



Case study:

# Lantmännen

**LANTMÄNNEN IS AMONG** the key players in Scandinavian within agriculture, food, and bio energy. With more extensive transport activities the group Lantmännen has seen the need of an advanced transport planning system capable of bringing down the transport costs and Co2 emission. Lantmännen has now finalised the implementation of Transvision Fleet Planner within one business area – and the benefits have been significant.

**THE LANTMÄNNEN GROUP** has a total revenue of 3.2 billions euro and a broad product assortment that ranges from animal feed, grain, and machinery to finished consumer goods. The group which is owned by 44,000 Swedish farmers is present in 19 countries and has customers in 50 countries.

Project Manager Per Klemmedsson explains, “The majority of Lantmännen’s activities requires a lot of transport, and the great distances in our primary market in Sweden adds quite substantially to the cost level.

We have divided our activities within Lantmännen into ten different business areas that separately handle the transport. In total, all these business areas have more than 800 trucks, and the transport costs sum to a total of 200 million euro per year. It is therefore vital for us to look for ways to make the transport more efficient.

Introducing an advanced transport planning and optimisation system was therefore a logic step for us. After a period of testing different planning systems we decided to purchase and implement Transvision Fleet Planner.”

## DECISIVE BUSINESS CASE

Lantmännen started the introduction of Transvision Fleet Planner by implementing the system in the agricultural business area, more specifically within animal feed. Here Lantmännen has ten fodder factories from where 90 trucks distribute animal feed to farmers all over Sweden.

Per Klemmedsson continues, “While testing the system we saw that it was clearly able to handle the logic we deal with plus provide us with the real-time planning functionality we needed.

The test also showed that by optimising our routes and sharing the resources between our three planning regions there was a potential for reducing our transport costs and Co2 emission by 4 %. This alone represents yearly savings of 650,000 euro.

Moreover, we learned from the test that the system could help us increase the utilisation of our trucks massively by coordinating the backhaul transport of wood bio pellets after the fodder is delivered. With Transvision Fleet Planner we can take on more planning work with the same amount of staff; thus, we now sell our planning and transport capacity, and approx. 25% of our transported volume consists of external goods.

These factors were a decisive part of the business case and made the decision regarding the implementation of Transvision Fleet Planner obvious.”





# Remarkably improved productivity



*"Transvision Fleet Planner has improved our bottom line significantly", says Project Manager Per Klemmedsson.*

**IN THE BEGINNING** of 2005, the decision was made to go ahead with the project. The pilot was up and running during the early summer period, and in the autumn it was rolled out across the whole area of animal feed.

Per Klemmedsson says, "The planners immediately liked the overview that the system provided in Gantt charts and maps, but they were a little afraid of how the automatic planning facilities would affect them and their daily work.

Therefore, we focused on the education of the planners and involved them greatly in setting up the automatic planning. The planners' input resulted in changes in the parameters, and good suggestions from the system also inspired the planners the other way around. This interactive approach gradually led to the acceptance of the system.

A very big improvement for the planners was the system's ability to provide an overview of the full plan across regions and production plants. It used to be very difficult for the planners to share trucks between two plants very close to each other, but now they can easily access each other's plans and share resources between plants and regions."



## SIGNIFICANT BENEFITS

Per Klemmedsson concludes, "The fact that we are able to transport much larger volumes per truck and per planner with Transvision Fleet Planner has improved our bottom line significantly.

With a combination of the introduction of Transvision Fleet Planner and strategic actions we have been able to:

- Increase our volume transported per truck by 8 %
- Reduce the mileage and Co2 emission by 3 % despite of growing volumes
- Share resources between regions and plants
- Make planning easier and secure uniform planning across regions

We have many ideas for the future use of Transvision Fleet Planner. Especially, we would like the system to decide the next optimal delivery based on online measured fodder stock-level in the farmers' silos. Another activity will be to integrate the automatic planning with the production plants taking the production capacity and cost into consideration.

Overall, based on these good results, we would like to intensify the use of automatic planning, not only within the agricultural business area but all business areas within Lantmännen.



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