

Regional Meat Distributor Transforms Delivery Operations With The VIRATA Group

Food & Beverage Delivery

A Fresh Chapter For An Established Business

A regional family-owned meat processing and distribution company faced significant challenges in its last mile delivery operation after transitioning to new ownership, including an aging fleet, manual processes and operational inefficiencies. To position the company for growth, the new leadership engaged the VIRATA Group consultancy to modernize the company's logistics operations by deploying a last mile transportation platform from Route4Me with advanced optimization capabilities.

"The old system left the company with underutilized assets, excessive overtime and a lack of driver accountability," says Darren Gebes, Project Manager at VIRATA Group who led the deployment of Route4Me. "We addressed all these challenges by implementing last mile optimization that let the company consolidate its fleet, increase route density and maintain high customer service levels."

Manual Planning Leads To Inefficiencies And Overtime

Known for high-quality sausages and custom meat processing for restaurants and grocery stores, the Southern US-based family-owned company had served a region encompassing several major metro areas for more than 50 years by the time the original founders elected to sell the business. The new owners inherited a large production facility and hundreds of commercial customers.

They also inherited a fleet of 25 aging, high-mileage refrigerated trucks that serviced 87 routes weekly, making deliveries within a roughly 100-mile radius of the company's production facility. A single traffic manager planned all the deliveries with a manual process that relied largely on static routes set for the same destinations every week. Drivers spent as much as two hours at the start of their shift loading their own trucks before heading out on deliveries.

The route plan had to accommodate customer time windows as narrow as 30 minutes. Drivers often would show up at a destination only to wait until the customer was ready to take delivery, delaying completion of the route and incurring overtime hours. When a customer placed a one-off order or seasonal demand surged, the traffic manager had to figure out how to fit new deliveries into an existing static route using only tribal knowledge and guesswork, resulting in further inefficiencies, delays and often overtime.

- ✓ Cut number of weekly routes and fleet size by 40% through improved capacity utilization and increased route efficiency
- ✓ Reduced driver overtime from 30% to near zero through improved routing and better route compliance
- ✓ Increased ability to handle demand surges without disrupting operations through dynamic routing
- ✓ Positioned company for growth thanks to better capacity planning and increased route density

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Darren Gebes
Project Manager
VIRATA Group



Low Capacity Utilization Drives Need For Last Mile Optimization

As part of a broader initiative to position the business for growth, the new owners brought in VIRATA Group to assess the company's logistics operations and identify opportunities for improvement. VIRATA quickly uncovered critical inefficiencies, starting with underutilized trucks that were loaded, on average, to about 25% of capacity. "It became obvious looking at the trucks and how they were being loaded that they were not fully utilizing the vehicle space and, as a result, running a lot of extra routes," Gebes says.

VIRATA worked with the company to shift responsibility for loading the trucks to a new overnight shift so that the vehicles were ready to go when drivers showed up for their morning shifts. Gebes also recognized that a last mile transportation platform with route optimization capabilities would help the company plan more efficient routes and allow drivers to reach more destinations per route so they could increase vehicle capacity utilization.

Gebes surveyed the market for last mile transportation software and quickly narrowed the options to Route4Me and another software package. Route4Me met all the selection criteria, including dynamic route planning, the ability to schedule around customers' tight time windows, and turn-by-turn directions for drivers to follow. Plus, Route4Me integrated with the company's ERP system, telematics platform and fleet management software.

Route4Me also offered the opportunity to start quickly and scale over time, according to Gebes, so the company could achieve immediate wins and then build on the initial successes rather than having to do a lengthy "big bang" implementation. "Route4Me provided a flexible starting point," Gebes explains. "We could implement the basics and then layer in more advanced features as the company's operations evolved."

Optimization Drives Fleet Consolidation, Eliminates Overtime

The initial optimization produced immediate results, showing that the company could reduce its weekly routes by nearly 40% (from 87 to 53), consolidate its fleet by 40% (from 25 trucks to 15), and reduce driver overtime from around 30% to near zero. "By optimizing routes and increasing route density, the company had the opportunity to quickly achieve significant operational savings while maintaining high customer satisfaction," Gebes says.

Increased utilization was particularly important as the company was looking to refresh its fleet. Purchasing 15 new refrigerated trucks rather than 25 meant that the company could invest in other improvements across the business. That included deploying tablets into the company's vehicles to give drivers access to their route itineraries, customer-specific instructions and navigation tools.

The last mile platform's dynamic routing capabilities positioned the company to manage one-off orders and seasonal demand surges. "Roughly 20% of their business is seasonal. For example, orders might jump 20-25% when the school year starts at the local university. That boost in sales has a major impact on their routes, but with dynamic routing, they can adjust routes as needed to meet all the demand," Gebes explains.



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Driver Tools Improve Performance And Accountability

The precise routes and turn-by-turn directions represented a culture shift for the company's drivers, who previously set their own routes based on intuition and consumer-oriented navigation tools. Drivers might or might not take the most direct route to a given destination, or might get sidetracked along the way, leading to excessive hours and mileage.

Now, as the company adjusts routes to meet a day's orders, drivers get all the necessary information on their tablets, including an optimized route to follow and the time windows they need to meet. "We can say to the driver, 'You're going to make 15 stops in 10 hours, this is the path you have to take to make that happen, and here's the schedule to follow,'" Gebes says.

"It was definitely a culture change for the drivers," Gebes adds. "They would look at one of the new routes and want to know why a different driver was going to a customer they had served previously. We would explain that it's because, with the new route, they wouldn't be able to get to the customer at the right time. The ability to provide optimized routes and then track how the drivers followed the plan definitely was a benefit in terms of performance and accountability."

An additional benefit of the new platform is the ability to keep customers informed about the status of their orders. "Before, they had no way to do that outside of picking up the phone and calling the customer to let them know when the driver is going to get there or to tell them about some schedule change. That capability in Route4Me was very attractive," Gebes says.

Last Mile Optimization Enables Profitable Growth

The next phase of the project will involve completing the rollout of the last mile transportation platform across the business and integration with the company's ERP system. With the systems connected, orders can flow from the ERP into Route4Me for routing and scheduling, and then the schedules can flow back into the ERP for invoicing purposes.

The initial success of the last mile project with VIRATA has enabled the company's owners to think about different ways to grow the business, for example, expanding in the sausage market to take advantage of the increased capacity utilization of their fleet.

"This project is a great example of how we're able to help small businesses leverage last mile optimization to modernize their operations and set them up for profitable growth," Gebes says. "We're proud to be part of our customer's journey."

About VIRATA Group

The VIRATA Group is an Industrial Engineering Firm that specializes in offering Operational transformations and improvements for manufacturers that pay for themselves. The firm takes on projects with measurable results, creating massive change in a short timeframe that result in massive results to the bottom line.

<https://viratagroup.com/>

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 **Route4Me**