C.H. ROBINSON



SUPPLY CHAIN OPTIMIZER:

Retail Insights

Welcome to Our Retail Industry Projects Review

In the dynamic and competitive world of retail, optimizing supply chain and road transportation operations is crucial for success. The following case studies underscore the transformative power of strategic planning and innovative solutions in these areas.

Project #1 focused on optimizing the supply chain planning process in the retail industry, leading to significant quarterly savings.

Project #2, carried out in the retail industry, aimed to improve the efficiency factor (Pallets/KM), verify HUB locations for transport cost optimization, and implement road trains due to high delivery volume fragmentation. The project team's successful application of the Navisphere Optimizer, the C.H. Robinson analytics system, led to real savings in transport costs.

Project #3, set out to analyze and optimize the supply chain planning process. The project resulted in a reduction of distribution costs by around 5% and an improvement in supply chain efficiency.

Project #4 focused on optimizing transport planning in terms of CO2 emissions and generation of toll costs. The project resulted in an annual reduction of EUR 105,000 in transport costs.

These case studies demonstrate the potential for significant improvements and cost savings through the strategic optimization of supply chain and road transportation operations in the retail industry. They serve as powerful examples for other businesses in the sector looking to enhance their own operations and drive growth.

C.H. ROBINSON

Project #1: Supply Chain Planning Optimization

Situation: The project took place in the retail industry, encompassing an annual scale of 80,000 loads, 250,000 store deliveries, and approximately 500,000 transport orders. The supply chain planning process covered 350 delivery points in Central and Eastern Europe, 100 suppliers, and 2 distribution centers.

Task: The project's objectives were to reduce empty kilometers, maximize trailer fill, reduce total distribution costs, and foster operational cooperation between the customer planning and C.H. Robinson analytics teams to achieve these objectives.

Action: After analyzing the supply chain network, several solutions were implemented in the planning process:

- Maximization of one-way route planning: This involved connecting customer shipments with the C.H. Robinson shipment network.
- Reduction of spot fleet usage: This was achieved by maximizing the use of the dedicated fleet.
- Implementation of multi-leg transport trips into the planning process: This involved connecting several deliveries and collections on one vehicle route across Poland. The CHR transport network and the customer's suppliers' network were used to increase the utilization of the customer's dedicated fleet and reduce empty transport kilometers.
- Initiation of coordination of sales activities between the customer and C.H. Robinson: This was done to optimize the common supply chain network.

Result: The implementation of these actions led to quarterly savings from optimization amounting to EUR 160,000. This project was a significant step towards optimizing the supply chain planning process in the retail industry.



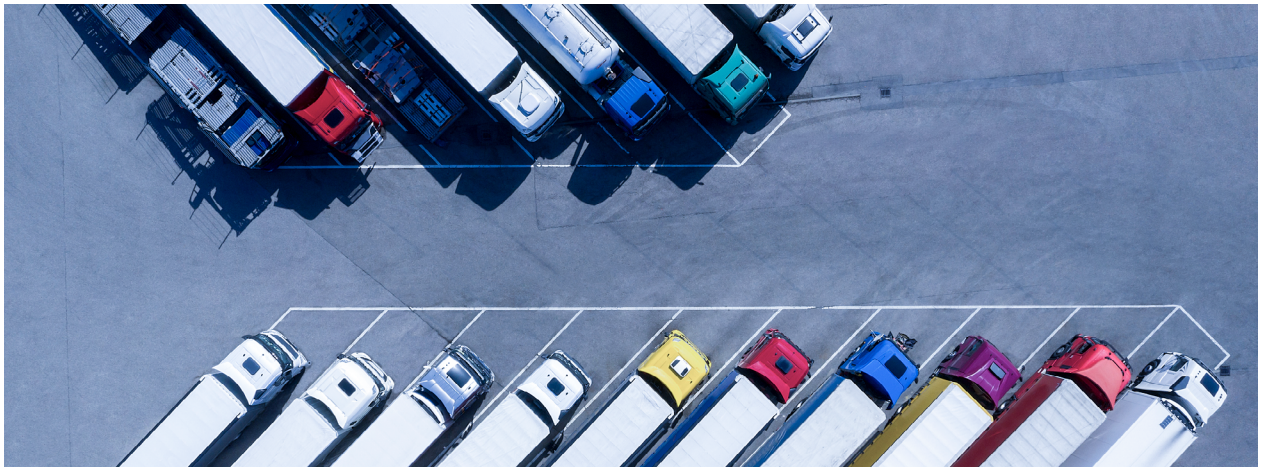
Project #2: Supply Chain Optimization

Situation: The project was in the food retail industry, with a scale of 36,000 deliveries and 12,000 shipments a year. The scope involved inbound logistics and last-mile deliveries to over 700 delivery points in Central and Eastern Europe, from 30 suppliers and 4 distribution centers.

Task: The objectives were to improve the efficiency factor (Pallets/KM), verify HUB locations for transport cost optimization, implement road trains due to high delivery volume fragmentation, and optimize the transport planning process to increase fleet utilization.

Action: The project team implemented the Navisphere Optimizer, the C.H. Robinson technology system that allows to analyze current operations and optimize it based on data-driven insights, and introduced road trains on previously solo truck routes.

Result: The actions led to real savings of 5.8% in transport costs and optimized transport planning process and fleet utilization.



	RUN 1	RUN 2	RUN 3	RUN 4	RUN 5	RUN 6
Route Count	52	48	46	45	44	43
Activity Count	145	145	145	145	145	145
Trailer Fill	28,3	28,9	30,1	31,0	31,6	32,2
Total KM	9423	9148	8881	8706	8493	8325
Total KM Savings	0	-275	-542	-717	-930	-1098
Total Percent Savings	**0,0%**	**-2,9%**	**-5,8%**	**-7,6%**	**-9,9%**	**-11,6%**

Project #3: Supply Chain Optimization

Situation: The project was set in the retail industry, with a scale of 80,000 shipments and 250,000 deliveries to stores yearly. The scope included 350 delivery locations in Central and Eastern Europe, 100 suppliers, and two distribution centers.

Task: The goal was to analyze and optimize the supply chain planning process. The objectives were to optimize the distribution structure, reduce monthly transport KM mileage, optimally assign stores to local HUBs based on distance and volume, verify if opening new distribution centers or HUBs could improve the efficiency of the distribution network, improve distribution KPIs, and create synergy between the customer distribution network and the suppliers' logistics network.

Action: A full supply chain analysis was performed. The analysis led to the implementation of the following measures:

- The distribution costs were reduced,
- The KM mileage was reduced,
- The structure of suppliers was adjusted, which led to reduced delivery costs of goods to warehouses,
- The costs of inter-warehouse transfers were optimized.

Result: As a result of these actions, the distribution costs were reduced by almost 5%, KM mileage was reduced, delivery costs of goods to warehouses were reduced due to the adjustment of the structure of suppliers, and the costs of inter-warehouse transfers were optimized. This led to an overall improvement in the efficiency of the supply chain.



Project #4: Supply Chain Optimization – Reduction of Toll Costs

Situation: The project was set in the retail industry, with a scale of 70,000 loads and 23 million KM yearly. The scope involved the analysis and optimization of transport planning in terms of CO2 emissions and generation of toll costs (viatoll and motorways).

Task: The task was to reduce routes planning on toll roads, improve the fleet's EURO standard to reduce toll costs and lower CO2 emissions.

Action: C.H. Robinson team conducted a thorough analysis of the transport planning process, identified areas where we could reduce routes on toll roads, and improved the fleet's EURO standard. The aim of this action was to reduce toll costs and lower CO2 emissions.

Result: These actions resulted in an annual reduction of EUR 105,000 in transport costs. This demonstrated the effectiveness of the measures implemented in achieving the project's objectives.



Summary

The case studies presented here demonstrate the significant role of data analysis, expertise, and technology in optimizing supply chain and land logistics operations in the retail industry. These elements have proven to be effective in identifying inefficiencies, implementing strategic solutions, and achieving substantial cost savings.

In each project, the application of these elements led to tangible improvements, such as the reduction of empty kilometers, maximization of trailer fill, and reduction of total distribution costs. The use of technology, specifically the Navisphere Optimizer, was instrumental in these achievements.

In conclusion, these case studies serve as a testament to the value of knowledge, experience, and the right technology in driving operational efficiency and cost-effectiveness in the retail industry.

If you're interested in exploring how these elements can benefit your supply chain, start a conversation with us about your supply chain needs.

Contact Our Experts

marek.matwiejuk@chrobinson.com

michal.broda@chrobinson.com