

How to save transport costs in the current traffic situation



Traffic congestion, tight time windows for deliveries, and pressure on transport costs – each of these are valid reasons to take a critical look at transport routes. Route optimization can deliver significant cost savings and improve the service level, especially in the case of a finely meshed customer distribution network. Since this type of distribution typically involves a large number of deliveries within

narrow time windows, traffic congestion can cause major problems. Aided by specially developed software, Groenewout can optimize its customers' transport networks and distribution activities in order to safeguard the delivery reliability and efficiency within the complex framework of external conditions. This article presents summaries of two customer cases.

Optimizing customer allocation for a manufacturer of aluminum profiles

A European market leader in the field of aluminum profiles for doors and windows was keen to increase the service level of its distribution activities. A study conducted by Groenewout revealed that it was possible to not only improve the service level but also to reduce the annual transport costs by 11%.

The company delivers to its customers twice a week, and the distribution is handled by a logistics service provider. This case involved detailed analysis of the regular delivery routes, while taking into account the capacity of the trucks, the service level, time windows, traffic information, driving times and rest periods, among other things. The key to the success of this solution lies in the use of smaller trucks and a smarter approach to allocating customers to routes, which improves the ability to cope with customer order volatility.

Optimizing loading time for a retailer of automotive spare parts

An automotive retail chain has 130 stores throughout The Netherlands, each of which receive deliveries three times a day by trucks from a total of seven depots. Due to the high number of deliveries, tight time windows, broad geographical spread of the delivery addresses, and traffic congestion, optimizing the routes was a complex matter. The objective of the route optimization project was to minimize costs while simultaneously performing a sensitivity analysis of the loading times. The project resulted in the same fleet of trucks being able to deliver to 10% more stores, helped by optimization of the loading times at the depots and more intelligent allocation of stores to those depots.

These two cases demonstrate that, even in today's congested traffic situation, it is possible to achieve 10% savings on finely meshed distribution without detracting from a high service level.

If you have any questions about this article please feel free to contact Alain Beerens, Beerens@groenewout.com or +31 76 533 0440.

P.O. BOX 3290
4800 DG BREDA
THE NETHERLANDS

NIJVERHEIDSSINGEL 313
4811 ZW BREDA

T +31 (0)76 - 533 04 40
MAIL@GROENEWOUT.COM
WWW.GROENEWOUT.COM

GROENEWOUT B.V. TRADE REG.
NR. CH. OF C. 20009626.
ESTABLISHED 1966. ALL ORDERS
ARE ACCEPTED AND CARRIED-
OUT ACCORDING TO THE
GROENEWOUT GENERAL TERMS
AND CONDITIONS 2012.

