

Case Study

- Transportation Cost Reduced by 55% -

A large western Canadian food retailer, experiencing ongoing and sizeable transportation cost increases sought external assistance.

Analyses showed a transportation planning system geared to low asset utilization, high empty space movement and limited optimization. Union members were responsible for all planning, seeing results geared to driver benefit.

An automated delivery schedule was introduced, bypassing union agreement requirements and allowing management to assume control of all transportation planning, cascading into warehouse management control also being reclaimed.

Long-distance multiple day trips, with drivers dispatched to far-flung stores, became day trips with inbound supplier trailer switches agreed with vendors, increasing back haul revenue. Drivers dropped their trailers on store receiving docks and hitched to a waiting return load. Far-flung stores were serviced from out of Province. All trips became same-day returns, saving 15% of trucking cost.

All trips were rescheduled and re-routed by TMS, cutting travel time by 20%, reducing fleet and driver pools. A costly union-run planning function was eliminated, saving a further \$1,2M per year.

Trailer pre-loading saw drivers complete pre-trip checks and depart within 15 minutes of clocking in. Staggered driver starting times to match load availability were introduced. Maintenance standards in line with equipment manufacturer specifications saw workshop headcount reduced by 35%.

Fleet size saw trucks reduced from 141 to 55, trailers from 311 to 120, mechanics from 39 to 17, management from 5 to 3 levels and driver headcount for 176 to 75. Overall cost savings were 55%



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