



AMCS Case Study Rema Distribution

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Rema combines digital fleet planning and mobile solutions to support the company's green agenda.

Rema Distribution in brief

Rema Distribution delivers foods and other fast-moving consumer goods to the approximately 360 discount supermarkets in the Rema 1000 chain in Denmark, as well as to partner convenience stores, petrol stations and food services within their delivery areas. The company is part of the Norwegian group Reitan Retail, one of the largest retail businesses in Scandinavia with ownership interests in the grocery, convenience and fuel sectors in the Nordic and Baltic regions.

As an organisation that relies heavily on transport, reducing CO₂ emissions is an increasingly important goal for Rema. The hybrid trucks that have recently been added to the fleet are an important part of that process. Rema is also using the digital logistics solutions from AMCS to capture more data insights to set their future strategy. According to Rema Distribution Transport Manager Kenneth Jespersen, this data will be critical to Rema's green agenda in the coming years.

"Distribution is becoming more and more complex and reducing emissions plays an important role in that. There is also the growing attention to noise and the types of trucks we can use in cities and densely populated neighbourhoods," he says. "We are still at the beginning of capturing the data, with 2020 as our baseline year, but we know that the information we get from it will help us continuously improve our operations."

Coordinating the distribution mix

Rema believes that the company can add more value by doing the logistics in-house instead of relying on transport companies. For Jespersen, that requires having software solutions that can handle the complexities of the business and make their planners' jobs easier.

Rema Distribution owns more than 250 trailers and work with over 30 external hauliers that are hired on an hourly basis. Rema uses AMCS Retail Planner to coordinate the entire operation. A key advantage of AMCS route optimisation combined with mobile web solutions is that the hours those external hauliers spend on distribution is easily captured, which helps ensure they can be paid correctly and on time, and with much less hassle than drivers who had to track their time manually.

"It used to be that distributors could brag about how many kilometres we covered. Now, managing a responsible distribution operation is all about the most efficient and effective way to get products to customers with the least amount of driving and greenhouse gas emissions."



Data: delivering the facts for continuous improvement

Rema currently distributes around two million pallets of consumer goods per year, which averages out to some 6,000 pallets per day. The company prides itself on tight pallet packing and delivery sequencing for optimum use of the space in their trucks, but even with optimal packing, that number still works out to about 200 trucks on the road six days per week. Although they do not handle fresh items with shorter sell-by dates such as bread and dairy themselves, they do coordinate the deliveries from those vendors to their stores.

With so many deliveries each day, it's important for Rema to have advanced visibility into what is being delivered when so that they can easily see where things could be done more efficiently. "It's easier to make decisions about efficiency and service improvements when you can rely on the data," Jespersen says, "instead of making changes or handling requests or complaints based on whoever speaks up or shouts the loudest."

In addition, the data on kilometres driven per truck is useful for Rema's CSR reporting and will also be a key part of the decision-making process for future developments. "We are still at the beginning of capturing the data, but we already see its usefulness for deciding which trucks to use where, as well as how to reduce empty kilometres," says Jespersen.

Simulations and real-time updates for further optimisations

It is the drive to make continuous improvements that has meant that Rema Distribution has used AMCS logistics solutions for a number of years now. As Jespersen explains, "The main drivers of these solutions for our business are driving fewer kilometres and improving our service with more accurate delivery times. Our trucks drove 24 million kilometres last year, so every incremental efficiency can add up to real improvements."

Using the simulation environment available on the platform, Rema can test routes in big cities like Copenhagen where only low CO₂ or low noise vehicles are allowed. They can also quickly test which stores to deliver to on which days, as well as find the most efficient way to add new stores or new routes to the schedules.

The continuous real-time updates to the active system from the vehicles on the road also provide real-time optimisation benefits by avoiding driving empty kilometres, for instance, once the deliveries have been made, the software searches for customers with collections that can be picked up along the return routes.

Business-driven IT and priority service

The efficiency of AMCS Retail Planner in generating the best routes based on different types of business and environmental criteria is also something that makes life easier for Rema's team of highly skilled planners. It has significantly increased the team's planning capacity on high value activities, as they are better prepared to handle exceptions and analyse deviations for improvement opportunities rather than being bogged down with daily order scheduling.

"Without the automated system handling our complex scheduling, we would probably need three times as many planners," says Jespersen.

Rema prides itself on making IT decisions that are driven by business goals rather than limited by the technology, as is the case with many of the generic ERP systems. "This is one reason why the industry-specific logistics solutions from AMCS have always been a good fit for us," says Jespersen. "We focus on only implementing IT systems from the business up and not top-down and when our goods flow team wanted the best goods flow system, AMCS was what they proposed."

Accordingly, continuous improvement and adapting to the changing complexities and demands of the sector are a big part of what makes the AMCS solutions an integral part of Rema's distribution planning. So much so, in fact, that Rema Distribution was one of the first customers to make use of the AMCS Premium Services that provide continuous proactive content development, insights and advice, as well as the highest levels of monitoring and 24/7 priority support. "You need the right service level to support critical business continuity," Jespersen says, "and AMCS Premium Services made the most sense for us."

Regarding that continuous development, he adds, "We are also looking forward to working with AMCS to develop even more data and software capabilities that will help us use our trucks where they make the most sense in reducing our overall kilometres driven and CO₂ emissions."

And that is a goal shared by AMCS as we strive to help our customers to drive efficiency and contribute to a cleaner world, for life.

AMCS Retail Planner

If you would like to know more about how Rema Distribution is using AMCS Retail Planner and AMCS Premium Services, or about any of our other AMCS products, please contact your local AMCS representative. Contact details are shown below.

Major benefits our customers see

- ▶ A minimum reduction of 10 % in distribution costs
- ▶ Time spent from order deadline to actual delivery reduced by 50 %
- ▶ Significantly improved overview and much more flexible execution
- ▶ Increased control of the process as well as the invoicing and utilisation of resources
- ▶ Better service for stores and smoother warehouse workflow
- ▶ Increased planning capacity and fewer planners needed to handle scheduling