



Paragon Transforms Transportation Planning for FFE



At a glance

SECTOR: Distribution / 3PL

COUNTRY: US

PARAGON PRODUCTS:

- Integrated Fleets routing and scheduling
- Street Level Mapping

Benefits

- Reduced transportation costs by up to \$400k per month
- On-time delivery improved by 12% in 6 months
- Reduced weekly brokered loads by 90%
- Reduced pickup and delivery truck fleet by 10%
- Year on year sales increased by 9%
- Centralized planning process

About FFE

Frozen Food Express (FFE) is one of the largest temperature-controlled LTL operators in the US. The company uses its fleet of 150 line haul trucks to transport food between its fourteen service centers. Chilled and frozen food is cross-docked on arrival and then stored in the DC. Items are subsequently delivered to end-customers by FFE's pickup and delivery fleet of 660 delivery trucks.

With more than 6,500 deliveries and collections each week, using a fleet of 1,150 refrigerated, dual-temperature trailers, operational efficiency is key to achieving efficient food distribution, maximum utilization of expensive assets and reliable customer service.

Challenge

Despite the size and complexity of the FFE food distribution operation, transportation planning was carried out manually by staff located at each of the fourteen FFE service centers. This meant the service centers had limited visibility of the whereabouts of the truck, trailer and driver resources as well as the arrival times of the line haul trucks. Although planners scheduled pickup and delivery slots, an unsatisfactory level of appointments failed to meet the promised windows.

Missing appointment times resulted in a number of problems. FFE incurred penalty fees which unnecessarily increased transportation spend. A proportion of food items were destined for production usage, so a delayed delivery could result in problems further down the supply chain with food processing plants lacking the correct ingredients to make the end products.

"Paragon Integrated Fleets is the only route optimization software that could deliver what we were looking for...It has allowed us to transform our transportation planning without changing our business processes."
Nick Cook, Vice President, Operations.

Finally most food items have expiration dates, so late deliveries reduced the shelf life of customer products. As a result of these issues, customer service suffered and sales stagnated.

FFE runs its line haul operation on a weekly schedule, picking up products from vendors at the end of the week, and making movements over the weekend. The freight is then delivered to end customers at the beginning of the week. While orders were accepted up until close of business on Thursday, staff in the service centers struggled to complete the planning process in a timely fashion, often resulting in schedules not being ready until Saturday or Sunday. FFE increasingly found itself subcontracting to other carriers to fill the gap when they did not have trucks positioned correctly, costing the company up to \$400k per month.

Solution

Increased visibility

Automating the planning process with Paragon's routing and scheduling software has provided FFE with visibility of all line haul truck and trailer movements between the FFE service centers. The planning team now know when trucks are going to depart and return to each service center so can maximize utilization of their pickup and delivery trucks, provide more accurate information to their customers and generally manage their food distribution operation more efficiently.

"When we create a load, we select the time for pickup and delivery and that delivery time is planned so that every order on the truck will make their service objective. As a result, on-time deliveries have increased," explains Walter Martz, Senior Analyst, FFE Transportation Services, Inc.

"Knowing where trucks are and who is available to deliver those loads has greatly added to the efficiency of our transportation operation. In the past, we had to subcontract to other carriers to haul our loads because we didn't have enough trucks available. Paragon has helped us eliminate this expense while also removing the penalty fees for not meeting promised delivery windows. Together that is a saving of up to \$400k each month."

Streamlining the planning process

An important benefit of the project was centralizing the transportation planning process. A dedicated team of three planners based in Lancaster is now responsible for planning all line haul operations, freeing up regional staff to focus on service center operations.

Automating the planning process means that all orders are automatically loaded into Paragon from FFE's Order Management System. This allows the planning team to review the latest plan daily rather than individuals across the service centers independently trying to find the time for planning.

Improved customer service and increased sales volumes

The ability to provide a consistent and reliable delivery service that customers can rely upon resulted in an increase of 9% in year on year sales growth after just 6 months. This is in addition to the operational savings FFE has achieved, demonstrating the ROI that can be directly linked back to the implementation of Paragon's route optimization software.

"Implementing Paragon Integrated Fleets has given us unprecedented visibility into our line haul operation," said Nick Cook, Vice President, Operations, FFE Transportation Services, Inc. "In the first six months of use we have seen an improvement in our on-time delivery by 12%, and have been able to reduce our weekly brokered loads by 90%, resulting in increased customer satisfaction and real-world, bottom-line improvements."

Fleet savings

While Paragon Integrated Fleets has only been rolled-out to the line haul operation to date, improved efficiency in this part of the operation has also allowed the planning team to maximize utilization of the pickup and delivery trucks leading to a reduction in this fleet from 750 to 700 vehicles.

Future plans

The next step is to complete the implementation across the remaining 2 service centers and then implement Paragon's routing and scheduling software for FFE's pickup and delivery operation. "We expect this to be a real game changer for FFE," concludes Martz.

About Paragon

Paragon Software Systems is dedicated to the continued development, implementation and support of routing and scheduling solutions that help businesses to cut transportation costs, improve productivity, reduce carbon emissions and raise customer service levels. The Paragon support consultants have implemented more than 3,400 systems at over 1,100 client sites in 61 countries. Headquartered in Dorking, UK and with offices in Dallas, TX and Manchester, NH, Paragon is a respected pioneer in routing and scheduling with over 30 years of know-how.

Paragon



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