



Case study:

Aalborg Portland

THE CEMENT PRODUCER Aalborg Portland transports 1.4 million tons of cement annually across Denmark. The movement of such considerable volumes requires a comprehensive and costly transportation infrastructure. In 1993, Aalborg Portland decided to reduce its costs by implementing a solution for transportation planning from Transvision. This decision has led to considerable savings.



AALBORG PORTLAND IS Northern Europe's largest producer of cement and the world's biggest exporter of white cement. The annual production amounts to 2.8 million tons of cement which is distributed from eleven sites in Denmark.

At the beginning of the 1990ies, Aalborg Portland had more than 100 vehicles in the fleet and 18 dispatchers who handled order-taking and planning. The company determined that the costs of transportation had grown too high for the company to sustain, and that it was necessary to carry out a cost reduction process.

At the same time it was important to the company that customer service did not suffer from such cost reductions. Since cement is delivered just-in-time, delivery precision and efficient handling of urgent orders is crucial.

As a result Aalborg Portland decided to implement a solution for transportation planning that could support the demands of the planning process. The business demands were to:

- Cut the cost of operations
- Free up resources in the planning department
- Increase the level of customer service

STRONG VISIONS

Transportation Planner Knud Erik Busk at Aalborg Portland says, "Before we implemented the planning solution from Transvision, we were not centrally organised. This meant that every site handled the planning in its own area.

This set-up was no longer optimal for us because it led to disproportionate planning and to a poor optimisation of the transportation fleet in every local area. Due to this we started a dialogue with Transvision. With their planning solution we saw the ability to centralise our order-taking and planning in Aalborg and reduce our planning staff significantly.

At the same time we saw an opportunity to break down our historically based local regions and make it possible for our vehicles to drive between these sites across the old regions and thereby increase our capacity utilisation vastly.

We made calculations that showed that the investment would be returned in one year. In practise it went much faster..."



Massive cost reductions



"We have truly received a strong and stable planning tool," Transportation Planner Knud Erik Busk says.

"WHEN WE RECEIVE an order the solution immediately calculates the cheapest site to deliver from. The system knows all vehicle positions at any one time, their product delivery capability plus the distance to the sites. Because of this we have an effective tool to choose the optimal vehicle for order fulfilment," Knud Erik Busk explains.

He continues, "At noon we use the automatic planning functions of the solution to make the base plan for the routes of the next day. The automatic planning of the system is incredibly fast and we soon have the full plan overview on our planning board. After this we start up the dynamic management of the plan to enable us to optimise the last minute or new orders.

The solution has also increased our customer service levels because we receive prior warnings from the system on delays. As the solution gives us a complete overview of the operation in real-time, we are now better equipped to make changes to the plan to rectify the delays.

Finally, the solution stores all operational data so we can export the actual kilometres driven and route times per vehicle. On the basis of this precise information we can pay our contractors accurately."

HIGH COST REDUCTIONS

Knud Erik Busk says, "The implementation of the planning tool has been a positive and enjoyable experience, but most importantly it has shown us a big turnaround.

We left a manual planning process divided into small regions, and today we manage everything centrally using more automated processes. This has led to:

- A reduction in the number of planners from 18 to 4
- Significant reductions in empty-driving
- Breakdown of inefficient and rigid regions
- Large improvements in capacity utilisation
- Large administrative savings due to process automation
- Improved customer services through automatic warnings and faster responses"

Knud Erik Busk concludes, "The solution is very dependable and reliable which has an enormously positive effect on the operation. We have selected a strong and stable planning tool."



For more information, please contact:

TRANSVISION A/S Vermundsgade 40D, DK-2100 Copenhagen, Denmark
+45 8888 8787, info@transvision.eu, www.transvision.eu