

## Saputo Inc. Saves Kilometers and Money, Makes Better Business Decisions with Paragon



### At a glance

**SECTOR:** Dairy foods wholesaler

**COUNTRY:** Canada

#### PARAGON PRODUCTS:

- Paragon Multi Depot
- Multi Period Planner
- Street Level Mapping

### Benefits

- Cut 35 percent of delivery kilometers
- Lowered carbon emissions
- Enhanced strategic business decisions for new and existing customers
- Improved competitive differentiation

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### About Saputo Inc.

Saputo Inc. is a Montreal-based dairy company, founded in 1954 by the Saputo family, which makes and sells dairy products, including cheese, milk and dairy ingredients. Its biggest-selling product is fresh mozzarella.

Saputo uses its own fleet purely for larger, repetitive, inter-warehouse deliveries. But, for direct-to-store deliveries, Saputo uses 45 contractor-distributor routes, and that's where Paragon software is being deployed, to optimize routing, handling deliveries in the province of Quebec for its Saputo Dairy Products Canada G.P. division. The software factors in constraints such as truck sizes and delivery windows and monitors the kilometers driven against the distance planned.

Direct-to-store deliveries total an average of 5,000 deliveries a week, largely made from Saputo's two Montreal-based warehouses to the urban region, but also around Quebec City and Ottawa, sometimes cross-docked from a satellite warehouse. Customers typically receive deliveries 2-3 times a week, up to 900kgs, and can generally place orders up to 4:30pm to receive them the next day.

### Increase in complexity compelled automated solution

The impetus to adopt Paragon routing software came when Saputo decided to integrate its milk and cheese deliveries, which had previously been delivered from separate warehouses. Managing the resulting delivery routing complexity proved difficult. Routes unnecessarily crisscrossed, and trucks were duplicating kilometers driven. Also, delivery windows at each location were not considered as carefully as they should have been.

“We realized we just couldn’t lick a finger and put it in the air to determine our routes any more. We brought in Paragon to help us map out and determine the best routes, the most efficient order of deliveries – the best approach in general,” explained Danny Panunto, Manager, Distribution-Quebec at Saputo Inc. “After we put all the constraints into the Paragon system, that really changed. We’ve eliminated many of the habitual problems we faced, like trying to deliver to a store when it’s closed.”

## Cutting kilometers, making better business decisions

When Saputo launched its newly optimized route plan, the company instantly reduced truck miles by 35 percent, triggering knock-on benefits like lower fuel and maintenance costs, but Panunto notes that the benefits of automated route planning were as much about improved decision-making as cutting truck kilometers. “We can now measure changes on any aspect of the business. For example, if we lose or gain a customer, we can immediately measure the impact of that change. That has been a very, very big benefit. It has allowed us to make much more intelligent business decisions about when we should deliver, where we should deliver, and even if we should take on that business in the first place.”

The Paragon implementation has also helped Saputo:

- Manage seasonal demand spikes. The software helps to assess what extra equipment is needed for more or bigger deliveries. Panunto said: “If we need to put a couple of extra trucks on the road to handle that peak, Paragon ensures we’re functioning as efficiently as possible.”
- Set accurate time windows. In a manual planning environment, this had been a challenge, given the wide range of delivery locations Saputo handles, from urban grocery stores with front-door drop-offs, to supermarkets with long waits at the loading dock. Better planning has greatly reduced the risk of a morning delay threatening an afternoon delivery.

- Improve competitive stance. “What differentiates us is our service, delivery and the customer experience. Paragon has allowed us to focus on the areas where we’re strong, and to improve on areas where we’ve been less competitive,” Panunto said.
- Manage complex delivery schedules. Alongside Paragon route optimization software, Saputo is using Multi Period Planner to help manage all the different delivery patterns their customers need them to meet.
- Reduce carbon emissions. Saputo is serious about managing a sustainable business. Reduced mileage cuts carbon emissions too.

## From guesswork to science

One by-product of the route-planning project is that Saputo had to make sure all the data it was feeding into the routing software was timely and reliable. “We went through a process of filtering and cleaning up, which was very good, because it forced us to clean up the data in our AS 400 system. Now, we can take that data and feed it into any other system, making our operations overall much more effective,” Panunto said.

“Our business decisions are now based on palpable results, solid data and real metrics, instead of in the past, when X more kilograms of product meant Y extra kilometers of delivery routes,” he added. “Now, it’s more like a science than guesswork.”



## About Paragon

Paragon Software Systems is dedicated to the continued development, implementation and support of routing and scheduling solutions that help businesses to cut transportation costs, improve productivity, reduce carbon emissions and raise customer service levels. The Paragon support consultants have implemented more than 3,400 systems at over 1,100 client sites in 61 countries. Headquartered in Dorking, UK and with offices in Dallas, TX and Manchester, NH, Paragon is a respected pioneer in routing and scheduling with over 30 years of know-how.

# Paragon



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