GROOTHANDEL HVAC ◆ SANITAIR

SAX BOOSTS CUSTOMER SATISFACTION WITH ACCURATE AND RAPID DELIVERY SUPPORTED BY ZETESCHRONOS

OBJECTIVE

SAX, a leading Belgian wholesale supplier of technical products (HVAC) and sanitary ware, wanted to optimise deliveries and improve accuracy, speed and customer satisfaction levels.

SOLUTION

SAX switched to ZetesChronos, a mobile Proof of Delivery (POD) solution integrated with a bespoke route planning system.

RESULT

- Accurate deliveries: ZetesChronos has helped halve errors
- Faster delivery times
- More efficient route planning: saving one hour a day
- Increased customer satisfaction and fewer disputes

zetes

For SAX, a leading Belgian wholesale supplier of technical products (HVAC) and sanitary ware, accurate and efficient deliveries are crucial.

SAX supplies its customers – construction companies and professional installers, as well as its 15 branches located throughout Flanders – from SAX Logistics, its modern distribution centre in Wielsbeke (Belgium).

SAX recently integrated the ZetesChronos Proof of Delivery solution, which offers bespoke, optimised route planning, into its logistics processes. This has helped SAX to halve the number of supply errors, enables it to respond faster to anomalies and helped reduce the number of customer disputes. Together, these improvements have increased overall customer satisfaction levels.

Every day, around twenty freight trucks leave the 26,800 m² SAX distribution centre in Wielsbeke, heading for construction companies, professional installers and the company's own branch outlets. Around 450 deliveries are completed every day and the most significant challenge to overcome is ensuring full traceability from loading to offloading, with evidence that the order supplied is correct.

As a company, SAX is constantly on the lookout for new ways to guarantee the best possible service on an ongoing basis. Rapid business expansion meant SAX needed to optimise its supply processes to achieve this. In a short period of time, the company grew from a small wholesaler to a large business with 15 branches and 300 staff (80 of which work in the Wielsbeke distribution centre).

'Unattended deliveries' – a challenge

'Unattended deliveries' are a specific challenge in the sanitary ware sector. "Installers are often away from their base during the day, so deliveries are sometimes deposited at their doors. Alternatively deliveries are made to a building site where there is no-one available to take responsibility. These 'unattended deliveries' have resulted in disputes with customers, who raise issues about the condition or completeness of a delivery. We were unable to prove our drivers had left the full delivery in an undamaged condition and if parts of the delivery 'disappeared' or were declared damaged, this led to tricky situations," says Erik Van Den Berghe, Logistics Director. SAX needed an outstanding tracking system and started looking for an integrated solution to optimise delivery, reliability and route planning.

"We've halved our margin of error for supplies, from 0.5% to 0.25%. As a result, we have fewer delivery trips and returns to process. We also have significantly fewer customer disputes, thanks to the photos drivers can take on their PDAs at every delivery site as evidence and using the GPS position of the site."

Erik Van Den Berghe, Logistics Director

Truck-loading verification: driver scanning goods that have been loaded, using PDA

Electronic Proof of Delivery

When SAX began searching for a suitable supplier, Zetes was an obvious contender having already worked with the company. In addition, Zetes offered SAX Zetes Chronos, a Proof of Delivery solution which could be customised to meet specific requirements, including a route planning system.

ZetesChronos is an advanced mobile Proof of Delivery solution, used to optimise transportation and delivery processes. The system provides real-time information on the movement of goods being supplied and freight drivers involved with delivery, thus guaranteeing traceability through the entire supply process.

After integrating ZetesChronos with SAX's existing ERP system, 25 drivers were provided with new touchscreen PDAs (Intermec C50s). The system collates all data captured during logistical transactions whilst the drivers complete their rounds, from loading the trucks through delivery, pick-ups and recording of returns. This information is captured via the PDA and transmitted to the back office, ensuring the dispatcher has real-time updates on supply rounds and he can monitor order status. Zetes also installed a route optimisation module, which is integrated with SAX's ERP system.

Optimised routes

Each of the scheduled delivery stops (during a particular day of deliveries), is collated into a delivery batch in the ERP system. From 6 pm the day before a delivery, the route planner/dispatcher divides the general freight into actual loads, with stops allocated to vehicles in a particular geographical area. This is based primarily on experience and knowledge of geography and products. Because the dimensions of the SAX product range are varied, it is virtually impossible for a system to load vehicles automatically.

Actual loads are then sent from the ERP system to ZetesChronos, which optimises the trips planned manually using GPS coordinates, taking account of the delivery priorities indicated by the customer. When the dispatcher arrives in the morning, the scheduled routes can be manually adjusted to ensure each driver is allocated an equivalent workload.

Bart Herreman, Logistics Manager at SAX, says, "Our previous package may have included a few more bells and whistles, but the present system gives us a simple, user-friendly solution that's tailored to our needs. We spend one hour less per day on route optimisation and this represents a significant return on investment by enabling us to process more order lines. We have no real order intake cut-off point and we can't extend the actual order processing time for picking, packaging, loading and so on. Night-time operations start at 8 pm and freight trucks have to be ready to leave by 6 am. So every hour gained allows more order lines to be processed."

Ordering up to 6 am

Customers can place orders until 6 am and receive deliveries the same day. Drivers arrive at the distribution centre between 6 and 8 am to collect their PDAs and printed delivery notes, which are produced by the ERP system from the dispatch centre. Each driver's PDA shows a route with a unique number, which is used to allocate a bay number. They then locate the goods picked overnight (between 8 pm and 6 am) at their assigned bay.
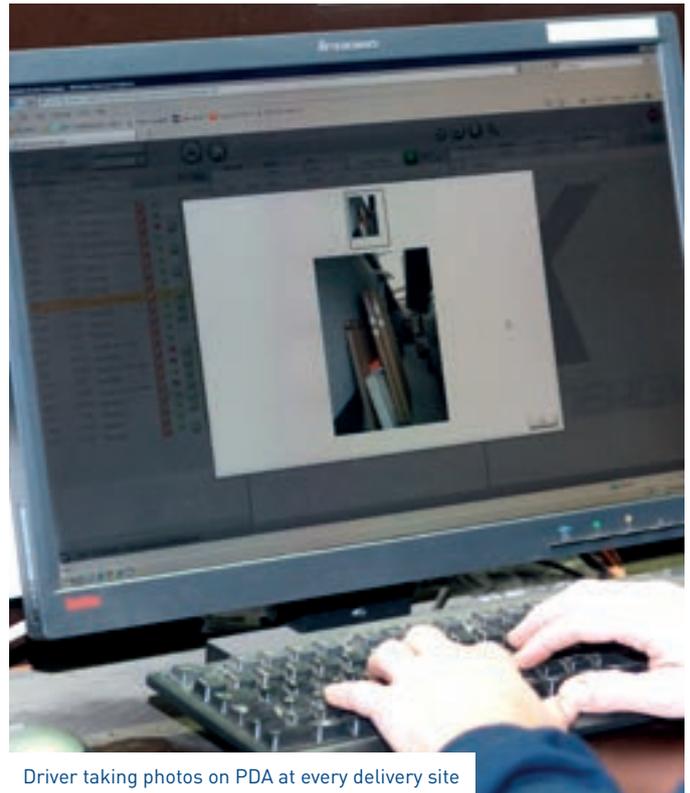
Driver taking photos on PDA at every delivery site

Audited supplies

Order pickers shrink-wrap and label goods by customer. Drivers then scan this label into their PDAs, at which point the package, which has been verified by the ERP system, can be loaded using truck-loading verification.

The driver also obtains his route from the PDA and has the ability to adjust the delivery sequence as needed. The dispatcher then releases this route and the driver can depart, using GPS navigation.

Once the delivery is made, the freight truck driver scans the label on the package to be offloaded for the customer. If the wrong item is scanned, an error message is displayed. The customer accepts the delivery by signing the PDA's touchscreen and validating the printed delivery note.

Visual Proof of Delivery

The driver also takes photo evidence on his PDA at every delivery site, as actual Proof of Delivery. As a result, unattended deliveries can be made, because the photograph provides evidence of delivery and a visual audit trail, to avoid customer disputes. At this point returnable items (e.g. euro pallets) can be offloaded or taken back.

The driver can also record any anomalies, such as damage to a package, an absent customer or other delivery problems (e.g. an incorrect delivery), using his PDA. The dispatcher, back in the distribution centre, views this information in real-time and can respond instantly, for instance by phoning the customer to arrange an alternative delivery time. "Everything runs in real-time, which lets us inform customers much faster," says Erik Van Den Berghe.

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>
> ∨ Bart Herreman, Logistics Manager

Geo-location

Driver PDAs contain a geo-location system, which allows them and their trucks to be tracked continuously. This ensures that unproductive and wasted mileage is minimised, which benefits SAX and its drivers.

In the morning, the driver unloads any remaining items at the distribution centre. These can include goods that couldn't be delivered, scheduled pick-ups of excess or wrong deliveries and returns, each of which is recorded via the PDA for unloading, using truck unloading verification.

Fewer errors, fewer disputes

ZetesChronos can be integrated with any existing IT system. At SAX Sanitair, Zetes integrated the company's existing ERP system and went the extra mile to ensure the resulting solution met customer expectations. "The process took some time, but communication and collaboration were consistently smooth. Zetes' support team was, and continues to be, available for us whenever we need them," says Erik Van Den Berghe.

The investment has paid off well. "Thanks in part to ZetesChronos, we've halved our margin of error for supplies, from 0.5% to 0.25%. As a result, we have fewer delivery trips and returns to process. We also have significantly fewer customer disputes, thanks to the photos drivers can take on their PDAs at every delivery site as evidence and using the GPS position of the site," confirms Erik Van Den Berghe.
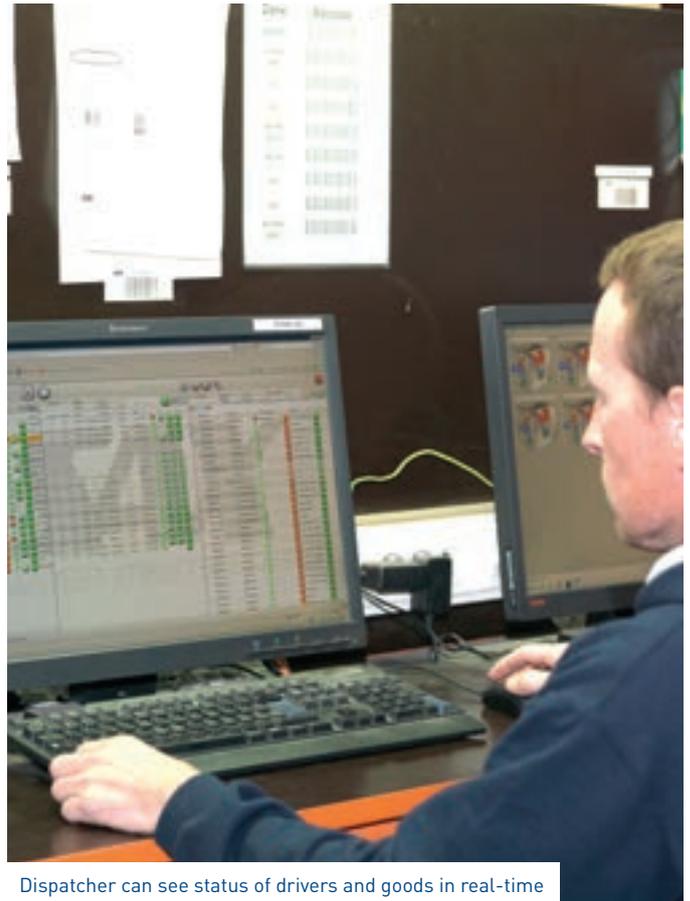
Dispatcher can see status of drivers and goods in real-time

About Zetes

Zetes transforms the way modern supply chains collaborate. Its process optimisation solutions for Packaging, Warehousing, Proof of Delivery, Direct Store Delivery and In-Store management, connected by a Track & Trace repository, enable organisations to achieve end-to-end product traceability, from manufacturer right through to the household. Zetes plays an important role in helping these organisations to meet global traceability challenges such as serialisation, diversion, safety, regulatory compliance and anti-counterfeiting, by integrating the latest cloud-based platforms with state of the art ImageID, Voice Recognition, RFID, Coding and Mobile Computing technologies. The Zetes Group employs more than 1,000 people across 16 countries in EMEA.

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