

BUSINESS IMPACT AND DELIVERED

- Identification of cost saving opportunities along with the improvement in the transportation process.

FINANCIAL IMPACT

- Significant reduction in the transportation cost. The cost reduction could be to the tune of up to 35% of the current cost, using Blackcoffer solution.

OPERATIONAL PERFORMANCE

- Improve visibility of the networks, underlying issues and opportunities.
- Increase service level performance pick-ups and

INTRODUCTION

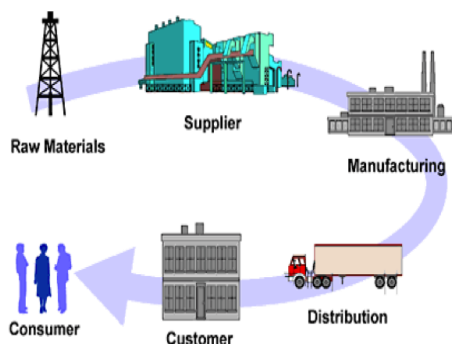
The Supply Division, the International Transport Unit managing the delivery of procured supplies to consignee worldwide and coordinating approx. 20000 shipments per year. The main challenge is the current implementation is both operational and serviceable with regards to maintaining document flow integrity, but it falls short of providing adequate support in terms of managing actual shipping operations.

The objective of the transport optimization is to identify and execute changes to the business process and information systems as needed to remove flaws and inefficiencies, bridge functionality gaps, and support operational and administrative shipping personnel in meeting the expected service level targets, minimize transportation/logistics cost and maximize services at maximum possible levels. The purpose of this assignment also consists in developing a compelling business case for the planned transformation work.

Business Challenges

Due to huge number of shipments per year and lagging implementation that fails in providing the adequate support in managing actual shipping operations, there is wide scope for reduction in both transportation as well as logistics cost due to:

1. Hub Network: sub-optimal location and number of hubs
2. Transportation Modes: right usage of dedicated fleet/common carriers
3. Transportation service types: Truck loads, multi-stop truck loads and less than truck loads
4. Equipment types: size and type consolidation practices: consolidation, hub-consolidation and zone pooling
5. Product mix constraints: Scope of allowing temperature controlled products to be mixed with non-temperature controlled products during transportation
6. Time window: scope of increase in pick up time window to aid better consolidation



BUSINESS NEED ADDRESSED

- Cost savings opportunities in transportation cost through understanding the synergies of operating the transportation network

RESULT

- 25% potential reduction in transportation cost
- Increased service level performance of 99% on time pick-ups and deliveries



BLACKCOFFER METHODOLOGY

- ✓ Data collection and assessment
- ✓ Transportation network modeling
- ✓ Distribution network optimization study
- ✓ Transportation network optimization what-if analyses

BLACKCOFFER SOLUTIONS

LOGISTICS PLANING

Centralization of logistics planning effort across all the divisions. The planning to enable uncover potential opportunities across all divisions and flows and effectively apply best practices across all divisions.

RELOCATION OF HUBS AND RECONFIGURATION OF THE PRODUCTS

New number and location of hubs to take care of the transportation network and redefine the products restrictions across all the product lines to enable better consolidations.

TRANSPORTATION COST REDUCTION OPPORTUNITIES

Dedicated Fleet instead of Common Carrier services on lanes with stable volumes, enough truck capacity utilization and good opportunities of roundtrips from domiciles.

Sophisticated Less than Truckload / Truckload, mode shifts and hub utilization opportunities, including deconsolidation, consolidation multi stop picks and drops and zone pooling.

Inclusion of non-temperature controlled shipments with temperature controlled shipments (to utilize remaining capacities of temperature controlled trucks).