

Case Notes



Transport plan achieves Grade A at Greenvale AP

The problem

Greenvale AP is one of Europe's largest suppliers of potatoes. Through member growers, contract growers, seed production and market purchases, it supplies grocery retailers, food processors, wholesalers and other packers, selling over 800,000 tonnes pa. It had grown rapidly through acquisition but was stretched to its limit in fulfilling customer requirements and prevented from reducing its cost base. Through 10 locally managed sites, as many as 30 staff arranged deliveries on behalf of their customers and growers, dealing with any service issues in an ad hoc way. Consequently, there was no overall picture of the transport activity, and no way of optimising the use of a hired-in vehicle fleet. The task given to The Logistics Business was to identify how service could be improved while reducing costs, and to propose an effective management structure to develop the operation further.

Multiple Supply Chains

With a myriad of customer sectors and suppliers the service had been managed in a number of discrete units.

We recognised that each sector, and specific customers, had different needs. By highlighting these, and the value of each flow to Greenvale AP, it was possible to gain benefit by optimising resource use across the company.

However, each sector and flow could be developed to suit its own needs within the overall network.

The Logistics Business approach

Working with a nominated Greenvale project manager we combined data analysis with structured interviews. Initial data for a year's transport movements was modelled identifying 16 categories of origin and destination and 32 links between these, giving over 200 separate routes. Subsequent analysis showed duplication of effort, unnecessary empty running of vehicles and rate anomalies, due to the local nature of the management. Interviews with representative staff, hauliers, growers and customers established the expectations of each, defined the key requirements and identified opportunities to improve both service and cost. This was developed into a specification for the transport function. A range of management structure options were considered describing the benefits and disadvantages of each, highlighting their impact on the Greenvale culture.

The solution

The key recommendation centred on a new management structure with a centrally based team taking complete responsibility for all movement and associated activities. Other recommendations included the introduction of haulier assessments, new haulier standards and procedures, service contracts with hauliers, customers and growers, the introduction of appropriate management reporting and IT to give visibility across the company, and the capability to benchmark the whole operation, both internally and externally. This team was tasked with improving service levels to customers and growers, managing all hauliers and equipment, and targeted reductions in the cost base.

Successes and Benefits

- Our operational experience enabled us to home in on the key factors affecting the existing performance and the impact of various management structures.
- Modelling a year's activity by route identified the key flows and opportunities for improvement.
- Our understanding of the market place ensured that the structured interviews discussed the future requirements and opportunities as well as the specific immediate opportunities.
- Drawing on experience in other sectors a range of solutions for other Supply Chain issues were identified for later review and implementation by the new management team.

