

SUCCESS STORY

Home delivery: DynaLogic

PLANNED WITH OPTIFLOW



The fast-growing logistics service provider DynaLogic, which together with a number of other business units, including Leen Menken (specialist in the field of refrigerated last-mile transport), forms Dynagroup and is part of the Belgian Bpost, has gone live in phases with route optimization software OptiFlow from *PTV Logistics*. DynaLogic mainly provides full-service last-mile activities for products such as white goods, furniture and smartphones. Aside from that, they also provide ID-related services, such as delivering alcohol with a Nix18 check or delivering passports to people's homes. Volumes are constantly increasing and customer care is continuously being expanded. With the help of OptiFlow, the company is able provide its services more sustainably, serve customers even better than before and at the same time achieve cost savings.

Turning customers into fans

The company consists of various business units and employs more than 2,000 people in total. While smartphone and coffee machine repairs were initially the main source of growth, from 2006 onward logistics - and therefore DynaLogic as a business unit - became one of the new growth engines. Throughout the entire organization, there has deliberately never been the intention to compete for the best price. Philip Bleijlevens, responsible for strategy and innovation at parent company Dynagroup explains: "Customer intimacy and a fast logistics lead time have always been our main priority. This enabled us to prevent customers with products that needed repairing, from becoming even more frustrated when they needed to hand over their product for a longer time". Innovative Supply Chain solutions for its customers are the basis of the company philosophy: "Turning our customers into fans."

Continuous growth

DynaLogic delivery drivers work throughout the entire Benelux. In more than ten years, the number of people who are 'en route' for DynaLogic has risen from ten on day 1 to one thousand today. "We don't simply bring packages from A to B. We transport relatively expensive products or articles where a short lead time is key and where added value services are required at the door. Consider, for example, the

Selection process

delivery and installation of a coffee machine or TV.” Although at the start of Dynalogic the vehicles were mainly used for repair activities for sister organization Dynafix, numerous services have been added over the years, including the delivery of alcohol with NIX 18 check and a network for 2XL articles such as white goods and furniture, including installation.

OptiFlow creates more fans

A significant part of Dynalogic's costs is spent on last-mile activities, which quickly translates into relevant savings. In a competitive market, where prices are constantly under pressure, efficiency is of vital importance. We can immediately reinvest the savings that are realized in further improving the customer journey. According to the strategy and innovation manager, a Proof of Concept (PoC) had to show how much savings and efficiency improvement could be attained. “We wanted to achieve even more accurate service, scalability in the Cloud to continue serving the ever-growing volumes, and to plan based on traffic patterns to save CO2 emissions and costs. We have achieved all of that thanks to OptiFlow.”

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Proof of concept is deciding factor

The fact that Dynalogic has opted for an extensive PoC as part of the selection process for route optimization software shows how important the place of this software is within the business model. The route optimization software is located at the heart of the company, which means that a change in processes must be carefully considered. “There is always a good chance that you are comparing apples with oranges in a regular selection process. With a PoC on the other hand, you let IT suppliers prove how well they are able to arrive at a better solution within the set time. They do this using your own data, and take into account all process-specific parameters and conditions on the basis of which you serve your customers. We believed that if the PoC was successful, and if we had a good feeling about the professionalism of the supplier, the choice were about to make would be proven to be the right one. That now appears to be true. OptiFlow works perfectly and *PTV Logistics* delivers on its promise. During the implementation, the project staff came over several evenings to see how we work and which aspects of the planning are of great importance to us. Of course, there are always a number of unforeseen challenges when implementing software. Even then, *PTV Logistics*' people showed their best side.”

More realistic routes

Prior to the selection of OptiFlow as their route optimization software, Dynalogic defined three important expectations that the application had to meet: “More realistic routes (partly due to the traffic information and patterns) to further increase the quality to customers, a scalable solution (Cloud based) that can be used anywhere and is ready for future growth. Lastly, an improvement in costs and sustainability in the terms of working hours and kilometers that are driven by our delivery drivers. These goals have all

Go-Live

been (amply) achieved. In order to make a good comparison between the old system and OptiFlow, Dynalogic planners have been working in both systems for a number of weeks. “Although the impact of Covid 19 – higher volumes, lower traffic congestion and a lower need for at home installation services – has made a precise comparison with a normal period more challenging, OptiFlow always came out as the best software solution in the comparison.”

Securing future growth

In addition to expectations, the logistics service provider also formulated a number of hard requirements for the new software. The new route optimization software needed to be able to help secure future volume growth. “This is why we were looking for a scalable system that works from the Cloud. Achieving an efficiency improvement would be a nice bonus, but was not a strict requirement.”

Go-live during peak period

The roll-out of OptiFlow went according to plan. “During that period, due to the first encounter with Covid 19, it felt like Black Friday for several months in a row. We went live depot by depot, despite the enormous volumes. In the end, we had to slow down the implementation pace a bit to limit risks during this period. This delay was partly because we had to train all planners remotely. It took a little more time, but it was a good test. The implementation was largely completed without people physically sitting together, call it a nice trial for working in the Cloud.” According to Bleijlevens, the go live per depot was immediately noticed by the drivers. “With feedback such as 'the new routes are better', delivery drivers immediately gave their opinion. We also saw that the on-time performance was better.”

Improved on-time performance

The improved on-time performance is important for Dynalogic, says Bleijlevens. “Where this previously had a slightly adverse effect on our NPS score, this has now changed for the better.” A more accurate planning ensures more realistic routes and therefore, in addition to very satisfied customers, also a higher chance of success in the first delivery attempt. It is understandable that Dynalogic also makes every effort to deliver products on the first attempt from a practical point of view. “After all, you cannot deliver a washing machine to the neighbors or leave it at a parcel point.”

Adaptability

Standardized software with customization options

By choosing OptiFlow, Dynalogic has a modern, cloud-based system. “A great deal of knowledge from our planners has now been incorporated into the route optimization software, but the planning can always be adjusted for nuances. We also absolutely did not want to work with a black box system, as we are a multi-customer company and work with many different products in an often changing market. Since you have to be able to intervene immediately, you need to have a certain degree of adaptability in your own hands. We are pleased that we can also conclude afterwards that the choice for this partner was an excellent one.”

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Philip Bleijlevens
Director strategy,
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