



Uptake of Corporate Social Responsibility (CSR) by European SMEs and Start-ups

Good Practice Document



Last Mile Team: pushing for a green and digital transition in transportation with a focus on the Triple Bottom Line



Last Mile Team is a Spanish SME, which uses artificial intelligence, and innovative technological approaches to deliver sustainable transport solutions that work in the COVID-19 era. The start-up, develops inclusive digital solutions to bolster road transport sustainability, efficiency and resilience through solving urban distribution problems. Their inclusive digital solutions enable cities and companies to implement fairer, smarter, and greener urban logistics as well as the last mile delivery models.

Last Mile Team is a relatively young start-up but it already strives to become a catalyst to the green and digital transition within the road transport segment. Specifically, the company intends to address a variety of gaps related to greening and digitalisation in the transportation market. First, *Last Mile Team* claims that the transport industry is one of the most fragmented in Europe, with over 90% of drivers being either self-employed or working in companies with less than five vehicles. Second, the transportation market also suffers from a major digital divide. Finally, the COVID-19 pandemic triggered an upsurge in home deliveries. Traffic congestions were temporarily offset by the reduced number of personal mobility vehicles. EU Member States were able to largely focus on people mobility, while urban goods transport ended on one of the last spots in the policy priority lists. However, this will become an increasingly apparent issue in the “new normal” future.

-  **Spain, Rivas - Vaciamadrid**
-  **Transport and logistics**
-  **3 employees**
-  **Established in 2016**

The *Last Mile Digital Platform*[®], developed by the company, addresses the above-mentioned issues by allowing mid-sized or large companies to optimize their loads and routes. The coordination system allows to identify and use idle vehicles, those that are running empty, or with a low load. The software’s algorithms take into account logistic, legal, environmental, and other city or zone-specific restrictions, which allows to better manage pick-up, transport, and delivery operations as well as track and trace transport in real time. It also provides companies with a permanent contact to drivers, which ensures better support, as well as on-demand updates of estimated time of arrival and information about pick-up and delivery points. Real-time tracking may increase the rate of successful deliveries, as well as reduce downtime. Finally, the solution also provides the tools for contactless proof of deliveries and collections by mobile phone that may be registered in a blockchain, trigger Smart Contracts, etc. The latter function is particularly important when maintaining social distancing in the COVID-19 era.

Focus on drivers’ working conditions

Unlike other applications available on the market, the *Last Mile Digital Platform*[®] allows clients to reduce costs but does not focus entirely on profit maximisation. On the contrary, their approach pays special attention to drivers’ working conditions. In designing their solutions, the company has implemented the requirements and recommendations stated in national legislation on the social rights of drivers (e.g. pertaining to their working hours or getting on-road support when needed). The topic of drivers’ working conditions has become particularly relevant due to the COVID-19 pandemic, which has resulted in a

massive increase of deliveries across the board and in mounting work pressure on the drivers, who struggle to maintain satisfactory work-life balance.

Drivers' working conditions are ensured through a variety of functions integrated in the digital platform. For example, their platform details out the exact time when a delivery is about to arrive and provides better opportunities for customers to reschedule in advance. This decreases the amount of waiting time for drivers and results in a smaller number of undelivered packages. Furthermore, drivers do not have to wait (often, unpaid) for their clients and suppliers at the warehouses to fill out the necessary paperwork since the process is digitalised. Another important function integrated in the company's digital solutions is contactless delivery, which prevents additional health risks for drivers in the context of the COVID-19 pandemic.

Barriers and opportunities for engaging in CSR/sustainability practices

The company's efforts in the transportation sector were noticed by major stakeholders both in the public and private sectors. On top of that, *Last Mile Team* is one of the *Microsoft IP Co-Sell Ready* partners, having been validated by *Microsoft* as a Delivery Logistics Platform for Corporates and Enterprises.

Last Mile Team is a high-risk, high-potential startup. One of the main challenges that the company faces now is raising funds to accelerate the implementation of their innovative solutions. *Last Mile Team* collaborates with both industry players (transport service providers, retailers and manufacturers) and municipal administrations. They are actively looking for lead city or industry customers to accomplish their mission to drive economic growth and strongly support transport decarbonisation in Europe and worldwide with the CSR values they want to project.

Despite that, *Last Mile Team* also sees many opportunities in its future. One of the main drivers, according to the company's management, is the *Last Mile Team's* targeting versatility since the company can work with municipalities and transport companies, incorporating all other stakeholders and help design and operate any public-private partnership and accelerate the development and implementation of effective interventions. Secondly, the company has witnessed a massive increase in demand for delivery



Credit: Last Mile Team

services, which presents another opportunity for the market growth. Finally, *Last Mile Team* benefits from the current technological and digitalisation drifts, which have been further fostered by the COVID-19 pandemic (e.g. the company is now using blockchain technology to manage secure proof-of-delivery and Smart Contracts).

Another important positive driver is the fact that the company uses multi-stakeholder cooperation opportunities available at the European level to expand both its networks and outreach. The company was among the first 15 teams selected for the EIT Urban Mobility Scale-up Hub and its follow-up EIT Urban Mobility GoGlobal programme. Apart from that, *Last Mile Team* was selected by the European Institute of Innovation and Technology as "one of the most promising start-ups, with a convincing and scalable business model that reduces congestion and raises goods transport system efficiency". Being visible at the EU level gives *Last Mile Team* access to an innovation community of various stakeholders (academia, research, businesses, and cities). Furthermore, *Last Mile Team* was also

designated as a partner in the H2020 RIA “LEAD” project⁸⁸, which is funded by the European Commission. The project started in June 2020 to design Digital Twins of urban logistics in six European cities and perform route optimisation and sustainability assessment in Madrid, to which the company contributes.

Key takeaways

The company’s approach to sustainability and CSR is engrained in the service that it provides. The digital tools developed by *Last Mile Team* aim to help companies in the transportation sector to make their businesses greener, efficient, and more socially responsible by providing them with the necessary digital tools. The company also successfully positions itself in the European market as a mediator between drivers and transport service providers. This positioning helps the company to use the multi-stakeholder cooperation opportunities available at the EU level such as the Urban Mobility Scale-up Hub. That said, as a start-up, the company also must work hard to generate additional investment that syncs well with the CSR values they aim to project.

⁸⁸ Source: <https://cordis.europa.eu/project/id/861598>



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