

Albertsons' Safeway Centralizes and Streamlines Transportation Management

Uses One Network's platform for transportation operations across manufacturing and retail



Highlights

- 2nd largest food and drug retailer in the United States
- Deployed One Network Transportation and Appointment Scheduling solutions in less than 3 months
- Centralized transportation and appointment scheduling processes
- Delivered a single systemic platform across Manufacturing and Retail Transportation Operations
- Reduced scheduling overhead by 90%



Key Facts

- 2nd largest food and drug retailers in the U.S.
- Annual Sales \$57.5 billion
- 2,205 stores
- Stores in 33 states
- Nearly 265,000 employees

Albertsons is one of North America's largest food retailers, with over 2,200 stores located mostly in the western, midwestern, and mid-Atlantic regions of the US, as well as western Canada. It also operates regional supermarket companies, including Safeway, The Vons Companies (primarily in Southern California), Dominick's Finer Foods (Chicago), Carr-Gottstein Foods (Alaska's largest retailer), Genuardi's Family Markets (eastern US), and Randall's Food Markets (Texas). It also owns e-retailer GroceryWorks.com. Outside of the US, Albertsons owns 49% of Casa Ley, which operates about 135 food and variety stores in western Mexico.

CHALLENGE

One Network's journey with Albertson's began with Safeway in 2002. In an effort to streamline supply chain, Albertson's Safeway went through a centralization of their Transportation activities. The centralization increased the number of loads to be tendered and managed by Safeway's Corporate Traffic department, located in Phoenix, AZ, approximately 300%-375% based on seasonality (from 300-400/week to 900-1900 week). Constrained by a manual process that required the Corporate Traffic department to make telephone calls to carriers and update an internally built MS Access application to provide track and trace functionality. In addition, meetings with the Produce department were required to provide visibility of load status at the beginning of each day.

Ultimately the process resulted in:

- A centralized transportation process, however a de-centralized scheduling process resulting in five dedicated schedulers (one for each warehouse) across each of Albertson's 16 facilities.
- A manual process which required significant manual intervention at all points in the process resulting in an unacceptable number of late deliveries. Due to this situation, the following impacts were felt:
 - Increased transportation and produce costs, due to increased stops and 'Street Buying'
 - Reduced delivery performance, due to a lack of visibility and notification of lead time and transportation issues potentially reducing retail sales due to out of stock conditions
 - Increased labor costs due to manual process required to gain full supply chain visibility

Key Solution Business Goals

Safeway approached One Network to provide a solution to:

1. Substantially improve and automate the transportation processes defined above.
2. Centralize transportation activities including carrier selection, tendering and contract management.
3. Improve visibility and communication (between Buyers, Transportation, Carriers, and Service Vendors) of order status, and improved delivery performance.
4. Centralize appointment scheduling to remove schedulers at each warehouse

One Network Solution Selected

Safeway selected One Network's Intelligent Logistics solution, utilized One Network's Logistics Network, which was already used by approximately 25% of the Grocery Industry. Within the Intelligent Logistics solution Safeway activated the Transportation Management and Appointment Scheduling solutions.

Safeway's "Network"

Approximate Annual Appointments: 533,463

Approximate Annual Tenders: 81,328

Core Carriers: 319

Number of Carriers Scheduling On-Line: 1604

Number of Users: 176 Users

THE RESULTS

Within 78 days from contractual signature, Safeway had rolled out an automated solution across their entire business providing corporate-wide purchase order visibility, online carrier selection and tendering, and in-route shipment visibility from their manufacturers to their distribution centers.

Additionally Safeway centralized the storage and maintenance of contracts, which resulted in dramatic increase in compliance worth a large six figure bottom line improvement. Prior to One Network, Safeway's Corporate Transportation, established carrier contract guidelines, which were in turn utilized by each transportation specialist when they negotiated rates with their carrier-base. With Corporate Transportation having little measurement and monitoring capabilities, transportation specialist quickly strayed from the corporate contract policies established.

The result was a varying range of Safeway and carrier agreements that did not comply with Corporate Traffic guidelines costing Safeway Corporate Traffic hundreds of thousands of dollars per year.

Finally, Safeway deployed One Network's Appointment Scheduling solution and centralized their appointment scheduling activities across all their warehouses.

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One Network has successfully allowed Safeway to streamline and centralize our transportation and appointment scheduling functions. We have benefited by reducing labor costs, improving our supply chain predictability and visibility, and reducing overall transportation costs.”

VP TRANSPORTATION, SAFEWAY

Value of the Network

- Delivered a **single systemic platform** across Safeway's Manufacturing and Retail Transportation Operations
- **90%** reduction in scheduling overhead resulting in \$2.35 M in annual cost savings
- **85.38%** of appointments scheduled by Safeway vendors and/or carriers
- **100%** of transportation and scheduling relevant data captured systemically in a central database repository for analysis and long-term planning. Examples of data captured include load tenders, freight costs, vendor scheduling compliance, and on-time deliveries.
- **Improved Supply Chain Metrics**
 - Vendor delivery date versus requested delivery date compliance
 - Carrier turnaround time at Distribution Centers
 - Number of orders re-scheduled
 - On-time delivery
- **Provided product delivery visibility to procurement organization within their buying application**
Previously procurement phone calls were required to transportation and vendors, in order to identify if delivered freight was scheduled to arrive on time.

Due to the rapid return on investment and significant improvements that Albertson's have seen with the Safeway project, they will be rolling One Network's solution out to the whole company.

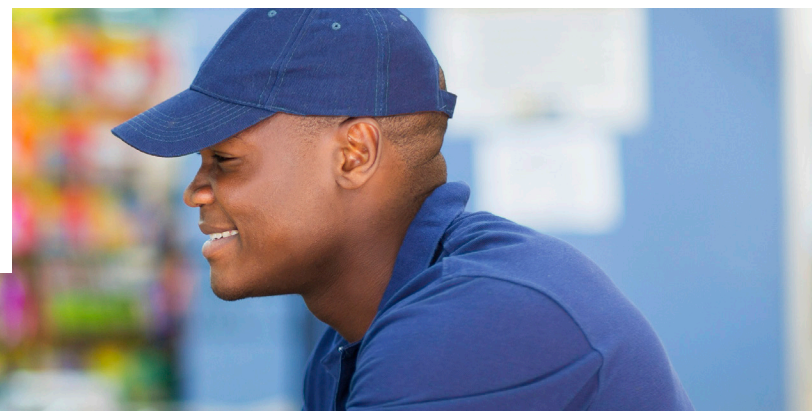
ABOUT ONE NETWORK

One Network offers a unique approach to supply chain management and other multi-party problems. One Network's cloud platform, the Real Time Value Network, eliminates the traditional divide between planning and execution and enables visibility and data flow across the entire supply network of trading partners - in real time.

Additionally, One Network offers PaaS solutions and developers tools that enable organizations to design, build, and run multi-party applications that solve problems unrelated to their supply chains.

Leading organizations from around the world from nearly every industry have joined One Network, helping to transform industries including CPG, Healthcare, Automotive, Retail, Logistics, and Public Sector and Defense. Headquartered in Dallas, One Network also has offices in China, Europe, and India.

For more information, please visit www.onenetwork.com or call us at 1-866-302-1936





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