

Elevating Distribution Performance with Strategic Route Planning Solution



Arctic Glacier, North America's leading manufacturer and distributor of packaged ice, implemented Descartes' strategic route planning solution to achieve more agile and efficient routing, improve fleet performance, and enhance the customer experience. The solution helped Arctic Glacier to scale and grow its distribution operations without increasing labor costs while easily managing seasonal peaks and valleys in order volume.

"Given the rise in input costs, like fuel and driver wages, and our acquisition-driven growth strategy, we wanted to lower costs by reducing miles and routes while running the optimum number of vehicles and drivers to meet customer needs. The Descartes solution helped us maximize fleet utilization, curb labor and transportation costs, and increase delivery efficiency across peak summer highs and lower winter volumes."

Elizabeth DiFazio

Routing Director
Arctic Glacier

Company Profile

Arctic Glacier
Premium Ice Manufacturer

Descartes Solution

Strategic Route Planning

About the Client

Arctic Glacier is the premier provider of high-quality, premium ice products and services in North America. For over 140 years the company has perfected the art of ice making, best-in-class service, and reliability as well as logistics. Today Arctic Glacier produces and delivers over 2.5 billion pounds annually of premium ice to supermarkets, mass merchants, c-stores, dollar stores, gas stations, and liquor stores, as well as other commercial and industrial businesses. Arctic Glacier services over 75,000 customers from over 100 production facilities, warehouses, and distribution centers across the United States and Canada.

Quick Overview

Challenge

Inefficient Route Planning
Impedes Growth

Solution

Boosting Delivery Efficiency,
Flexibility & Scalability

Results

- Greater Efficiency
- Heightened Profitability
- Centralized Distribution
- Swift Implementation

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Challenge: Inefficient Route Planning Impedes Growth

Arctic Glacier manufactures and distributes packaged ice to 75,000 customers via a privately-owned fleet of 1,500 trucks and more than 100 warehouses, production facilities, and distribution centers in the United States and Canada. Given its dramatic, weather-dependent fluctuations in order volume, the distributor needed to be able to flex more quickly to capture peak revenue during seasonal spikes, while maximizing last mile delivery efficiency during periods of both higher and lower demand. With a growth strategy focused heavily on acquisitions, the distributor sought a solution that could help it scale distribution without increasing labor. In addition, Arctic Glacier wanted to curtail rising fleet-related costs, optimize fleet composition, and boost profitability while supporting a continuous cycle of delivery improvement.

Solution: Boosting Delivery Efficiency, Flexibility & Scalability

After moving from a traditional strategic route planning solution to Descartes' automated route planning capabilities, Arctic Glacier determined it needed to transition from a territory-based route planning approach to strategic route planning to better accommodate its growing distribution network. Using Descartes' advanced planning and optimization technologies, the company moved to strategic route plans (e.g., master routes) and daily dynamic planning to help maximize the productivity of its fleet and resources.

By analyzing variables such as customers, volumes, service policies, asset types, and operational constraints, the solution determines the optimal combination and location of Arctic Glacier's resources (e.g., distribution centers, fleet size, drivers) to control costs while meeting customers' delivery expectations. Policies, practices, and capacity can be easily flexed to accommodate new or altered routing strategies and tactics to keep pace with fluctuations in demand or new business goals, such as supporting acquisitions.

Arctic Glacier can now replan master routes more frequently to boost delivery efficiency, reduce operating costs (e.g., labor, fuel), and scale easily to manage seasonal demand swings with ease. "We have up to 1,500 trucks delivering in the summer, dropping to 400 in the winter months," said Elizabeth DiFazio, Routing Director at Arctic Glacier. "With Descartes strategic route planning, we can create master routes every 1-2 weeks, instead of monthly or quarterly, to continually fine tune delivery productivity and cost-effectiveness."

The Descartes solution helped Arctic Glacier optimize route planning resources for greater efficiency and impact. "Planner productivity increased, with each router singlehandedly now managing 30 branches instead of 12," said DiFazio. "In fact, we were able to acquire two large businesses at a quick pace—with approximately 30 additional trucks across three facilities—without adding any new routers to the team."

For the fleet, Descartes' operational route planning execution capabilities help Arctic Glacier's drivers perform their daily routes, keep managers aware of progress, notify customers with an estimated-time-of-arrival for deliveries, and capture essential proof-of-delivery details, supporting customer service excellence and order accuracy through real-time mobile communication.

Results:



Greater Efficiency

Centralized distribution operations, increased re-routing frequency, and optimized route planning and execution heightened Arctic Glacier's operational efficiency, helping it to plan more effectively for spikes in demand during summer peak season.



Swift Implementation

Arctic Glacier transitioned the entire company (100 locations) to the Descartes solution in seven months, executed via four waves based on geography and increasing business complexity. The aggressive implementation yielded swift ROI and enterprise-wide operational efficiencies.



Centralized Distribution

By centralizing route planning across its U.S. and Canadian distribution operations, Arctic Glacier made more effective use of planning resources, improved planner productivity and fostered a focus on continuous distribution improvement.



Heightened Profitability

By maximizing available router resources, effectively planning for peak demand, and scaling quickly to support multiple acquisitions of facilities and fleets, Arctic Glacier reduced labor and transportation costs to protect margins and drive long-term profitability.