

OPTIMIZED OUTBOUND TRUCKING THROUGH SEVERAL COST SAVINGS OPPORTUNITIES IN TRANSPORTATION PLANNING

For a largest FMCG companies



ABOUT THE CLIENT

Client is one of the largest FMCG companies in the world with products including food and beverages, cleaning agents, beauty products and personal care products

CHALLENGE

Current tendering for shipment batches were being allocated based on relationships, manager preferences rather than cost considerations alone. Current tendering allocations which are done by Oracle Transport Manager (OTM) were found to be suboptimal. The main objective is to optimize the transportation process through balancing shipment costs, existing supplier relationships while maintaining high customer service.

APPROACH

To address this, the team at Tredence developed an analytically robust approach with the following specifications:

- Identification of feasible savings opportunities based on current process study, data availability, opportunity size, current IT infrastructure
- Optimizing through four specific use cases –
 - Minimize overall cost at the level of an entire DDL, as opposed to finding the cheapest alternative at a shipment-level

- Minimize by bundling the lanes together to aggregate the carrier capacities and allocate in an optimized manner
- Optimizing pan US DC-drop point network by considering all possible DCs that can fulfill the requirement
- Putting off sub-optimal shipment to the next day

KEY BENEFITS

- ✓ *Solution integration with OTM through APIs - Extracting shipment-requirements and Returning optimal shipment-allocations*
- ✓ *Tiered structure is followed for complete integration of new solution to the already existing IT infrastructure*

RESULTS

Estimated savings of ~\$20-22M over a period of 12-18 months across outbound shipments, stock transfer orders and inbound shipments.