

Success Story
Consumer goods
BAT and 4flow implement
supply and transportation
planning optimization



How BAT optimized its outbound transportation network with 4flow

BAT is a leading multi-category consumer goods business with a global footprint. With over 50 manufacturing sites and nearly 800 warehouses in its global network, transportation optimization is crucial to the business.

4flow supported BAT to implement the Kinaxis Transportation Load Optimizer by 4flow (Kinaxis TLO by 4flow) in its global transportation network. The Kinaxis TLO by 4flow is a transportation planning app to optimize transportation loads embedded in Kinaxis RapidResponse®, the concurrent supply chain planning platform from 4flow's technology partner Kinaxis.

A complex transportation network demands specialized planning software

Before implementing the Kinaxis TLO by 4flow, BAT depended on a combination of localized/non-standard Excel and SAP APO TLB (Advanced Planning and Optimization Transport Load Builder) for transportation planning.

Another significant challenge was that TLB planners and supply planners were using different tools/platforms, leading to some data inconsistencies and process inefficiencies.

The above challenges have led BAT to adjust and optimize load planning capabilities.

Rolling out the Kinaxis TLO by 4flow for BAT in the United States as a pilot

The United States is an important area of logistics activity for BAT with two central distribution centers (DCs) and more than 20 regional DCs.

“With the level of complexity in our global transportation networks and expansion of BAT on the categories, previous ways of working were no longer sustainable for us. The Kinaxis Transportation Load Optimizer by 4flow enabled us to improve efficiency and gave us a standard software for transportation planning and optimization”, said Ayse Gul, ultimate control tower integration manager at BAT.

As a pilot, BAT rolled out the Kinaxis TLO by 4flow and RapidResponse® in the United States for outbound transportation, from central DCs to regional DCs. 4flow's experience in transportation and network optimization as well as supply chain software made it an ideal partner for supporting the roll-out and implementing the Kinaxis TLO by 4flow.

To support this process, 4flow worked closely with the main users of the Kinaxis TLO by 4flow at BAT - by discussing their needs from the early stages of implementation, 4flow could ensure the roll-out plan considered their needs and boost user acceptance.

From local concept to global roll-out

When designing the concept for the United States, BAT and 4flow had global operations in mind and wanted to design processes that would work as a template for other markets. To accommodate regional complexities and different business requirements, BAT decided on a global template, while considering different supply chain archetypes in the global network. Based on agreed-upon archetypes, BAT have determined the necessary configuration or customization of the Kinaxis TLO by 4flow.

"The Kinaxis Transportation Load Optimizer by 4flow enabled BAT to improve efficiency and gave us a standard software for transportation planning and optimization. Our team is very happy to have a tool that allows them to optimize in an integrated way through the entire supply chain."

Ayse Gul, Ultimate Control Tower Integration Manager, BAT

Customer

- > BAT
- > Over 55,000 employees globally
- > Over 50 manufacturing sites and nearly 800 warehouses

Project scope

4flow worked with BAT to support the roll-out of the Kinaxis Transportation Load Optimizer (TLO) by 4flow for outbound transportation in the United States as a pilot, then globally.

Results

- > Kinaxis TLO by 4flow and Kinaxis RapidResponse® implemented in US market
- > Global roll-out concept developed for the Kinaxis TLO by 4flow
- > 3 months' advance planning visibility achieved
- > Improved planning efficiency and smooth collaboration among departments

Efficiency gains and improved planning in the global network

After implementation, the planning team in the US has a tool for automatic transportation optimization – and user acceptance is high. BAT data showed that close to 90% of stock transport orders (STOs) are now generated by a trigger from the Kinaxis TLO by 4flow. Now, transportation planners and supply network planners use the same platform and the same data for planning.

The Kinaxis TLO by 4flow also enables the BAT team to look beyond a planning horizon of a few days – even up to 3 months. And because the Kinaxis TLO by 4flow is embedded in RapidResponse®, users have the same intuitive interface and the same functions – like what-if scenarios – as everywhere else on the platform, without having to switch between windows. As a result, BAT gained efficiency in its transportation planning and execution. Planners can create more reliable transportation schedules faster, and truck utilization is automatically optimized by the software.

Shortly after go-live in the United States, BAT went live with the Kinaxis TLO by 4flow in Brazil. The Brazilian network includes one large factory and over 35 DCs. In the short-term future, BAT plans go-lives in five additional markets. In the United States and Brazil, the focus was on domestic networks because significant volume in those countries stays in the domestic market. In the upcoming markets, BAT will implement the Kinaxis TLO by 4flow for export networks, not just domestic transportation.

About 4flow

4flow provides supply chain consulting, software and managed services that transform and optimize networks from end to end. We help businesses become more agile, digitized, profitable and prepared for the future with services for digital transformation, supply chain planning, network design and transportation optimization. Operating worldwide, 4flow has more than 1200 team members with offices located in North America, Europe, South America and Asia.

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