RETAIL

Case Study

LOGINEXT

Consumer Packaged Goods Stalwart Partners with LogiNext

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Company Overview

The client, one of the biggest consumer packaged goods (CPG) retail chains in the United States, with more than 2000 stores across the country, is at the forefront of customer value generation. They differentiate themselves from their competition by offering the best value for money across demographics. Their product line-ups range from home and personal use to official and commercial merchandise with more than 10 million SKUs, more than 1000 replenishment vehicles and more than 10,000 delivery personnel.

Their customer base includes diverse income groups looking for a one-stop platform for all their shopping requirements. They sustain their product line and value differentiation by channeling their logistics wing in to action with an increased focus on customer satisfaction using a seamless experience across all the channels. With the advent of omni-channel retail, the client has embraced the technological evolution and are integrating logistics and last mile planning into their system to extend their 'value for money' motto to their online and direct to home delivery customers.

LogiNext Overview

LogiNext has successfully streamlined first mile, last mile, and other models of inter-city as well as intra-city logistics distribution with more than 250 large scale SaaS implementations globally. With satisfied enterprise clients across retail, manufacturing, transportation, utilities and services industries, LogiNext has perfected the art of logistics optimization and cost savings with its real-time route planning, tracking and analytics software. Retail logistics management integrate LogiNext's product to cut down on their resource cost and insure minimal delivery delays with real-time tracking and delivery status updates while improving their turn-around time.

CPG
Industry

Problem

- Delayed replenishment
- Unable to track store deliveries
- Inefficient schedule planning and optimization
- Lack of support for partial deliveries to end customers
- Unable to consider customer's time preferences while planning schedules
- Lack of real-time delivery status updates
- Lack of last mile movement visibility for managers and customers

Solution

- Automate resource allocation
- Optimize delivery scheduling
- Increase transparency in invoicing
- Enable partial deliveries
- Track delivery delays and statuses in real-time
- Increase on-time fulfilled deliveries

Implementation

- Efficient resource scheduling using a flexible route planning software
- Order validation and recalibration for partial deliveries
- End-to-end transparency for all users
- Seamless enterprise level integration
- Control tower integration and implementation

Problem Statement

The client has made cost effectiveness their primary business principle across departments to ensure the lowest costs with the best quality. They practice a lean management, merchandising, distribution, and logistics management philosophy. This style of management pushes them to derive the most benefit from all their resources while sustaining customer satisfaction standards.

> *Client wanted to enhance the efficiency of its last mile deliveries to reinstate its omni-channel presence in the ever-evolving retail sector.*

While the vision of service centricity was there, the client had issues with realizing this vision in realistic terms.

Schedule Planning: Deliveries were handled randomly without a focus on minimizing distance travelled or maximizing deliveries fulfilled. Preferred time deliveries (where customers book a time-slot as a preferred delivery time) were not incorporated in schedule planning. This led to an increased percentage of failed deliveries.

> *Resource allocation and planning was manual and engulfed valuable management time and efforts without justifiable returns.*

Partial Deliveries: Customers had the option of accepting only a part of their total ordered list at the point of delivery, wherein the rest of the units would be returned, and would not be billed. This was a pioneering stance in the omni-channel world of supermarket deliveries. However, the execution of the initiative raised issues of invoicing errors due to lack of transparency along the last mile.

Delivery Delays: Orders were packaged and dispatched as per schedule, but the customers did not receive respective orders on time. There were many reasons behind this delay, including local traffic, improper addresses, and even in-transit manual redirection of delivery routes initiated by the delivery personnel.

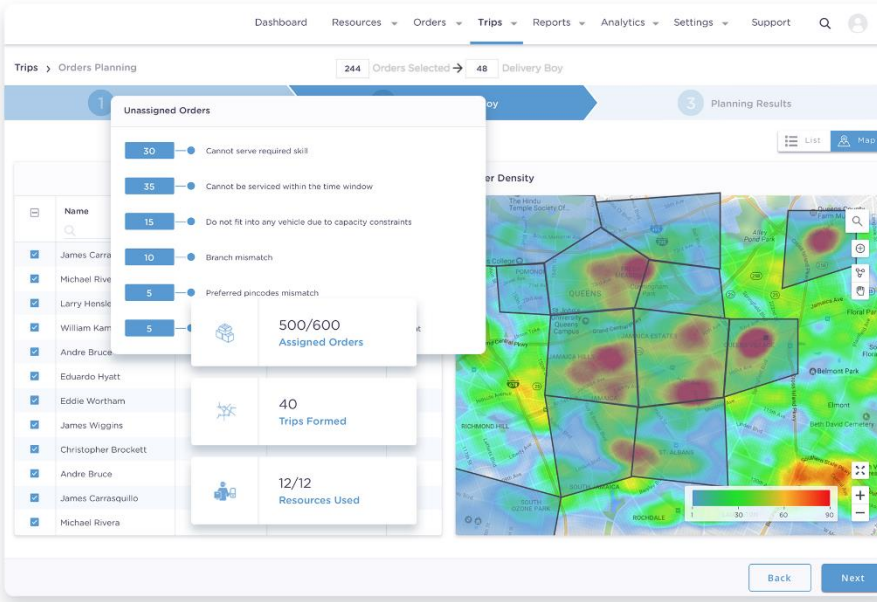
Real-time Tracking: Store managers, as well as customers awaiting deliveries, were unable to track the shipments in real-time or have timely updates about the location of the in-transit delivery.

Route Optimization: Routes were optimized manually using basic mapping knowledge and localized assumptions. However, this manual mapping led to inconsistent delivery planning and scheduling arising from incomplete information and incorrect implementation.

Delivery Status Updates: Store managers were not able to track the deliveries in real-time and had to wait for the end of the delivery cycle for a detailed report. This created a lag in the reaction time for the store managers where they could direct the delivery personnel to avoid delays or failed deliveries.

LogiNext Mile™

LogiNext Mile™ is a proprietary cloud-based software which manages resource capacity utilization, route optimization, real-time tracking, schedule management and order validation. The product packs in multiple features to address everything that a customer might expect from the home delivery from a retail company.



Resource Planning and Optimization

The customer satisfaction ratings of our clients increase multi-fold after Mile™ implementation. Moreover, the product functions with total control and customizability with client's unique problem scenario. LogiNext has perfected resource allocation, tracking, and optimization to create the highest grade of product to function within the unique features of the retail industry. Over the course of time, LogiNext Mile™ has tracked more than 3 million miles.

LogiNext integrates with multiple enterprise level management systems to bring different 'flavors of planning' to the central management tools in a company. Consider the system integrations LogiNext completed in less than 30 days.

LogiNext integrated with the client's operations management system, IBM Sterling Commerce, along with other peripherals.

Solution

LogiNext Mile™ integrated all problem scenarios into a single solution pitch where efficient allocation, tracking, and optimization would bring the client closer to realizing their goal of customer centricity. Extending across more than 600 hubs across the country, Mile™ streamlined the logistics movement for the entire store network of the client. LogiNext categorized their entire field and fleet workforce as per skills and weight capacity. Integrating all the essential resource details into the system, LogiNext invoked its patent algorithms to structure the most optimal allocation structure for the client.

Automated Resource Allocation

With LogiNext, the client could automate resource allocation while maximizing resource utilization and increasing efficiency of each resource involved in each delivery cycle. Mile™ divided all the resources along pin codes to increase manageability, visibility, and tracking. It then divided the client's deliverable Stock Keeping Units (SKUs) as per size, volume, value and fragility. These SKU features were coupled with available capacity structures across resources to generate maximum resource utilization and seamless delivery scheduling.

Schedule Planning

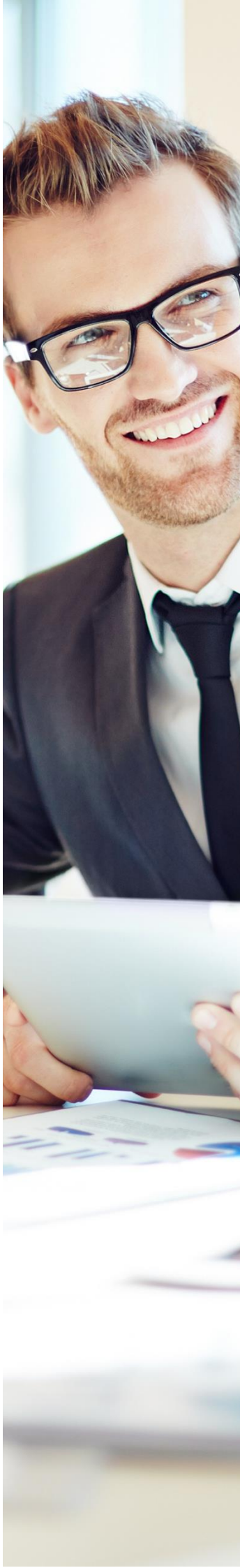
Deliveries were now planned around the central planning algorithm of Mile™. From the starting point of the dispatch cycle, deliveries were planned based on two parameters; preferred time instructions, and route optimization. Preferred time deliveries were set as non-moving constants between other variable deliveries which were optimized along the quickest and easiest routes while maximizing possible deliveries in a single cycle.

On-time Deliveries

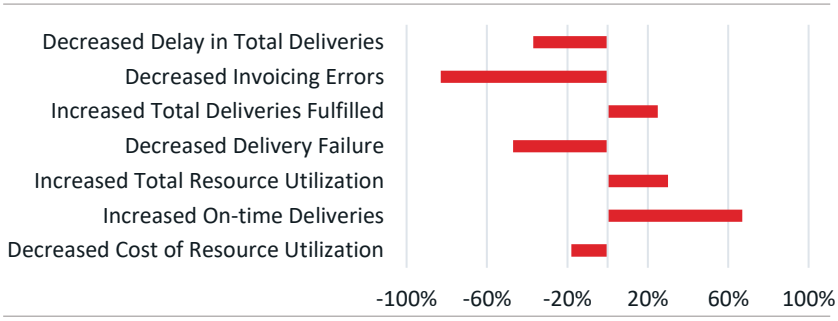
LogiNext Mile™ tracked shipments in real-time to ascertain timely deliveries across the deliverable universe of multiple pin codes and districts. Real-time tracking gave the manager the ability to react quickly in terms of any possible delays. Shortening this reaction time made delivery personnel more responsive. While the routes were optimized factoring in the expected traffic snarls and unavoidable delays, the shipments were more likely to reach their destination at the ideal time.

Partial Deliveries

LogiNext completed the client's vision of efficient partial deliveries across their stores. With real-time tracking for the manager, as well as the customer (where the client's customer app would track the shipment using LogiNext's integration), the order details were very transparent. Any returns or partial order acceptance could be logged in at the point of delivery with the customer's consent and the differential payment could be deducted from the total, while generating a new invoice with electronic proof of delivery (ePoD).



Conclusion



Boost In Logistics Operational Efficiency

*LogiNext decreased total resource cost by 18% while increasing resource utilization by 30%. The total increase of value of each resource was a consolidated **58.5%**.*

*Total decrease in delivery delays (37%) and failures (47%) coupled with increased on-time deliveries (67%) and corresponding decrease in invoicing errors (83%) resulted in a consolidated delivery efficiency increase was **46.3%**.*

*Total deliveries fulfilled increased 25%. Factoring in the increase in the total delivery efficiency increase and total value of each resource utilized, the effectual cost benefit for the client was **77.7%**.*

This Effectual Cost Benefit (ECB) was then transferred to the customer reinstating the company's vision to increase overall value-for- money.

Big Picture Transformations

Prior to LogiNext, the client extended its lean management philosophy in technology integration and were very particular about any such partnerships. In the quest of offering the highest value to the customer, the client pushed the bottom line further down. However, post LogiNext, the client could direct capital in a way that the top line received a considerable boost.

A recent customer survey conducted by the quality assurance team of the client indicated highly positive responses regarding the increased efficiency in the delivery services.

One key factor that connected all the original problem statements together was resource allocation, optimization, and tracking. The most successful and transformational Mile™ feature for the client was the Control Tower.

LogiNext's Control Tower is a novel concept of 'birds-eye' management, where the client could direct its deliverables and delivery personnel across pin codes and districts from a single base. ***The company had visual vantage point and controlling access to multiple dashboards helping them manage the movement of their entire merchandise.*** This helped the managers spot delivery trends (which pin codes have a higher frequency of deliveries) through heat map analysis and plan future resources as per requirement.

> *Total increase in customer satisfaction ratio gave structure and direction to future efforts of the client towards becoming the country's only truly omni-channel one-stop multi-value CPG supermarket.*

Disclaimer

Case study analysis is based on non-confidential data made available by the clients, market sourced information, insights gained from implementation of key solutions. All metrics and calculations appearing in the case study are approximate, verified and justified in terms of current analysis and forecasts.

About LogiNext

LogiNext is the one of the fastest growing SaaS companies which over the past years has been consistently providing advanced and innovative solutions in logistics management and field service optimization to diverse industries such as retail, pharmaceutical, FMCG, manufacturing, logistics, transportation, utilities, energy and e-commerce across multiple countries.

We have raised technological standards within route planning, route optimization, reverse logistics, and workforce management that have been hailed by the industry as being truly innovative and disruptive.

Our diverse clientele helps us to be updated with the changing needs of the industry and we are proactive enough to adapt to these changes and provide solutions accordingly.


@LogiNext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