



Case Study

Ewals Cargo Care

## *4PL and 3PL Logistics Provider Reduces Costs and Improves Customer Service with Quintiq*

With a yearly turnover of €70 million, Ewals Cargo Care (ECC) is one of Europe's foremost 3PL and 4PL service providers. It operates in 18 European countries and employs 2,000 employees, serving some of the biggest names in European manufacturing and retail including Scania, Electrolux, General Motors and IKEA.

In 2003, Ewals decided to join the fledgling 4PL industry. They founded e-Logistics Control (e-LC), whose immediate mission was to provide Scania, a leading manufacturer of heavy trucks and buses, with a logistics solution to manage the flow of goods between its 14 European factories and numerous suppliers. Faced with the challenge of efficiently handling the 10,000 weekly orders which all had to be delivered in a very tight time schedule, Ewals understood they would need a sophisticated planning solution; they chose Quintiq to supply the technology. Every day orders are received for next day collection. e-LC wanted to be able to turn around the orders in a daily schedule within a maximum of two hours. These forecasted orders need to be co-ordinated into milkruns (multi drop) and a shared user-network.

Another important requirement for the planning solution was the need to accommodate irregular orders at short notice to cope with fluctuations in demand. Managing these orders is the task of planners who work to optimize the demanding transportation requirements. This placed a heavy burden on the chosen logistics provider. The initial e-LC review of the flow of goods and the complex scale of the operation between Scania's European factories and their suppliers dictated the use of computerized planning.

"One of the most critical things for us was that we were able to customize the front-end so our planners had an environment that was completely configured and optimized for their needs," said Eric Postulart, Director of e-LC. "This would mean that they could be more productive more

quickly, helping ensure we could meet the project deadlines Scania had set for us." Using Quintiq's software, the predicted volumes are planned, in advance, as efficiently as possible in milk runs and shared-user networks. This tactical plan is held in the transport planning system. The definitive orders come in directly via Scania's webportal, which are then loaded into Quintiq, where the orders are automatically allocated into the tactical plan. For orders that do not fit into the forecast, the Quintiq system works with the planners to help deliver optimal solutions. This is achieved in a number of ways. Planners at e-LC were involved with the Quintiq set-up from the beginning. "In fact they built their own logistics, planning and execution package," commented Eric Postulart.

### **GREATER-THAN-EXPECTED COST SAVINGS**

When Ewals began looking for a software solution, e-LC was a new division in the relatively new 4PL industry, so they wanted a fully customized planning solution. By choosing Quintiq, it was able to get the flexibility of a customized solution along with the time-saving and other benefits of a market-proven technology core.

Soon after installing the Quintiq solution, e-LC saw significant improvements in its operational efficiency. "We are very conscious of our costs, and our ability to keep them under control determines our profitability. With Quintiq's software we've seen a reduction in costs on a scale none of us had predicted" commented Eric Postulart.

In addition, the new Quintiq planning solution helped e-LC surpass their customer service goals for Scania by decreasing transport costs, improving communication between Scania and its suppliers and reducing Scania's carbon footprint with efficient transportation resource utilization. The growing complexity, partly through adding multi customer operations to the planning system, is to date still being supported by Quintiq.

Renaat Sohl, Corporate Information Manager at Ewals:

"At Ewals, all our planning departments now work as one big team. Because we are all using the same planning system, our planners can optimally leverage our resources to meet the same goal: to get the load where it needs to be on time, at the best cost."

Eric Postulart, Director of e-Logistics Control:

"We are very conscious of our costs, and our ability to keep them under control determines our profitability. With Quintiq's software we've seen a reduction in costs on a scale none of us had predicted."



## 4PL SUCCESS LEADS TO QUINTIQ SOLUTION FOR 3PL

Following the successful e-LC implementation, Ewals decided in 2006 to expand its use of Quintiq technology to include the planning of its extensive 3PL fleet of 3,000 mega trailers. With the previous planning system there was a limited interaction between the different planning departments, no integration between planning and administration and limited insight in ongoing planning to react in case of discrepancies or disruptions.

As it did for e-LC (non-asset based), Quintiq tailored a solution to meet the specific planning needs of the asset based 3PL ECC. The complexity of the asset based operation is caused by its limited resources whereas the non-asset based operation is complex because of its unpredictability. At ECC, 70 planners and 65+ support staff conduct tactical and operational planning starting a few days ahead of the actual transport and continuing until the delivery at the destination. Customer orders are entered into the system and automatically split up in physical movements (one door-to-door transport order averagely exists out of 2 physical movements) which are presented to the responsible planning departments in the respective countries. Taking into consideration the numerous constraints that are part of international transport, including the work hours at borders, differing fuel prices among countries and national holidays, the optimum plan is identified, including the allocation of trailers, trucks, drivers and routes. In this way Quintiq supports the planner in taking informed planning decisions to execute customer orders at the optimal cost, within customer service level agreements.

At both e-LC and ECC, the Quintiq solution is integrated into Ewals' ERP system in real time. The system receives up to the minute information about the status of each load. When there is a disturbance, planners can immediately see the consequences and the solution offers suitable alternatives.

## A BETTER BOTTOM LINE, A SMALLER CARBON FOOTPRINT

With Quintiq, ECC reached its initial goal of reducing indirect costs, having significantly decreased the amount of personnel and time needed for planning. More importantly, communication between individuals, departments and offices is now simple and fast. While each planner has a customized view of their data sets, when a change is made, it is immediately visible to all those affected. Also, Quintiq supports planners in finding solutions in real time to the changes resulting from unforeseen events. "We can react fast to any discrepancies in

the planning and look for alternatives, in terms of route, mode, truck or trailer so that the order will still arrive on time," Sohl commented. "Visibility means better customer service. The system is a great support to our planners who can build on their experience and take better informed decisions."

Quintiq provides full two-way integration between the front-end planning and the back-end administration with all of Ewals' business information in one unified system. "We had lots of information about our fleet but it was hidden in multiple Excel sheets. And since we only re-entered the data into the ERP system when the route was completed, all the information regarding what happened en route was never analyzed," explained Sohl. "We had all this knowledge that was not being exploited to our benefit. Since using Quintiq, the quality and quantity of the information at our disposal has improved." This greatly improves the accuracy of event reporting and enables meaningful management analyses.

Finally, one of the biggest issues facing logistics providers is the need to avoid empty runs, which add significant direct costs to the operating budget. Reducing empty running creates huge savings and is also good for the environment. "ECC is doing everything it can to reduce its carbon footprint. Thanks to Quintiq, we have been able to reduce our carbon footprint by increasing productivity, better utilizing our fleet and reducing empty runs," stated Sohl.

## DRIVING CONFIDENTLY TOWARDS A BRIGHT FUTURE

Ewals is already widely recognized as providing exceptional service and logistics capabilities. Backed by the Quintiq planning solution, Ewals has full confidence in its ability to stand by its word when accepting customer orders and to guarantee exceptional customer service – a winning combination in the logistics industry.

Having achieved operational and financial success using Quintiq solutions, Sohl says future implementations are on the horizon. "We have already begun integrating other modes of transportation. In fact, it is highly likely that our next Quintiq project will be to introduce a system to manage multi-modal transports." Surely, multi-modal transportation will bring new challenges and new opportunities to Ewals; Quintiq will be there to support the growth.

Sohl says: "After a few months making use of Quintiq in our 3PL environment we have seen a considerable reduction in empty mileage leading to a reduced carbon footprint."

Renaat Sohl, Corporate Information  
Manager at Ewals:  
"After a few months making use of  
Quintiq in our 3PL environment we  
have seen a considerable reduction in  
empty mileage leading to a reduced  
carbon footprint."