

Driving Efficiency with Descartes Route Planning Solutions



Aceitera el Real, a global producer of vegetable oils, fats and their derivatives, distributes products nationally across multiple channels in Nicaragua. With a customer-centric vision, the company replaced its manual routing system with Descartes' dynamic route planning and strategic route planning solutions to increase route productivity, reduce costs, and elevate customer service.

“With an automated, dynamic planning process for our delivery and sales routes, we’ve reduced planning man-hours, decreased the size of our fleet, and avoided the costly complication of hiring third parties. By optimizing resources, the Descartes solution has helped us take advantage of market opportunities and execute new strategies in record time with minimal errors.”

Sergio Perezalonso

Director of Operations and Logistics, Aceitera el Real

Company Profile

Aceitera el Real
Global Vegetable Oil Producer

Descartes Solution

Dynamic Route Planning
Strategic Route Planning

About the Client

Aceitera el Real processes and distributes vegetable oils, fats and their derivatives, such as soybean oil, palm-oil-based butter, soap and foods for animal consumption. The company supplies customers domestically and in the United States, Europe, China, and South America from its base in Managua, Nicaragua.

Quick Overview

Challenge

The Challenge: Manual Routing Jeopardizes Performance

Solution

Automation Ramps Up Productivity

Results

- Increased Route Productivity
- Decreased Costs
- Enhanced Customer Service
- Efficiency Boost

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Challenge: Manual Routing Jeopardizes Performance

Struggling with a manual system, Aceitera Real was wasting a significant amount of time and resources planning and restructuring routes. With 45 delivery vehicles across multiple sales and distribution territories serviced from two distribution centers, the company's driver productivity and operational efficiency were suffering. In addition, the paper-based routing system offered no visibility into driver location or delivery performance, compromising customer service. Aceitera Real sought an automated solution to increase efficiency, reduce operating costs, and enhance customer satisfaction and retention.

Solution: Automation Ramps Up Productivity

With the aim of using technology to better balance service levels with delivery costs across its traditional (e.g., retailer, wholesaler) and modern (e.g., self-service, mini-supers) distribution channels, Aceitera Real implemented the Descartes' dynamic route planning and strategic route planning software. Leveraging market-proven algorithms and geographic network modeling capabilities, the Descartes dynamic route planning solution optimizes and balances routes based upon actual orders, which enhances fleet performance by minimizing route distance and time, and maximizing vehicle utilization and driver productivity.

"With Descartes, our trucks are driving fewer miles yet completing more deliveries. We realized a 10% increase in stops per route, an 8% overall route reduction, and an 11% decrease in operating expenses," said Sergio Perezalonso, Director of Operations and Logistics at Aceitera Real.

Real-time visibility into driver location translates into more proactive customer service, simplifying last-minute modifications such as changing a route based on new information or responding to a customer request for a specific delivery window. As a critical piece of the puzzle in its effort to restructure the sales department and optimize SLAs, Aceitera Real leveraged Descartes strategic route planning solution to boost efficiency, visibility and service levels by automating the process of planning and balancing its sales territories by zones.

"The Descartes solution has paid off handsomely for us, saving us time and money across our entire delivery and sales operations. We were able to recover our investment before the end of the first year, well ahead of schedule," Perezalonso added.

Results:



Increased Route Productivity

By dynamically balancing and optimizing routes, Aceitera Real was able to maximize fleet capacity utilization. Productivity gains included an 8% reduction in routes, 10% increase in deliveries per route, and 7% decrease in distance traveled.



Decreased Costs

By eliminating time-consuming and error-prone manual processes and increasing driver productivity by optimizing route efficiency, Aceitera Real cut operating expenses by 11%. Plus, the company was able to reduce the size of its fleet and minimize fuel usage.



Enhanced Customer Service

Real-time visibility into driver location enables Aceitera Real to make changes to drivers' schedules on-the-fly in response to changing conditions and customer requests. Improved time-window management and efficient delivery keep customers happy.



Efficiency Boost

The flexible, automated Descartes solution enabled Aceitera Real to reduce the number of man-hours dedicated to route planning and management, pare down its fleet, and rapidly execute new distribution strategies to ramp up revenue.