



HELPING CUSTOMERS DELIVER™

WAWA IMPROVES DELIVERY OPERATIONS WITH INTELLIGENT AVL SERVICE FROM DESCARTES

Philadelphia-based convenience store chain Wawa, Inc. has a history that spans more than two centuries. Originally a textile supplier in the 1800s, by the turn of the century it began operations as a provider of home delivery services for milk products. In 1964 the opening of the first Wawa Food Markets marked the beginning of the Wawa chain, a provider of fresh produce, ready-to-go salads and deli products to customers in five states.

Today the Wawa family includes more than 1,500 convenience stores and 13,000 associates and wholesale customers (schools, hospitals and nursing homes) across five states. Wawa offers a large selection of food items that includes its award-winning freshly brewed coffee, and Wawa branded dairy products, juices and iced tea beverages.

Wawa uses a private fleet to manage deliveries for its direct distribution operations (all other delivery functions are managed by third party providers). Its fleet includes 40 twenty-foot trucks, 65 tractors and 80 trailers. Store deliveries range from two to four times a week on a fixed schedule depending on location, with a two-hour time window allowance.

A Limited View to a Growing Network

As a high end convenience store chain, Wawa has unique delivery challenges. For example, deliveries cannot be made between 10 a.m. and 7 p.m.; and drivers must also reach their destinations within two-hour time windows.

Over the years, Wawa has relied on various feature-rich elements of the Descartes Routing and Scheduling solution to streamline its delivery operations. Wawa first began using basic mapping functions provided by Descartes, and before long, extended its implementation to include automated master route planning, followed by integration with its warehouse management system to automatically generate order charges based on routes and sequences.

Through each implementation phase, Wawa has achieved significant results. For example, by simply optimizing its route planning functions, Wawa was able to reallocate eight trucks to wholesale deliveries, providing significant cost savings on the direct distribution side of the business.

As its delivery network grew however, it became a constant challenge for Wawa to ensure that deliveries were reaching their destinations within designated time windows. Wawa knew that it needed to find more efficient ways to track its drivers, allocate resources and optimize capacity utilization to maintain margins and reduce fuel costs without compromising quality of service.

"As a high-end convenience store and producer with a distribution network that spans five states, having up-to-the-minute information on driver and fleet activities is critical to maintaining high levels of customer service," said Don Kane, Distribution Manager at Wawa.

Wawa realized that not all of its drivers were following the planned routes and in some cases were by-passing stops. "Since drivers were paid hourly, we wanted to have a better sense of where they were and what they were doing," adds Kane. To truly understand whether drivers were following planned routes and making the scheduled stops on time, Wawa realized it needed real-time insight into the delivery activities throughout the day. This would enable them to save costs relating to added miles and overtime hours, as well as maximize existing resources while minimizing the impact of delays and exceptions en route.

Gaining Real-time Insight with Descartes Intelligent AVL

Wawa decided to leverage its long-established relationship with Descartes and once again extend its implementation by integrating the Descartes Intelligent Automated Vehicle Locator™ (AVL) Service into its direct distribution operations. "We've had so many years of success with Descartes Routing and Scheduling solution, that when we wanted to integrate AVL functions into our operations, Descartes was the natural choice," Kane explains.

Descartes' Intelligent AVL provides a Web-based view of real-time information on delivery arrivals at distribution centers or hubs, enabling dispatchers to adapt routes quickly and efficiently according to exceptions. The AVL Service also features a wireless application that uses Global Positioning Satellite (GPS) locating capabilities to provide real-time data on driver progress against established route plans and enable on-the-spot decision making to meet customer commitments. Both are designed to work with Descartes Routing and Scheduling solutions.

Improved Efficiency, Reduced Costs

By integrating AVL services with its existing Descartes Routing and Scheduling solution, Wawa has improved security; is better able to manage driver salaries and overtime by building highly effective, balanced routes and tracking them; and has introduced the ability to compare planned versus actual truck locations. It has also been able to increase capacity utilization to 90% (the 10% spare capacity is required to accommodate last minute deliveries).

In addition, customer service representatives can now access the system and advise customers on the status of their deliveries in real time. "Before, customer support was calling the dispatcher at least 10 times a day on average to find out the status of a delivery – and that was on a good day," said Kane. "You can imagine how many more customer calls would come in if there was a truck breakdown or a major accident delay. With the new system, customer support can be proactive and answer the questions to any inbound calls on the spot."

Descartes solution can also be scaled as Wawa continues to expand its delivery operations. "We can easily put new drivers on the road or on new routes," explains Kane. He adds that the stores can also benefit from the implementation. "The beauty of this system is, because we charge the stores for delivery costs, they get to enjoy the savings too."

According to Joanne Cochrane, Implementation Consultant at Descartes, "Wawa now has greater insight into whether hourly-paid drivers are following planned routes and making the scheduled stops. Having this level of visibility empowers them to save significant costs relating to added miles and overtime hours, among other areas. It's an outstanding example of how our customers are building on their existing Descartes solution offerings to drive even more efficiencies and savings."

SUMMARY

Challenge

Keeping track of hourly drivers was critical to ensuring on-time delivery for Wawa's direct distribution operations. Wawa realized that not all of its drivers were following the planned routes and in some cases were by-passing stops. To better manage its delivery functions, Wawa required real-time insight into activities throughout the day.

Solution

By integrating Descartes' Intelligent AVL with its existing Descartes Routing and Scheduling solution, Wawa was able to save costs relating to added miles and overtime hours, and could maximize existing resources while minimizing the impact of delays and exceptions on customers.

Benefits Realized

- Improved security
- Improved management of driver salaries
- Reduction in overtime costs
- Ability to compare planned versus actual truck locations
- Improved capacity utilization (up to 90%)
- Reduction in customer service calls
- Access to real-time updates on delivery status
- Reallocation of eight trucks to reduce operational costs
- A scalable solution to support business growth

THE DESCARTES DIFFERENCE

Descartes' logistics management solutions combine a multi-modal network, the Descartes Global Logistics Network, with component-based applications to provide messaging services between logistics trading partners, shipment management services for contract carriers and private fleet management services. These solutions and services help Descartes' customers reduce administrative costs, billing cycles, fleet size, contract carrier costs, and mileage driven and improve pick up and delivery reliability. Our hosted, transactional and packaged solutions deliver repeatable, measurable results and fast time-to-value.

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