



AMCS Case Study

Aalborg Portland

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Aalborg Portland has achieved exceptional savings with AMCS' transport planning solution.

Aalborg Portland in brief

Aalborg Portland is the largest producer of cement in Northern Europe and the world's biggest exporter of white cement. The company's annual production amounts to 2.8 million tonnes of cement, which is distributed from eleven sites in Denmark. Moving such considerable volumes requires a comprehensive and costly transport infrastructure.

In the beginning of the 1990s, Aalborg Portland had a fleet of more than 100 vehicles and 18 dispatchers who handled order entry and planning. The company decided that transport costs had grown too high and that it was necessary to initiate a cost reduction process. However, it was important that customer service did not suffer from such cost reductions. As cement is delivered according to the just-in-time principle, delivery accuracy and efficient handling of urgent orders was crucial.

As a result, Aalborg Portland decided to implement a system which could support the transport planning process. It was required that the system would be able to cut operational costs, improve the level of customer service, and free up resources in the planning department.

Strong visions

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

"This set-up was no longer optimal for us, because it led to disproportionate planning and poor optimisation of the transport fleet in each local area. On this background, we started a dialogue with AMCS."

"With their planning solution, we believed it would be possible to centralise our order entry and planning procedures in Aalborg and reduce our planning staff significantly."

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

"We made calculations which showed that the investment would be returned within one year. In practice, it went much faster."



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Improved customer service

"When we receive an order, the system immediately calculates which site is the cheapest to deliver from. The system knows all vehicle positions and qualifications at any one time, as well as the vehicles' distances to the sites. We are therefore able to choose the optimal vehicle for order fulfilment very efficiently", explains Knud Erik Busk.

He continues, "At noon, we use the system's automatic planning functionality to make the base plan for next day's routes. The automatic planning feature is incredibly fast, so it does not take long before we have a complete overview of the plan on the planning board. We then start up the dynamic management of the plan, so that new and last-minute orders can be optimised."

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

"Finally, the solution stores all operational data, so we can export the actual vehicle mileages and driving times. This precise information enables us to pay our contractors accurate

Substantial cost reductions

Knud Erik Busk points out that "the implementation of the planning tool has been a positive and enjoyable experience, but it has also been quite a shift".

"We have moved from a manual, regionally divided planning process to managing everything centrally today, using more automated processes."

Major benefits from implementing the system:

- ▶ A reduction in the number of planners from 18 to 4
- ▶ Significant reductions in empty running and a break-up of inefficient and rigid regions
- ▶ Great improvements in capacity utilisation
- ▶ Large administrative savings due to process automation
- ▶ Improved customer service through automatic warnings and faster response times

"The solution is very reliable, and this has an enormously positive effect on the operation", emphasises Knud Erik Busk. "We have truly acquired a very powerful and stable planning tool."

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We have truly acquired a very powerful and stable planning tool with the AMCS transport planning solution.

