



# FIDELITONE™

## SUPPLY CHAIN SUCCESS STORY

### PULLING OUT THE STOPS: ROUTE OPTIMIZATION

regional telecom carrier removes redundant stops in its supplies delivery routes and finds the road to high performance – for both customers and the bottom line

#### AT A GLANCE

**Company:** Regional Telecom Carrier

**Industry:** Telecommunications

**Key Challenge:** Reduce operating expenses and maximize technicians' productivity

**Solution:** Route and process optimization

**Outcomes:**

- Reduced operating expenses **by 23%**
- Reduced overtime **by 67%**

*"The exceptional end-to-end view that generated this solution is a win for us in productivity and operating expenses—and a win for our customers."*

Director, Supply Chain,  
Regional Telecom Carrier

#### Background

When it comes to installation and repair services, routing the right supplies to the right locations at the right times is also the road to higher customer satisfaction. While every service executive knows this, making it happen is far from simple. A large service area geography, the cost of fuel, and the cost of labor—especially when overtime comes into play—can work at odds with the primary objective of supporting installations and repairs in a timely and effective manner. Supplies are dispersed and must move to needed locations virtually on the turn of a dime. Of course, moving different cargo types require different styles of trucks. Add to that a complex infrastructure utilizing a matrix of pick-up and delivery points, and you have a massive puzzle to solve.

#### KEY CHALLENGE

For this regional telecom carrier, the "question keeping people up at night" was: How do we operate deliveries of supplies more cost-effectively without sacrificing service? The right-fit solution would need to simultaneously maximize technicians' productivity and genuinely delight customers with robust turnarounds and successful outcomes. It would have to deliver results to the financial bottom line, too.

Consider the scenarios: A technician is on route to a job, and has to sidetrack to one of three material locations on the way. It's a zigzag to the job that can incur unexpected delays. This means overtime and sometimes sluggish service. Or, the supplies needed aren't available in the targeted location. This translates into lost productivity, estimated as 1 hour per technician per week.

## SOLUTION

Leadership at this client organization recognized that where parts were being housed, and their unique movement patterns, had to be revised to raise the bar on operating performance. The FIDELITONE team collaborated with leaders of the client's operations team to take a deep dive into the logistics of supplies routing and re-invent the process from end to end.

An in-depth analysis included a review of the *how*, *when*, and *where* of current systems against performance requirements. The team surveyed pick-up and delivery points with a focus on questions such as: Which stops are critical? Are any stops redundant? What routes are drivers using—and are these most efficient options? Where should supplies be positioned for the leanest possible process?

### The Right Truck for the Job

The team also devised a methodology for analyzing assignment and movement patterns of transportation assets. Cargo vans serve as courier for company mail, USPS mail, small packages, and material pick-up for emergency orders from vendors. Straight trucks provide delivery of all technician materials, such as phones, set-top boxes, and needed service parts. Flat beds provide delivery of all construction materials.

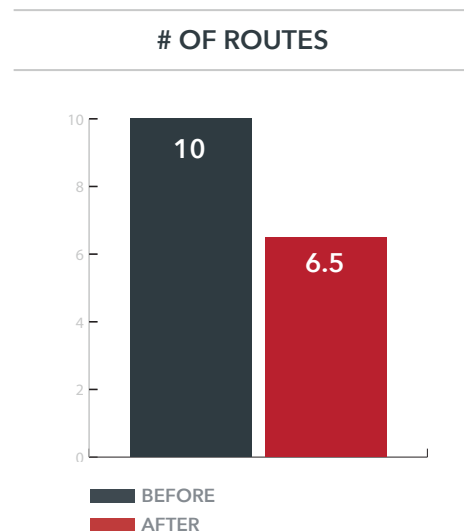


### Route Optimization

The final solution established *must-have* service levels and generated a new process for maximizing both routes and assets. The team implemented map point software to optimize routes, as well as GPS and routing software to inform teams of best-fit routing decisions. In addition, the team was able to identify critical stops, optimize selection of pick-up and delivery points, and eliminate redundant stops.

For efficiency, the team boosted the number of stops per route. The original 10 routes traveled by cargo vans and straight trucks were pared back to 6.5. This translated into fewer stops in all.

Utilizing route optimization meant supplying materials to locations faster, without sending technicians to multiple locations to gather supplies. Instead, some materials are delivered to technicians' "home" garages, saving needless trips. Best of all, the solution leverages efficiencies to require fewer FTEs.



## OUTCOMES

The upshot: a 26% reduction in total stops per week.

Now, each driver spends, on average, one less hour on the road each day. Drivers can dedicate time to packing orders in the morning and processing returns and cycle counting in the afternoon.

This high-level process synchronization did, in fact, deliver to the operation's bottom line:

- Number of stops per week dropped by 26%.
- Fuel expenses dropped by 28%.
- Overtime was reduced by two-thirds.
- Reduction of 2 vehicles and 2 FTEs resulted in \$200k annual savings (23%).

The solution has significantly strengthened productivity by ensuring parts are readily available for technicians on the job. Today, orders received by 3 PM are reliably delivered the very next day. The operation and—most importantly—its customers enjoy a predictable, high-performing service level powered by a nimble routing solution tailored entirely to the client's infrastructure requirements and service commitments.

How can we help you meet your service and performance objectives? **Call 800.475.0917**

**FUEL EXPENSES  
REDUCED**

**28%**

**\$200K**

**ANNUAL  
SAVINGS**



**FIDELITONE™**

**EARNING CUSTOMER LOYALTY**

FIDELITONE, a supply chain management firm, helps you earn your customers' loyalty through specialized services in inbound logistics, order fulfillment, last mile delivery, and service parts management.

We manage resources, create right-fit solutions, and optimize supply chain processes to advance your business performance and profitability. At every step and in every service, FIDELITONE employees focus on the touchpoints that safeguard your brand and keep your customers coming back.

We're paying attention to what matters to you in your business. We're paying attention to what matters to your customers when you entrust your brand promise to us. We're building high-performing answers to your toughest supply chain challenges.

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