CUSTOMER CASE STUDY

GIANT EAGLE FINDS A ROUTE TO GREATER EFFICIENCY

with Manhattan TMS

OPERATIONS
PA, OH, WV, MD, IN

MANHATTAN SOLUTION
Manhattan TMS

CHALLENGE

Fragmentation in transportation technologies – with three disconnected systems – led to disarray in transportation strategy. Varying delivery times for more than 460 stores resulted in decentralized routing, ongoing delivery pressures, inefficiency and wasted miles.

SOLUTION

Giant Eagle, Inc., consolidated their technology platforms down to a single solution: Manhattan TMS. Optimizing inbound and outbound orders not only allowed the company to maximize cube and minimize empty miles, but also enabled the company to raise service levels with a single application.

PROGRESS & RESULT

Manhattan TMS helped Giant Eagle reduce empty miles by 8% and total miles by 7.7% through optimized delivery schedules, improve cube by 7%, and fill available capacity with backhauls, which improved load utilization and lowered inbound costs.

"Partnering with Manhattan gave us the capability to move to a much more efficient, sustainable, holistic transportation model, which allowed us to gain greater efficiencies across our entire supply chain."

ANN-MARIE DAUGHERTY, VICE PRESIDENT OF LOGISTICS, GIANT EAGLE

PUSH POSSIBLE

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GIANT EAGLE AND MANHATTAN TMS

COMPLEXITY CREATES INEFFICIENCY

Giant Eagle, Inc., is ranked among the top 40 on Forbes magazine's largest private corporations list and is one of the nation's largest food retailers and distributors with approximately $8.9 billion in annual sales. Founded in 1931, Giant Eagle has grown to be the number one supermarket retailer in the region, operating more than 460 stores throughout western Pennsylvania, Ohio, northern West Virginia, Maryland and Indiana.

From a supply chain perspective, Giant Eagle operates six distribution centers that ship grocery, dairy, frozen meat, produce and HBC to stores. The company now controls approximately 36% of its inbound freight to the distribution centers. The outbound transportation network is highly complex, consisting of Giant Eagle's fleet of 340 drivers who cover over 16 million miles a year.

Prior to 2015, store delivery schedules were determined based on volume thresholds, creating inconsistency in daily loads and variability in store delivery times. Additionally, Giant Eagle was direct-delivering out of each distribution center, resulting in excess miles and multiple deliveries to a given store in a day. Variability in volume, as much as 20%, created overtime in the distribution centers, with drivers and late deliveries.

Additionally, Giant Eagle was using three different, siloed systems, not only to plan inbound shipments, but also to process and route outbound orders – all requiring interfaces, maintenance and upgrades to keep them running. It was clear that something had to change.

To reduce lead times to stores, Giant Eagle gradually made changes not only to delivery frequency but also to store transmission times. These changes created a level flow of work throughout the supply chain and improved in-stock positions at the stores. With Manhattan TMS, Giant Eagle also made two other key changes that improved the effectiveness of the supply chain and further reduced costs. First, they moved to centralized routing, which enabled improvements in cube and route optimization. Second, they utilized cross docks to consolidate product into fewer trucks to deliver to the stores. This tactic created more opportunity to leverage drivers at each location to haul freight from any distribution center in the network, resulting in an 8% reduction in empty miles.

A NEW TMS CREATES A BETTER MODEL

Manhattan TMS delivered four critical benefits: maximizing cube, reducing total miles through optimizing route efficiency, reducing costs on backhauls, and minimizing empty miles.

Giant Eagle, through the implementation of Manhattan TMS and Procurement, consolidated three separate systems into a singular platform, resulting in cleaner integrations with Manhattan WMS. Combined with changes in organizational structure and processes, Manhattan TMS enabled Giant Eagle to focus on cube and routing, resulting in a reduction of overall miles driven. From an inbound perspective, connecting procurement with TMS improved the process of evaluating carrier rates and loading them into the system.

Giant Eagle uses dynamically static routing, which leverages static routes as a base and then routes additional volume dynamically to build the most optimized routes. This concept has helped ensure routes are efficient, drivers are fully utilized, and deliveries are aligned with labor. Using the Manhattan TMS optimization engine, Giant Eagle revamped routes to allow for both daily and every-other-day deliveries. The ability to be dynamic allowed the supermarket chain to look at store deliveries in batches that were separate from transmission schedules.

Using TMS data, Giant Eagle was also able to examine where stores were scheduling their labor and to match it up with delivery windows. Over time, in addition to a reduction in overall miles, there was a reduction of empty miles. The implementation of TMS technology led to a further reduction of 8% empty miles.

To gain even more efficiencies, Giant Eagle is evaluating the implementation of Manhattan Yard for real-time visibility of trailers, as well as yard jockey management at their distribution centers.

In short, the more time passes, the more Manhattan TMS will continue to drive benefits for Giant Eagle.

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