



Case Study: Route Optimization

Premier Japanese Beverage Brand

Optimizing routes to enhance delivery efficiency and reduce costs.

PROJECT SUMMARY

LOCATION

Oceania

INDUSTRY

Consumer
Packaged
Goods

A leading beverage producer engaged TMX to lead a route optimization project for one of their major eastern-sea-board states.

Client Challenges

Limited visibility and influence: The client grappled with minimal visibility and influence in their logistics operations, with legacy Logistics Service Providers (LSPs) holding a significant portion of the transport intellectual property. This hindered client's ability to have a comprehensive understanding and control over their transportation network.

Adapting to service offering changes: Anticipating upcoming changes to customer service offerings, the client recognized the need for subject matter expertise and a best practice routing system. The absence of these tools hindered their ability to draw insights crucial for informing a new route-to-market strategy, a necessity in the evolving landscape of their business.

Approach

The client engaged TMX to lead a route optimization project for one of their major eastern-sea-board states. Having not conducted a detailed route review in years, they had limited knowledge of their dedicated transport task. Here is what TMX delivered for the client:

- **Advanced technology implementation:** TMX leveraged best-of-breed technology for route calibration and optimization modeling, identifying significant opportunities for improvement. This advanced technological approach allowed for a thorough analysis of the transportation network.

- **Identified substantial benefits:** Through the project, TMX identified approximately **AUD\$3.7 million to AUD\$3.9 million (20%+) in benefits**, showcasing the tangible impact of the route optimization initiative.

In addition, TMX identified the need to extend the review to other states and formulate an optimal operating model.

Solution

The client experienced significant advantages through the optimized baseline:

- Benefits of approximately **AUD\$1.7 million**, optimizing both price and performance.
- **Additional benefit of circa AUD~\$2.2 million** were identified upon implementation of alternative scenarios, further enhancing overall gains for the client.

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