

Logistics Cost Optimization For Beverages Major(s)

Logistics

REGION

India

CONSULTING SERVICES

Market assessment, new product conceptualization, new product design & features inputs

CLIENT SITUATION

- Client was the largest private IMIL player in Rajasthan with 6 bottling units and ~100 depots
- Logistics formed ~Rs. 16Cr spend for client
- Client wished to reduce the logistics spend by exploring linear programming based Route and Shipment Optimization

OUR APPROACH

- The exercise involved in-depth analysis and mapping of the as-is processes and practices
- Real time constraints were mapped on to a Linear Programming based Optimization Model run using Lindo's What's Best solution
- Each depot's ability to cater to a large sized truck was mapped along with production constraints of 6 bottling units
- Detailed workshops were conducted for sales and logistics departments conveying the new process and changes in the route structures for Bottling Unit-Depot pairs

OUR RECOMMENDATION/IMPACT

- A dynamic daily demand planning based supply chain model was developed
- A total of ~Rs. 1Cr worth of logistics cost saving initiatives were identified through truck size and route optimization
- Revised demand aggregation and fulfilment process was developed and implemented