



Case study

Reducing Total Transportation Cost through Optimized Dispatch Planning

One of the leading online grocery stores in India approached IGSA to assist it in routing planning and streamline its outbound dispatches by meeting a varying set of customer service level.

Challenges

Earlier to the engagement, the client was using dispatches are planned in a relatively manual method. This led to sub-optimal plans. The dispatch planning team was not even aware of the potential by which the plans could be improved to reduce total transportation cost as well as strictly meet the service level. In addition, as the planning process was manual and involved the manual assignment of routes planning, it consumed previous executive time which could otherwise be spent on valuable managerial analysis and decision making

Solution

Post preliminary assessment of the situation, it has presence only in three states, i.e. Bangalore, Mumbai, and Hyderabad. IGSA implemented Order-Vehicle Assignment & Route Planning (OVAR) also known as OVAR, it is built-in OR model that was tailored to the client's requirement.

Results

The client has been satisfactorily using IGSA's TRS tool, In addition, it has successively increased the presence across 40 cities in PAN India, and Significant transformation occurred in dispatch route planning and fully automated with real-time tracking with the help of IGSA optimization tool (TRS). The major benefits were:

- Minimize transportation cost by 10%-15%
- Maximize vehicle utilization (From 60%-90%)
- Meet serviceability target and time-slot based delivery commitments

