

Driving Savings from Grocer's Transportation Network

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ON TRANSPORTATION MODELING:

The client is a family-owned grocer with over 100 stores across the northeast and mid-Atlantic states and almost \$10 billion in revenue. It prides itself on a “near telepathic” level of customer service.

To get all of its products to its network of stores, the grocer employs a private fleet. But with a network of this size and complexity, the grocer wondered if it was getting the most utility possible from its fleet investments. To find out and help the grocer model other potential transportation strategies, it turned to consulting firm, enVista, and Blue Yonder’s transportation modeling capabilities.

Blue Yonder’s modeling was utilized to model the complexities of the grocer’s transportation network. Its extensive functionality enabled enVista to accurately capture multiple constraints and parameters in the grocer’s network and allowed efficient and accurate future state analyses.

CHALLENGES:

- Store delivery windows were tight, not allowing much opportunity for order consolidation or routing options.
- Routing opportunities were restricted by type of commodity being shipped such as bakery, frozen, grocery, meat or produce. These restrictions limited cost-saving consolidations.
- There was virtually no visibility to cost savings available from the use of backhauls, making it impossible to effectively use this option to reduce costs.

ON DELIVERY WINDOW EXPANSION:

The grocer’s fleet delivery schedule was set up with minimal time windows for when shipments could leave from the distribution center and arrive at the store. This schedule was originally established with product freshness and ease of receiving in mind, but it significantly limited the opportunities for order consolidation and routing options that could reduce costs without impacting freshness.

enVista used Blue Yonder’s transportation modeling capabilities to measure the impact of adjusting the delivery windows by three hours to enable order consolidation and routing opportunities to be evaluated. The results of testing this scenario showed cost savings of 0.9% through simply expanding the delivery window. The reason the savings from this adjustment were not greater was due to other constraints such as routing restrictions and limitations on commodity group consolidation.



Benefits of Blue Yonder and enVista's Solutions:

- **4.75%** cost reductions from commodity group consolidations
- **5.8%** cost savings from improved backhaul operations
- **.9%** cost savings from expanding delivery windows



ON ROUTING GROUP CONSOLIDATIONS:

The grocer's fleet routing was restricted by commodity groups such as bakery, frozen, grocery, meat, and produce. enVista saw opportunities to reduce costs by consolidating certain commodity groups for more efficient delivery. enVista used the Blue Yonder modeling capabilities to analyze different combinations of commodity groups during routing while still abiding by restrictions such as maintaining product temperature and humidity limitations that required certain types of vehicles. This analysis found that the grocer could expect 4.75% cost reductions that would be captured by these consolidations while abiding by all other routing constraints.

ON IMPROVING BACKHAUL EFFICIENCY:

In the grocer's network, backhauls were opportunistic rather than planned because it had virtually no visibility to backhaul costs or savings. Blue Yonder's modeling capabilities enabled enVista to analyze the grocer's current and potential backhaul vendors to see where additional opportunities for cost savings might exist. The analysis evaluated both current backhaul vendors' viability and the opportunities to expand the list of potential backhaul vendors to create a broader backhaul network. The results of the technology-driven analysis showed that an additional 5.8% cost reduction could be captured by expanding the backhaul network.

SOLUTION BENEFITS:

- Cost savings of 0.9% from expanded delivery windows even with other restrictions still in place
- Consolidation of commodity group shipments produced 4.75% cost reductions
- Evaluation of backhaul operations identified 5.8% in additional cost reduction was available by expanding the backhaul network



ABOUT BLUE YONDER

Blue Yonder (formerly JDA Software) provides seamless, friction-free commerce, empowering every organization and person on the planet to fulfill their potential. Blue Yonder's machine learning-driven digital fulfillment platform enables clients to deliver to their customers when, how and where they want it. Applying over 35 years of domain expertise, contextual intelligence and data science, Blue Yonder is helping more than 3,000 of the world's leading manufacturers, retailers and logistics companies create more autonomous, sustainable and profitable operations.



ABOUT ENVISTA

enVista, a Blue Yonder partner since 2002, has deep technical knowledge on Blue Yonder's transportation, warehouse, labor, and planning applications across a variety of industries. Manufacturers, distributors, retailers and logistics service providers benefit from deep domain expertise, operations strategy, and Blue Yonder software application experience to unlock hard-dollar business case opportunities as companies look to improve service levels, reduce costs, or expand service offerings. In addition to enVista's time-tested systems implementation methodology, enVista incorporates its intellectual property into the projects where necessary to create a unique blend of consulting, systems integration, and software. enVista owns market-leading software in transportation pricing and costing, Integration-platform-as-a-Service, and freight + parcel audit & payment.

enVista takes a cloud, TMS-first approach with TMS, as it supports a lower total-cost-of-ownership and therefore better time-to-value for its customers. In the logistics service provider segment, it also allows for more flexibility across the customer base, business units, and geographies.

As a global firm, enVista delivers transportation strategy, systems implementation, and modeling and analytics to multi-national organizations across North America, EMEA, APAC, and LATAM.

