

Arla Denmark

**Our planned delivery times
are now much more reliable,
thanks to ORTEC**

Customer Story



Arla is one of the largest dairy producers and distributors in the world. It is a farmer-owned enterprise that aims to grow the value of their milk throughout the supply chain. Arla drives this growth responsibly and uses innovation, technology and sustainable production to create the future of dairy and remain attractive to customers around the world. ORTEC has helped Arla to drive efficiency in their supply chain by increasing transparency. Through our cooperation, Arla has been empowered to reduce its environmental impact and use its supply chain as a competitive enabler.

Challenges

At Arla, 300 vehicles deliver dairy products to approximately 3000 customers on a daily basis. Time windows to make these deliveries are extremely tight, due to strict customer agreements. Providing transparent delivery schedules to customers is a high priority within Arla.

Technical requirements:

- Implementing a solution to integrate both tactical and operational planning
- Adopting a state of the art technology platform
- Moving towards standardization
- Gaining better visibility into the supply chain process
- Gaining the ability to manage “red day” planning (Christmas, Easter)

Solution

ORTEC Routing and Dispatch for operational planning and execution This planning tool supports Arla's daily planning process. Integration with both SAP and mobile provides the planner with an accurate and up-to-date planning overview.

ORTEC Tactical Routing for the creation of master routes and “what if” scenarios

State of the art algorithms support the tactical user in the fast recalculation of master routes and other planning scenarios.

Results

- + Approximately 8% reduction in total kilometers driven after implementing new tactical routes
- + Clients experience a more reliable and accurate ETA
- + Time spent calculating a new tactical plan reduced by 50%
- + Delivery quality improved on the whole, resulting in less customer complaints and support hours
- + Modern and stable technology platform



Industry

- Transport

Facts and figures

- Arla Foods operates 28 large dairies in Denmark
- Over 3,000 customers throughout the country
- 300 vehicles, which annually cover 28 million kilometers
- approximately 350 drivers
- 3 million pallets distributed annually





Benefits of ORTEC Routing Solution Platform

Arla is now better able to meet their client and employee needs as well as strategic business goals with the support of an advanced planning and scheduling system.

End users are able to do a fast optimization run.

The ORTEC Routing platform has proven to be a stable system that serves Arla's business needs. To drive further improvements, Arla's team is now enhancing the quality of their input data.

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**Jan Westergaard,
Super user Arla Denmark**



Less cost to business and environment

Reducing the number of kilometers driven also contributes to the reduction of Arla's CO₂ footprint. This initiative and other company policies, like changing the type of fuel (gas to liquid) being used, are helping Arla achieve its sustainability agenda.

Quality distribution plan improved

Besides improvements in customer satisfaction, managers report that the quality of their distribution plan has improved. This quality improvement can be measured with the reduction of the total number of kilometers driven and driving time. The implementation of new tactical routes has resulted in significant savings in these areas.

"One of the focus areas within Arla's Supply Chain is the customers intimacy program. Thanks to ORTEC we're able to provide trustworthy information towards our customers; the foundation of this program".

**Uffe Pedersen,
Manager Distribution Arla Denmark**

