



AMCS Case Study

Returpack/Pantamera, Sweden

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Collecting 1.7 billion cans and bottles each year, Returpack is Sweden's largest deposit-refund player.

Returpack in brief

Sweden enforce a monetary deposit refund on all cans and bottles for the purpose of recycling them. From previously having external transporters planning, Returpack decided to handle the transport planning in house. To assist with this change, AMCS has provided a solution for managing the transport planning and optimization.

Returpack is the biggest player in the Swedish deposit-refund market. They are responsible for the collection, administration and deposits for 2,700 stores around Sweden. Each year, they handle the collection of 1.7 billion cans and bottles for recycling with approx. 48 trucks operating every day. They have 65 employees and are operating from one factory and 24 terminals across Sweden. In 2015, the turnover was 2.5 billion Swedish krona.

Historically, Returpack have relied on a total of 20 independent external transporters to plan and execute the transport and collection activity. Managing the collection operations in this way meant that Returpack lacked visibility of the day-to-day execution and control of the operational efficiency. So, to increase efficiency in the collection operation and ensure a high service level across all transport activities, Returpack decided to take over the transport planning themselves.

Taking control of the transport

For many years, Returpack has worked with several external transporters, each of which have planned and carried out their own collection routes, as well as dealing with Returpack customers - the stores. Consequently, Returpack felt they lacked control of the collection operations and customer contact, and lack of visibility into the route planning processes, meant that they couldn't calculate transport costs.

As contracts with their external transporters came up for renewal, Returpack decided to restructure the entire operation so that they could regain control with a transport planning system.

A suitable solution needed to comprise the daily operational planning, tactical development of master routes and strategical perspectives, while the transporters should still carry out the operations. Returpack soon realised that this task would require an advanced system, to incorporate all planning steps. They also needed strategical features within the system, to enable collection and analysis of data. They wanted to be able to assess where Returpack's terminals should be located, in order to be the most efficient and to enable them to constantly optimise the collection and deposit-refund processes.

Returpack tested several systems in their search for the right one to meet their needs. Basically, Returpack needed a solution that would cover the entire transport planning horizon, including mobility and facilities for customer and transport self-billing.



One solution to cover all transport planning

With the AMCS solution, Returpack has now re-gained control of their transport activities and Logistics Developer at Returpack, Joakim Andersson says, "With the AMCS solution our entire transport chain is covered and we can plan on both a strategical, tactical and operational level. We have gained control of every inch of the planning as well as new insights, for instance in which services the stores want."

With the AMCS solution, Returpack has a suite of integrated modules. The master routes are planned in AMCS Route Planner and they are optimized based on recurring customer visits. The master routes are then transferred to AMCS Fleet Planner, where the operational planning as well as the actual execution is managed. The transport planners adjust the collection routes based on incoming ad hoc orders and changes to resource availability. Drivers and the central planning office communicate directly through AMCS Mobile, which continuously keeps everybody up-to-date on and show real time changes in routes.

After execution, expected payments to each transporter is automatically calculated based on the agreed rates and delivered transport services. The transporters approve their invoices through the AMCS Web Portal and the solution fully integrates to Returpack's existing systems, such as their self-developed customer register, their Business Intelligence and the invoice management system.

The solution has been configured to match the specific needs of Returpack to planning according to narrow time windows, rush hours, vehicle limitations, driver qualifications and location of terminals are taken into account - to name just some of the key features.

Overview and savings

One significant advantage with implementing such a system is that Returpack are in direct contact with the stores. The direct communication improves the customer experience. "When the stores call us, and wants changes in the existing plan, we can test it and see the consequences of that directly in the system. That is a huge advantage for us", says Joakim Andersson.

Some major benefits from implementing the system:

- ▶ Immediate reduction of the fleet by 2, from the previous approx. 48 trucks – larger reduction is expected in first year of operation
- ▶ Better customer contact and service
- ▶ Better basis to asses bids from the external transporters in the tender process
- ▶ Better overview of and control of transport
- ▶ The possibility to calculate consequences of changes instantly, set prices accordingly and eliminate non-profit activities

If Joakim Andersson was to give advice for others who might want a route optimization system, it would be, "Know your company and keep focus on your target. The system is so powerful that almost anything is possible and it is easy to get carried away. We prepared well and had our data ready, which really paid off during the implementation."

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The lack of visibility of the external transport planning meant that we could not see if the transport planning and collection itself was carried out efficiently, but we believed there would be great efficiency gains in central planning.

