Mondelez Int. established an integrated ‘Load Control Centre’ (LCC) transport logistics platform to centralize transport management into a single location. The LCC uses a “traffic avoidance optimization tool” to cut distances travelled by road transport, to achieve higher loading factors and fewer empty runs, thereby avoiding large freight traffic on the road.

The dynamic optimization is a daily process in the LCC, run in order to maximize combination opportunities, and cover all orders received during the respective week.

The daily dynamic optimization capabilities capture the specific order structure of any moment and deliver lower costs, positive environmental impact (less CO2 emissions) via traffic avoidance, and improved truck utilization.

LCC optimisation productivities are achieved by steadily increasing the % of orders optimised.

Combinations are ‘auctioned’ everyday among a group of contracted suppliers by transport management team.

The algorithms and the optimization methodology are continuously challenged in order to reflect dynamics of sourcing changes.

The motivation behind the decision of centralizing the logistics management derived from the fact that the previous decentralized system did not generate efficient international freight transportation. The logistics operations were managed locally at national level using paper documents and were not web-based.

Local attempts at improving this situation did not work efficiently due to the complex sourcing environment of the company in Europe.

The traffic avoidance optimization tool collects all the transportation load data, analyses them and proposes an optimum route. Data are entered into a software based on pre-programmed optimization algo-rithms developed in the TMS and used for LCC freight optimization activities. The TMS applies 6 key scenarios in optimisation, covering both Less-Than-Truckload and Full Truckload.

The project entailed significant software development costs (above 5.000.000 €), which is in fact the cost part where the Marco Polo sub-sidy was used. There were also training costs, but on a much lower comparable scale.

The development of the project has not caused problems to the non-mal activity of the company. Orders that do not get optimised stay in the system for the following optimisation session, provided they do not negatively impact service levels.
## Case description (cont.):

### Process overview

<table>
<thead>
<tr>
<th>Level 0</th>
<th>Transportation Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>1 - Bundling</td>
</tr>
<tr>
<td>Level 2</td>
<td>2 + 3 = Inbound and Outbound Milkrun</td>
</tr>
<tr>
<td>Level 3</td>
<td>4 + 5 + 6 + 7 = Roundtrip and Pickup &amp; Delivery</td>
</tr>
<tr>
<td>Level 4</td>
<td>Optimal Order Combination</td>
</tr>
</tbody>
</table>

### More information:

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### Transport mode or supply chain elements

Road (Austria, Belgium, Czech Republic, Germany, Greece, Denmark, Spain, France, United Kingdom, Hungary, Italy, Ireland, Lithuania, Netherlands, Poland, Portugal, Romania, Sweden, Slovakia, Norway, Switzerland and Turkey.)

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