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>29</td>
</tr>
</tbody>
</table>

Several firms were unable to give aggregates of tonnage because of the wide range of their products. Most firms producing tubes did not give tonnage because it would be misleading from a transport point of view, and they were unable or unwilling to give the value of the output. One firm mentioned 2,000 small electric motors per week, but the significant fact was that these were despatched to a variety of destinations packed in wooden cases, each weighing under a ton. A firm producing baths gave 12,600 units for a four-week accounting period.

In the middle ranges there is a fair degree of correlation between tonnage and
value, but there is wide variation at the extremes. Consequently neither Table I nor Table II can be accepted alone as an index of the size of the transport problem.

The Products of the Firms Visited

Most of the firms produce a range of products presenting several different types of transport problems. A typical case is a firm which produces springs, which are packed in cartons and sent as parcels, and also makes castings requiring quite different transportation.

A feature of Black Country industry is its flexibility: there is a tradition of switching to new products as profitable opportunities arise or as demand for other products declines. An interesting case is Accles & Pollock, who traditionally make steel tubes for industrial purposes. Since the Second World War they have developed a line in sporting goods, such as fishing rods, golf clubs and ski sticks, which are sold to the public through normal distribution channels.

Thus, even where the aggregate output is large, the amount to be dealt with in a particular way may be much smaller. Another factor is that most firms have many customers in different parts of the country and overseas. This again means that, although goods are sent out continuously, a great deal goes out in quite small consignments. The tendency is further strengthened because motor assembly firms, the ultimate customers for a good deal of the output, have a practice of keeping minimal stocks and requiring frequent deliveries at precisely specified times.

Nine of the organisations supply components direct to motor assembly firms. The products include pressings; castings in steel, iron and aluminium; nuts, bolts, screws and other fastenings; springs and forgings, especially connecting rods, crank shafts and axles.

Two firms make steel, but others melt down scrap to provide steel for castings and forgings, and some do further work in steel, especially steel tubes. More than half the firms are engaged in the manufacture or processing of steel—sometimes for their own use, sometimes for sale, but usually for both. The pattern of production is constantly changing. Consequently transport requirements also change, and adaptability is highly valued.

Table III shows the main activities of the firms classified as final goods, components and processing. "Final goods" includes items like household balances, baths,

<table>
<thead>
<tr>
<th>Table III</th>
<th>Main activities of firms studied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main final activity sold to customers</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Final goods</td>
<td>12</td>
</tr>
<tr>
<td>Components</td>
<td>15</td>
</tr>
<tr>
<td>Processing</td>
<td>2</td>
</tr>
</tbody>
</table>

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sporting equipment and domestic appliances, all destined for the general public, and items like weighbridges, generators, steel towers, etc., sold to industry. "Components" include forgings and castings and various forms of partly manufactured steel, and also fastenings, although some of these are ultimately sold to the general public.

**Destinations of Goods Despatched**

The destinations of the final products cover most parts of the country. Export items often go to the Mersey ports and to Goole. One or two firms send more north than south, but the general picture is of distribution to all the main areas of population and industry. This fact is important, because the absence of any large volume going to a single destination is a factor in the widespread preference for road haulage rather than rail.

**The General Approach of Transport Managers**

After the preliminary questions outlining the general context in which decisions were made, each person interviewed was asked about the main transport requirements of his firm and the relative emphasis on cost, reliability and service. Several refused to distinguish between cost, reliability and service, saying that a good transport manager should be able to balance the three elements, or in effect that they were not seen as alternatives. The service requirement would be determined (not necessarily explicitly) by higher management's assessment of the market. If customers needed delivery within a certain period, or at a certain time of day, this became part of the transport specification, and the cost of alternative methods would not be considered unless they could meet the delivery requirement. Similarly, if the goods required protection against the weather or special handling to avoid damage, only those forms of transport which could meet these requirements were considered.

Subject to these requirements, the transport manager would try to minimise his cost or at least to achieve acceptable cost. Occasionally he might point out that the extra cost of meeting delivery times was high, and customers might be asked to pay the extra cost of special delivery; but these were unusual and non-recurring cases. Where the requirement was regular practice, or where an important customer was to be satisfied, the matter was outside the transport manager's province. His job was not merely to move so many loads to certain destinations, but to meet specified delivery times and to arrange the form of transport which would avoid damage, keep production lines clear or do whatever was specified.

Subsequent questions showed that even amongst those managers who spoke of cost there were several who lacked the information to assess the cost of their decisions.

**TRANSPORT INWARDS**

The firms approached fell into three groups:

1. Seven firms had no responsibility for the inward movement of factor inputs.
2. Eleven were only concerned with transport inwards of small amounts or at irregular intervals.
3. Eleven took considerable interest in transport inwards.
Where transport meant exclusively transport outwards, the buying department was responsible for buying at a delivered price, the supplier being responsible for arranging delivery. The seven firms in the first group are not to be distinguished from the other groups either by size or by type of product. All the firms in this group had their own “C” licence vehicles. When these firms were asked whether it would be of any benefit if their “C” licence vehicles were not restricted to carrying their own goods, one said “Definitely yes”, three were doubtful, and three gave definite negatives. In one case the supplier used specially strengthened vehicles to carry ingots, with the weight concentrated in a small area, and it would be uneconomic for the firm’s own vehicles to be strengthened in this way. Moreover, the supplying firm was geared to delivery and found it more convenient.

The firms in the second group, which only occasionally undertook transport inwards, were concerned either with special situations or emergencies or with small consignments which could conveniently be carried on return journeys.

Eleven transport departments (covering fifteen firms) were regularly concerned with transport inwards. The steel firms were concerned with transport of raw material, even though much of it was bought at a price to include delivery. They were concerned about the progress of consignments, and also had a financial interest where materials were bought ex-ship or ex-quarry. For some basic raw materials the cost of transport was higher than the ex-quarry price. One firm was regularly responsible for carrying its own supplies of coke. Another group had a standing instruction that the transport department should inform the buying department if it could collect, as collection by the group secured a deduction from the price of between 10s. and 25s. per ton. The proportion of goods carried by the group’s own vehicles was, however, not more than 10 per cent of annual purchases, though it was expected to increase.

One case of particular interest was a group making iron and aluminium castings and rolling and extruding alloys. The group had a separate transport company, with its own board of directors, responsible for running a fleet of its own vehicles and arranging transport by independent hauliers. The aim was to get the most efficient use from the group’s own vehicles, and the percentage of empty running was comparatively small. But the group’s own vehicles carried only 5 per cent of materials coming in as against 50 per cent of the goods sent out. The return journeys were used for returning pallets and stillages which would have to be brought back one way or another. This case shows that, even when there is a separate transport company positively seeking return loads, the amount of purchases that can be transported in vehicles returning from delivery of sales may be quite small. It suggests that the practice of buying at a price which leaves the seller responsible for deliveries may not be uneconomic.

Clearly there are obstacles for firms making their own arrangements about delivery. The licensing restrictions are probably not very important, but the management problems are formidable, and it is not worth while to become involved with them unless there are substantial benefits, direct or indirect. The normal practice of quoting delivered prices does, of course, conceal the transport cost and so make it more difficult to assess the potential saving. It is, however, very difficult to provide satisfactory costs for each journey, and a substantial change in costing practice would be necessary if separate transport charges were to be quoted for each consignment.
INTERNAL TRANSPORT

Internal transport was investigated to see whether it had any bearing on the firms' external traffic.

Internal transport moves traffic between sections of a factory. Where one factory is supplying another, this is "external transport" even if both factories belong to the same group.

The vehicles most commonly used were fork lift trucks, dumper trucks, mobile cranes, and some conventional lorries. Often the vehicle had a "C" licence because it was used on public roads crossing the works. In a few cases old "C" licence vehicles were used internally for the disposal of waste products. Managers seemed happier about old vehicles when they knew their maintenance history, but no doubt suitable second-hand vehicles could be bought outside.

Internal vehicles need maintenance facilities on the premises for immediate action in case of breakdown. These same facilities could often be used for maintaining the firm's own external fleet at very low extra cost, and control would be better than if outside garages were used. This is one reason why "own fleet operation" was frequently defended as being cheaper, as well as giving greater control and more convenience.

TRANSPORT OUTWARD

By far the most important aspect of transport for the firms visited is delivery to customers. All the firms were responsible for the transport of goods leaving their works more or less continuously throughout every day. Some referred to bunching of traffic towards the end of the week. Week-end despatch, except to deal with special situations, was found only where week-end working was normal and the factory was on a shift basis.

Charging for Delivery

Seventeen firms said they quoted only delivered prices. The other twelve said delivered prices were normal but gave exceptions, e.g. delivery without charge if the order was over a specified sum. The lowest sum mentioned was £25 and the highest £55. One firm stipulated half a ton as the minimum delivered without charge.

For relatively small amounts there was an explicit charge from outside agencies such as the Post Office, British Road Services or British Rail, and, although this was paid by the firm sending the goods, the cost could be invoiced to the customer. In exceptional cases the customer agreed to pay the extra cost of express delivery when he needed the item in a particular hurry. Where the firm's own vehicles were used, transport costs of delivery were treated as an overhead and not related to particular customers. Two firms mentioned government contracts as exceptions to the general practice of charging an overall price which included delivery.

Cost of Transport relative to Value of Goods Moved

Firms were asked to estimate the cost of transport outwards as a percentage of the value of the products. For a number of reasons this was not easy. Where a firm marketed a range of products there could be wide variation in value and cost,
and where the products were marketed throughout the country costs varied between customers. In some cases it was not possible to obtain any meaningful figure. The results are summarised.

**Table IV**

*Transport costs in relation to value of products*

<table>
<thead>
<tr>
<th>% of costs of transport outwards to ex-works cost</th>
<th>Number of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Over 5</td>
<td>1</td>
</tr>
<tr>
<td>No meaningful average</td>
<td>10</td>
</tr>
<tr>
<td>Median 3%</td>
<td>29</td>
</tr>
</tbody>
</table>

Perhaps the most significant fact about these results was the lack of precision in the answers. It was clear that transport managers were not very much aware of the importance of transport in the cost of the various products they were moving. Where they had an idea of transport cost, it was a general average which masked wide deviations.

No doubt it would be different if transport costs were relatively larger. An example was the purchase of gravel for motorway construction. Here the transport costs were more than ex-quarry costs, so that transport costs were decisive and the market for a particular quarry was rigidly limited. As distance increased, the delivered price rose sharply and became uncompetitive. In iron ore too the transport charges exceeded the ex-quarry price.

Some transport departments had very little cost information available and saw their work as organising the moving of certain physical tonnages, making up loads, and keeping customers satisfied. Even where transport managers did take account of cost, they tended to see it in relation to the total budgeted cost of their department rather than in relation to particular consignments or traffics. There was a tendency to talk about transport primarily in terms of service to the customer and only secondarily, if at all, in terms of cost. The implications of this are discussed below in connection with the preference for road rather than rail as a medium of transport, and for own fleet-operated vehicles rather than independent hauliers.

The smallness of transport cost in proportion to the value of the product does not exclude the possibility of worthwhile economies. In some cases, particularly in processing, the value added by the firms was much less than the value of the final product. More than one transport manager claimed to have made changes that had saved his firm more than his own salary. None the less, with managerial talent difficult to find and probably expensive, it is rational for firms to use what they have where it can make most impact; and from this point of view marketing, production
management, and material buying all have some claim to preference over the transport department.

Customer Requirements in Transport – and their Effect on the Railways

Firms were asked whether customers specified a particular type of transport, and what were the reasons for their choice. Eleven said “No”, eighteen said “Yes”. In some cases customers had good reasons in their receiving facilities for specifying not only road haulage but the maximum size of vehicles. Others, notably the motor assembly firms, specified a very precise time of delivery. This meant road haulage because the railway could not offer the necessary degree of reliability.

There is still a large amount of “bad will” towards the railways. Some of this is rational, being based on experience of trouble and of the inconvenience of slow and unreliable deliveries, but more than one transport manager described some of his customers as “cranks”. Transport managers as a group are probably more aware of the changes in the transport world than their customers. This antipathy to the railway suggests that, when British Rail modernise their freight services and improve speed and reliability, it is likely to be some time before they get all the traffic which might be expected.

Damage to Goods

Twenty-three firms said that damage did matter to them and, therefore, that this aspect of service was important. There is no a priori reason why outside haulage agencies, whether road or rail, should not be able to preserve loads from physical damage, but there is a widespread belief that the firm’s own fleet of vehicles offers the best control, and that a small haulier, to whom the firm is an important customer, is the next best.

Relative Importance of Rail and Various Types of Road Transport

Firms were asked to give proportions of traffic sent by rail and by three main types of road haulage. The results for goods outward and inward are summarised separately in Table V.

<table>
<thead>
<tr>
<th>Type of Transport</th>
<th>Frequency as major agency</th>
<th>Frequency as second significant agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road haulage by independent haulier</td>
<td>15%*</td>
<td>10</td>
</tr>
<tr>
<td>(including B.R.S.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road haulage by independent haulier</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>under contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road haulage by firms’ own vehicles</td>
<td>10%*</td>
<td>10</td>
</tr>
<tr>
<td>Rail</td>
<td>4%</td>
<td>5</td>
</tr>
</tbody>
</table>

*Notes: One firm gave 45\% independent road haulage 45\% rail
One firm gave 47\% independent road haulage 47\% own fleet
One firm gave 50\% independent road haulage 50\% own fleet
(b) For goods inwards

<table>
<thead>
<tr>
<th>Type of transport</th>
<th>Frequency as major agency</th>
<th>Frequency as second significant agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent road haulage</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Rail</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Own fleet</td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td>No answer</td>
<td>14</td>
<td>22</td>
</tr>
</tbody>
</table>

The tables reflect the fact that firms are more concerned with transport of goods to customers than from suppliers, and that transport managers are not usually concerned with incoming transport.

The preponderance of road transport over rail is unmistakable. Only one firm gave rail as its major agency for goods outwards; this was a firm supplying to the government, which specified rail transport and paid separately for it. Another major customer of this company is British Rail itself. For goods inwards rail carries a larger proportion, but still less than road transport.

### Table VI

*Number of firms using the four major agencies for goods outwards, and the percentage moved by each*

<table>
<thead>
<tr>
<th>Independent Haulier &quot;A&quot; Licence</th>
<th>Independent Haulier Contract &quot;A&quot; Licence</th>
<th>Own Fleet &quot;B&quot; or &quot;C&quot; Licence</th>
<th>British Rail</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% No. of firms</td>
<td>% No. of firms</td>
<td>% No. of firms</td>
</tr>
<tr>
<td>Less than 25%</td>
<td>8 Less than 30%</td>
<td>6 Less than 25%</td>
<td>5 Less than 10%</td>
</tr>
<tr>
<td>25—60%</td>
<td>15 30—65%</td>
<td>3 40—60%</td>
<td>7 10—19%</td>
</tr>
<tr>
<td>Over 60%</td>
<td>3 Over 65%</td>
<td>2 Over 60%</td>
<td>8 20—40%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4 45%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| No. of firms using form of transport | 26 | 9 | 26 | 26 |

Table VI supplements Table V and confirms that rail takes only a small part of despatches, although most firms make some use of it. Parcel post and air freight carry a very small proportion, but this includes samples and urgently needed spare parts, so that its importance is not measured by the value of the packages themselves.

Further questions were asked about the details summarised in Tables V and VI.

**Question:** What changes have there been in the past five years?

- No significant changes 10
- Less use of rail 10
- More use of rail 3
- Less use of independent road haulage 1
- More use of independent road haulage 1
- More use of haulier under contract 2
- More use of air freight 2

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**Question**: What future changes are you expecting?

- More use of rail: 2
- Less use of rail: 2
- More use of own vehicles: 1
- No clear expectation of changes: 24
- Total: 29

Most firms had no positive expectations about the future except that output would expand and alternative means of transport would be judged on their merits.

**Question**: Where an independent haulier is used, has there been any change in the past five years?

- Yes: 4*
- No: 19
- Did not answer: 3
- Did not use independent haulage: 3
- Total: 29

*In three cases a haulier had been dropped for bad service and in one there had been a business reorganisation by the haulier.

**Question**: Do you expect to make use of the liner trains if the service is developed?

Eleven firms showed some interest and had given some thought to the subject. Two firms said "Yes", (although one of these had already said that it did not expect to make either more or less use of rail in the future). Nine others expressed reservations about price, practical difficulties about the type of containers or doubts about customers' ability and willingness to accept them. Some of those not interested explained that their traffic was not suitable, but in some cases it could have been made suitable if there was sufficient incentive for firms to reorganise their deliveries.

**Question**: Has the firm any official policy regarding rail or any particular haulier?

Sixteen said "No". Other firms had various kinds of policies. Firms with a significant fleet of their own usually laid down that maximum use should be made of their own vehicles. Two firms emphasised "service to customers", which in practice meant a preference for road over rail. Three had a definite policy of using contract vehicles rather than vehicles of their own. One had a pro-rail policy (British Rail being an important customer), and one was explicitly anti-rail.

Road has an advantage for short journeys because rail transport involves double handling at both ends (unless there are siding connections); but road also attracts a significant amount of traffic which is apparently suitable for the railways. Some more detailed questions were asked of rail users in an attempt to discover why the railways have not obtained more traffic.
RAILWAYS – MORE DETAILED CONSIDERATION

Three points recurred in answers to questions asked only of those firms who made some use of rail. Times of transit were too long; it was difficult to get details of progress of consignments or proof of delivery; and delivery times were not predictable. These points are closely related. If the transit time is short the question of progress becomes less important and variations in timing matter less. Some firms, however, said they would accept long periods in transit if they could get reliable details of progress and hence some idea of the time of arrival.

Several firms said that on the special speed services, like the “Condor” service to Glasgow, the journey time was short and “absolutely reliable”. There were some cases where speed was a prime requirement; it was particularly important where spare parts were required to put machinery back into operation. In other cases faster transit is preferred because it makes delivery more predictable and reduces the need for information on progress. It is understood that British Rail, Birmingham, is planning to inform London by computer what consignments are on each train, so that firms can find out whether a particular consignment is on a given train. Where goods are urgently awaited and are to be collected by customers this could be a valuable service, but one wonders how important it would be if the standard practice became to accept goods for despatch on a particular train, as with the “Condor” service.

The railways collect containers within a certain radius of the depot at Aston, Birmingham, in the afternoon and guarantee delivery within a certain radius of the Glasgow terminal next morning. There is no doubt that where the traffic is suitable this is a very useful and appreciated service.

Despite the praise for the “Condor” service, there was much criticism of the railways. Although 14 of the 26 firms using rail said (with minor reservations) that they were on the whole satisfied, some stressed that the railways were used only where they gave satisfactory service. For example, one manager was satisfied with the railways for scrap iron but used road haulage for all other goods. The managers most critical of the railways were mainly those who used rail for lack of a better alternative, and could not send by other means the traffic which was not handled satisfactorily.

But several managers spoke of significant improvements in the railways over the last few years. “They really are trying now” was a fairly typical comment.

Railway Prices

The enquiry confirmed what was stated in Reshaping of British Railways, that a large volume of freight traffic apparently suitable to railways was going by road. The railways’ efforts to regain this traffic were frequently spoken of with admiration by transport managers, but these efforts sometimes failed because of price.

Journey Times by Rail

Two to three days was the normal rail transit time; by the special services, Condor, Export Express and Green Arrow, the time was 24 hours or less. But for sundries and small consignments the transit time was much longer, sometimes several weeks. Passenger trains carrying small packages as parcels at a higher charge were generally more satisfactory, but some dissatisfaction was expressed with this service also. Not
Damage to Goods sent by Rail

The highest figure which any one would give for damage to goods sent by rail was 2 per cent, and it was clear that the proportion of goods damaged was not significant for any of the firms covered. Nevertheless, the railways have a bad reputation for damage, partly as a result of traditional methods of handling and shunting. The problem is largely avoided by not sending by rail goods liable to damage.

Alternatives to Rail

The question about the next best alternative to rail was answered with much hesitation. One firm thought customers (steel stock holders) might collect. Some mentioned British Road Services as an alternative for parcels, while others said they would have to expand their own fleets of vehicles to take sundry traffic.

Contracts with British Rail

Ten firms had contracts of some sort with British Rail. Some were simply “agreed freight rates” given in return for a volume of traffic. The usual period was one year, but there was one contract for five years and one for six months. Only one firm had not been approached by British Rail about contracts, but several who were impressed by British Rail’s new willingness to look for business were still unable to use rail because of cost. Some firms with deliveries over a wide field said that rail was unsuitable because the amounts to individual destinations were too small.

Size of Consignments by Rail

Consignment size varied considerably, from small packages and cartons which could be sent by post to loads of 40 or 50 tons. The most common range was half a ton to 2 tons to a single destination.

Concentration of Sundries and Parcels

Ten firms had siding connections, although some used them only for traffic inwards, but the absence of sidings was not considered a problem. The collection service had improved since the concentration of sundries on depots at Walsall, Birmingham and Wolverhampton. “Sundries” are items weighing less than 1 ton and not making a whole wagon load. “Parcels” are generally smaller, but the essential distinction is that parcels are sent by passenger train services. Walsall takes parcels as well as sundries, but several firms which send sundries to Walsall can also use parcels service at Dudley.

Many firms had no alternative to the railways for small consignments, but the service was so inadequate for irregular users that they were encouraged not to send by rail if they could possibly help it. This is probably a factor in the hostility to the railways which is found especially among smaller firms. If the railways are to regain the traffic lost to the roads, an improvement in the sundries and general merchandise services could make its contribution by helping their public relations, even if the traffic itself is not very profitable.

Freight arriving at Walsall was normally cleared and delivered within 24 hours.
Small loads requiring special wagons, *e.g.* long tubes, might have to wait until there was a sufficient load to justify sending the special vehicle, but even then the delay was not more than 5 days. The rail depot contained a small quantity of goods awaiting collection (because of bad packing) or incorrectly labelled. Although an insignificant proportion of the total volume handled, these were possibly the source of some anti-rail accusations, even though the inadequate packing or mis-addressing was the fault of the sender.

**ROAD HAULAGE – MORE DETAILED CONSIDERATION**

The questions asked about rail transport were asked also about road haulage, including both British Road Services and private haulage firms.

The answers were strikingly different. All the firms said that they were satisfied on the whole with the service they received, and few deficiencies were mentioned. Two firms said the hauliers would not get the business if the service was not satisfactory, and others, though less explicit, confirmed that there was intense competition in providing service. Two firms complained of poor delivery and two mentioned difficulty with small loads. One firm had difficulty with loads to Eastern counties. Lack of facilities at the customers' premises was sometimes a problem, but in general this did not worry the dispatching firm. One firm which carries most of its goods in its own vehicles complained of difficulties in getting outside firms to meet requests at short notice.

The answers were, of course, relevant only to the use made of this type of haulage. Apart from British Road Services, independent hauliers were not used much for "sundries" traffic. Whereas some firms were forced to use rail sundries for lack of an alternative, there was not the same compulsion to use independent road haulage, and even less need to stay with a particular haulier. Road haulage was not much used as a residual carrier. This reflects the fact that road hauliers can avoid providing this difficult service, and consequently avoid the displeasure of dissatisfied customers.

**Transit Times**

Most goods reached their destinations in under 24 hours. Some deliveries to Scotland took longer – perhaps up to three days if vehicles made delivery stops on the way. In general, journeys up to 150 miles would permit loading one day for delivery the next. Three firms mentioned parcels and sundries taking up to a week, but even this compared favourably with rail sundries (though the railways have since claimed that they have reduced their transit times considerably).

**Damage to Goods sent by Road**

Loss and damage to consignments were not significant problems to users of road haulage, and this was another factor in the preference for road over rail.

**Contracts**

Fourteen firms had contracts for periods of one to three years with hauliers, but not all these hauliers had current "A" licences. Others had informal arrangements
with particular hauliers. Two firms had changed their hauliers within the last year, and ten more had experienced changes in the last five years.

Future expectations were vague. Fourteen expected to send more goods by road haulage, usually because an expansion of output was expected. Four said less use would be made of road haulage because they were expecting to use rail more. (Two of these had answered the earlier question on rail expectations differently.) The rest either expected no change or had no clear expectations.

**FIRMS OPERATING THEIR OWN VEHICLES**

Table VII below gives the number of vehicles operated by firms.

<table>
<thead>
<tr>
<th>No. of vehicles</th>
<th>No. of firms</th>
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<tbody>
<tr>
<td>10 or less</td>
<td>12</td>
</tr>
<tr>
<td>11—20</td>
<td>5</td>
</tr>
<tr>
<td>21—30</td>
<td>7</td>
</tr>
<tr>
<td>31—60</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>26</td>
</tr>
</tbody>
</table>

It has already been shown (Table VI) that own fleet operation was usually combined with either outside road haulage or rail, or both. Two firms sent 95 per cent of output by their own vehicles. In both cases there were special reasons, one firm requiring specially constructed vehicles and the other demanding special knowledge in the unloading of its product.

**Advantages of Own Fleet**

Firms were asked what advantage they obtained from having their own transport rather than using a specialist haulier. Of the 26 firms, only 9 mentioned cost in their answers. One of these said that cost was the only factor and that a study had shown self-owned transport to be cheaper, given a high utilisation of vehicles. Five other firms claimed that it was cheaper. Of these one said that group operation helped to minimise empty running, and another mentioned the advantage on very short journeys where independent hauliers had been unable to meet the price. The other three firms emphasised better control, leading to better service to customers, and claimed that this was no more costly.

The remaining firms operating their own vehicles did not mention cost, but concentrated on service to customers and control of men and vehicles. There is clearly an advantage in a firm's own employees and vehicles dealing with multiple drops, because it takes time for a driver to learn the locations of customers and the idiosyncrasies of some receiving firms. There are also advantages in packing: for example, a firm delivering crank shafts had special racks on the vehicles which protected the goods from damage without any other packaging at all. And there were advantages if the firm's own staff did the unloading where damage could be caused by mishandling.
Maintenance

Maintenance was another important factor in costs. Only three firms had maintenance done by outside contractors. All the others carried out their own maintenance, though not always under the transport manager's control. A typical maintenance department would be run by a foreman with two or three "fitter-mechanics". The foreman would be responsible usually to the transport manager, but in some cases to the works engineer or works manager. The same department would also service internal vehicles, such as mobile cranes and lifting trucks and any of the firm's cars used by sales representatives or senior executives. Two firms did not do major overhauls themselves, and others sold their vehicles before they needed any major overhaul.

Nineteen firms each had a garage, which was used for lubrication and maintenance of all the firm's vehicles. The amount of storage accommodation varied, but in most cases it was not sufficient for all vehicles. Ten firms had additional parking space for lorries at the works, and one had a special arrangement for outside storage. The others managed to park the vehicles in odd spaces around the works. These mentioned that parking employees' cars was more of a problem than parking lorries. Unless the works was operating on a shift basis, the lorries would need parking space when other work was not going on, so they could be parked on internal roads and in loading bays without inconvenience to production departments.

Empty Running

The questions on empty running raised more difficulties than had been expected. The figures for empty running varied between 3 and 60 per cent, with 50 per cent as the most common. Two quite distinct situations need to be distinguished. One is where a load goes to a single destination and the lorry returns empty. The other is where a lorry sets out on a delivery route which may end in the discharge of the last item quite near its base. In the first case there is at least 50 per cent empty running, and it might seem that this could be reduced and efficiency increased if back loads were possible. Several transport managers thought, however, that the time lost in obtaining back loads would more than outweigh the apparent gain. Some groups were able to organise production to take advantage of these return journeys by group vehicles, but most firms were not interested in being freed to carry for someone else. This view was supported by one haulier with open "A" licences, who said it paid him to get his lorries back from Liverpool and London, if he had other loads waiting, rather than waste time looking for a back load. Drivers' wages were an important part of haulage costs, and time wasted looking for a back load was therefore costly.

One exception to this lack of interest in obtaining back loads was a firm engaged in non-ferrous metal manufacturing. They had a special problem because some of their materials were targets for pilferage, and some of their products needed careful handling to avoid damage. They therefore used their own vehicles and had about 40 per cent of their mileage empty running. They were interested in obtaining back loads if they could avoid the limitations of the "C" licences, notwithstanding possible loss of convenience. They had taken advantage of the lifting of the restriction during the Suez crisis. After the first interview this firm obtained some "B" licences, en-
The Effects of the Motorways

It was easier to get information about the effects of the motorways to date than about likely future effects. Although the M1, M5 and M6 motorways were only partly built at the time, the majority of firms said that they had already benefitted and expected that future extensions would also help. One firm claimed to have saved 1½ hours already on the journey to London, while others said that the M6 saved half a day on the journey to Scotland. Another said that the M6 was already saving an overnight stay on trips to the north. Others spoke generally of time saving, increased predictability and improved service.

The chief criticisms came from seven firms which claimed to be getting no benefit. One had given up using the motorways because of wear and tear on vehicles. Two said that the time saved on the motorway was lost because of the increased congestion as soon as the vehicles got off the motorway. Two said they were losing the benefit of quicker journeys by slower turn-round, and two claimed that trade union restrictive practices were depriving them of any benefit. Part of the difficulty was that vehicles had been bought and maintenance schedules compiled before motorway running was an important possibility. The position would improve as new vehicles replaced existing ones.

APPENDIX

Questions Asked

Name of firm:
Name and office of person answering:
Type of business: Manufacturing final products
  Manufacturing components
  Processing
  Other
Size of business: What are the main processes or products?
  What is the number of employees? Staff:
  Works:
Can you say what the annual output of each would be?
Structure of management: Is there one person with overall responsibility for transport or is the function divided?
  If not who is responsible for transport on:
    goods inwards?
    goods outwards?
    internal transport?
Have there been any changes in responsibility in the past five years? If so what?
Are any changes planned for the future? If so what?
If there is a transport manager to whom is he responsible?
What information about transport is supplied to management:
  (a) Regularly?
  (b) From time to time?
What information is obtained from outside haulage firms, British Rail, etc.?
Is there any difficulty in getting information and quotations?
Does the cost office supply any information to the transport department?
What would you say are the main transport requirements of the firm?
How much importance do you attach to cost, reliability, and convenience of service?

Transport Inwards
What amounts of goods are involved?
Are you concerned with transport inwards, regularly or occasionally?
If so, how frequently?
If not, do suppliers quote a delivered price or charge for transport?
Where do deliveries come from?
What information on transport costs is given to your buying department?
Are you purchasing for stock or production?
If for stock, how long would your normal stock last?
Do breakages matter, or other types of physical damage?
Can you give a figure for total costs of materials bought in?

Internal Transport
Is there any?
If so, is it run separately or as part of the transport department?
What vehicles are used?
What labour is used?

Transport Outwards
Are you concerned with transport out regularly or irregularly?
If regularly, how frequently?
Do you quote ex-works prices or delivered prices?
What is the average percentage of transport cost to ex-works cost?
Do any customers specify a particular type of transport? Why?
Do breakages or other physical deterioration matter?
What methods of transport do you use:
   General Post Office; British Rail; Road Haulage; "C" licence fleet; Air?
What would be the next best alternative?

Choice of Transport
Which of the following types of transport are used for goods?

<table>
<thead>
<tr>
<th></th>
<th>Goods Inwards % by Value or Volume</th>
<th>Goods Outwards % by Value or Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Road</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Haulier</td>
<td></td>
<td></td>
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<tr>
<td>Independent Haulier under contract</td>
<td></td>
<td></td>
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<tr>
<td>&quot;C&quot; Licence</td>
<td></td>
<td></td>
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<tr>
<td>Total Proportion by Road</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rail</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods: Sundries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Containers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waggons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Train</td>
<td></td>
<td></td>
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<tr>
<td>Total Proportion by Rail</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parcel Post</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Miscellaneous:</strong> canal, air, etc.</td>
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<td></td>
</tr>
</tbody>
</table>

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What changes have there been in the past 5 years?
What future changes are you expecting?
Where an independent haulier is used, is the same one used as 5 years ago?
If not, why not?
Do you expect to make more use of railways if the Liner Train service is developed?
Do you expect the link up of M1 and M6 to affect your transport?
If so, in what ways?
What transport decisions require the approval of the Board or Managing Director?
Is there any official policy of the firm with regard to rail or any particular haulier?
Does senior management concern itself much with transport?

Questions to Rail Users
Are there any deficiencies in the rail service which matter to you?
Are you on the whole satisfied with the rail service?
How long do goods take to reach their destinations?
Is there much variation in journey times?
What percentage of consignments go astray?
What percentage are damaged?
What would be the best alternative if rail were not used?
Have you any long term contract with British Railways?
If so, for what period?
Have you been approached about long-term contracts?
Are you expecting to make more or less use of rail in the future?
What is the size of your consignments? And how are they packed?
What handling and loading facilities have you at the works?

Questions to users of Road Haulage
Are you on the whole satisfied with the service you get?
Are there any deficiencies in the service which matter to you?
How long do goods take to reach their destinations?
Is there much variation in journey times?
What percentage of consignments are damaged? What percentage go astray?
What would be the best alternative if independent road haulage could not be used?
Have you any long-term contracts with hauliers? If so, for what period?
If not, have you informal arrangements with particular hauliers?
When did you last change your haulier?
Are you expecting to make more or less use of road haulage in the future?
What is the size of your consignments and how are your consignments packed?
What handling and loading facilities have you at your works?

Questions to "C" Licence Operators
What advantages do you get from having your own vehicles rather than using a specialist haulier?
What vehicles have you? (size and value)
Do you maintain them yourself?
What is the cost of maintenance?
What buildings and land are devoted to the vehicle fleet?
Where are vehicles normally garaged?
What are the costs of garaging?
What labour is employed on transport?
How much of the firm's transport is provided by the firm's own vehicles?
What percentage of mileage is empty running?
Are empty cases returned?
If so, is this because vehicles would otherwise be empty?
Would there be any benefit to you if you were not restricted to carrying your own goods?
What staff is concerned with transport?
Is that staff fully occupied?
Is overtime or a shift system normally worked in the transport department?
If journey times were reduced by, say, 10 per cent what use could be made of the time saved?
Is the transport department separately costed?
If so, how are general overheads (especially management, land and buildings) allocated?
Is it possible to estimate the value of the land and buildings used for transport purposes if they were not so required?
What is the cost of the vehicle maintenance department?
How much would it cost to have maintenance done by an outside garage?
What are the principal fixed assets?
What is their cost?
What is their life?
How are they financed?
How are they disposed of?
What is their second-hand/scrap value on disposal?
What costs would be involved if it were decided to abandon the “C” licence fleet and switch to public haulage by road or rail?
Main destinations
Approximate percentages

Sutton Coldfield