

Results prove ORTEC Advanced Planning Solutions can help you quickly achieve a highly attractive ROI

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Logistics optimization requires continuous attention as there are always changes in logistic goals, rules, and processes. Systematic monitoring of logistics performance, data, models and results is required not only to adapt to these changes, but also to initiate change when opportunities arise at the same time. As we all know, logistics optimization also requires investments. Logistics optimization may not be easy or cheap. However, it is currently the biggest opportunity for companies to significantly reduce costs and manage bottom line profits. This is especially true in optimizing logistics operations where companies are able to realize 5-10% cost savings.

Taken into account the total cost of technology, people, and operations, results show that ORTEC can help you quickly achieve a measurable Return on Investment. Measuring results of ORTEC's customers show some very encouraging numbers:

- 2-10% transportation costs reduction with real-time Vehicle Routing and Dispatch
- 10%-15% transportation costs reduction in Pallet and Load Building
- Up to 15% of logistics savings by using Tactical and Strategic Route Planning
- Average 5% of savings when using Workforce Planning and Scheduling
- Up to 20% of productivity increase with Field Service Planning

How to calculate some of these statistics?

In order to determine the impact of the ORTEC advanced optimization solutions, our customers have defined their benefits by:

1. Benchmarking with regard to Key Performance Indicators before implementing the solution and comparing the results post implementation to these benchmarks
2. Performing regular audits of ORTEC 's logistics optimization performance

Both primary and secondary savings have been measured

Primary savings include:

- Reduction in mileage on the road and associated fuel expense
- More productive workforce: less working hours and less new hires required
- Reduced expense for overtime
- Less vehicles needed

Secondary savings include:

- Increased customer service and customer satisfaction
- More employee satisfaction and increased employee retention
- Reduction in penalties applied for not meeting Service level agreements

- Insurance that rules are not violated through warning and error mechanisms

**EXAMPLE (ORTEC CUSTOMER)**

<b>Business Case:</b>	
Customer Profile	International Transport Company in Food Industry
Industry	Transportation → LTL, FTL
Solution Area	Route Optimization
Reason for Buying	Optimized allocation from order to trip to truck
Relevant costs (influenced by ORTEC project)	5 Million

<b>Investments:</b>	
Total Customer Investment (First Year)	255,000

<b>Savings:</b>	
Netto Annual Dispatch Cost savings	50,000
Netto Annual Vehicle Routing savings*	190,000
Annual Savings (Primary savings only)	240,000
Annual Savings/Relevant costs	4,8%
ROI - Timeline/Payback period	< 13 months

Netto annual vehicle routing savings are due to:

- Reduction in number of trips of more than 10% (higher capacity utilization)
- Total mileage reduced with more than 5%

Add the average scheduling savings, the administration costs and secondary savings, and the total savings amount will be even more than EUR 350,000 in total, and the payback period even less than 9 months.

More information is available on [www.ortec.com/ti-conferences](http://www.ortec.com/ti-conferences)

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