

Strategic Route Planning Drives Cost-Saving Efficiencies



The H.T. Hackney Company, one of America's largest wholesale distributors, eliminated manual paper-based routing practices by deploying the Descartes strategic route planning solution across its distribution network to increase route density, optimize distribution efficiency, and centralize routing operations. The grocery wholesaler trimmed transportation costs by 10%-15%, enhanced delivery performance, and improved the driver and customer experience by capitalizing on the cascading impact of fewer routes with more stops, less distance travelled, reduced driver hours, and maximized fleet capacity.

"We've built our brand on competitive pricing and a promise of no hidden fees. With the operational efficiencies Descartes' strategic route planning solution affords, we're able to protect margins and enhance profitability by reducing labor and transportation costs and maximizing fleet utilization while improving the driver experience to improve retention."

Jack Veersma, Supply Chain Analyst,
The H.T. Hackney Company

Company Profile

The H.T. Hackney Company

Descartes Solutions

Descartes Route Planning™

About the Client

Founded in 1891, The H.T. Hackney Company is one of the largest wholesale distributors in the United States. The Knoxville, TN-based distribution firm supplies more than 25,000 products, such as frozen foods, tobacco products, deli products and health and beauty items, to more than 20,000 grocery and convenience stores across the Eastern U.S.

www.hthackney.com

Quick Overview

Challenge

Inefficient Manual Routing Process

Solution

Increased Route Density Boosts Performance

Results

- 10%-15% Cost Savings
- Greater Route Efficiency
- Improved Driver Experience
- 47% Increase in Stops Per Route

Challenge: Inefficient Manual Routing Process

The H.T. Hackney Company is one of the largest wholesale grocery distributors in the U.S., with 25 primary distribution centers and a service network spanning 22 states. Distributing more than 25,000 products to 20,000+ customers across the Eastern U.S. via purchased transportation and its private fleet of different vehicle sizes and capacities, the company has complex routing requirements. Each warehouse was routing orders on an individual basis using time-consuming and error-prone manual processes rooted in tribal knowledge. Inefficient pen-and-paper routing—amplified by unused truck capacity, driver overtime and lack of visibility into transportation operations—was cutting into the bottom line and negatively impacting the customer and driver experience.

Solution: Increased Route Density Boosts Performance

With distribution operations from Grand Rapids, MI to Miami, FL—from smaller warehouses running 30–40 routes per week to large facilities with more than 100 weekly routes, plus a private fleet of 600 trucks ranging from 28 to 53 ft.—H.T. Hackney's manual routing practices were creating inefficiencies across its multi-state service network.

Beginning in West Virginia, H.T. Hackney implemented Descartes' strategic routing solution to increase efficiency and cut transportation costs, centralizing route planning at its corporate headquarters. To date, the distributor has rolled out the solution to seven additional warehouses (with five more locations on the short-term horizon).

"We've been able to realize 10%-15% overall transportation savings by reducing the number of routes, distance travelled and drive time, in conjunction with increasing the number of stops per route and maximizing capacity across our fleet," explained Jack Veersma, Supply Chain Analyst at H.T. Hackney. "For example, for one large warehouse with 105 routes per week, we've cut it down to 85, while increasing stops on a route from 15 to 22—all without a hitch."

"We've also dramatically reduced the number of staff hours required to plan routes. Before automating and centralizing routing operations, the process relied on input from the transportation team, sales team, and General Manager and involved between five and 10 people at each warehouse—and we have 25 warehouses!" Veersma added. "Now, two of us at corporate optimize route planning for our entire distribution network, checking in with individual warehouses for route reviews and feedback."

The Descartes solution considers the company's order volume and mix, size and capacity of trucks executing the deliveries, driver hours, road network, business strategies, and customer service policies. "Although we have a vast range of customers, products, and territories, the Descartes system factors in these complexities to provide much-needed visibility into route planning," said Veersma. "We've been impressed with the frictionless deployment and user-friendly functionality—and the Descartes support team has been phenomenal."

In addition to driving operational efficiencies and enhanced delivery performance, the Descartes solution helped improve the driver experience—a competitive advantage in light of the ongoing labor shortage. "Now that routes are essentially set in place, drivers enjoy greater predictability with more consistent schedules to improve their work/life balance."

Results:



10%-15% Cost Savings

The Descartes solution helped H.T. Hackney reduce transportation and labor costs with fewer routes, more stops per route, less distance travelled, decreased fuel consumption, reduced driver hours, less overtime, and optimized truck usage.



Greater Route Efficiency

By eliminating time-consuming manual route planning and reliance on tribal knowledge using Descartes' solution, H.T. Hackney accelerated, streamlined, and simplified routing planning through fewer routes, increased route density, and maximized fleet capacity.



Improved Driver Experience

With automated, optimized route planning and visibility into transportation operations, H.T. Hackney can offer its drivers more consistent schedules, creating more predictability in their day-to-day work life to enhance employee wellbeing.



47% Increase in Stops Per Route

For a large warehouse, the company seamlessly reduced weekly routes from 105 to 85 while increasing stops per route by 47%, from 15 to 22.