

OptiFlow enables HelloFresh to achieve substantial savings while also freeing up time for planners to test tactical scenarios

The enormous growth of meal kit supplier HelloFresh has put increasing pressure on their logistics and planning processes. To address this and to be able to handle future growth, the company called PTV Logistics. The estimated savings potential of around 6 %, which was identified during a Proof of Concept, was surpassed significantly in practice. As a result, drivers' routes are more effective and planners have more time to work on strategic improvements. This enables HelloFresh to work more sustainably and to further optimize the services it provides to its customers.

HelloFresh is on the rise all over Europe. The meal kit supplier's Benelux branch has a major advantage here. This organization controls all its own logistics tools. Four years ago, HelloFresh deliberately took transportation planning and execution into its own hands. "This gives us much better control of operations, enabling us to offer excellent service to our customers. It also allows us to be at the forefront of new developments such as deliveries with electric vehicles," says Head of Planning, Jasper van Dooijeweert.

Ingredients for complex logistics

As the pressure on our transport planning continued to mount due to the company's growth, the existing route planning software no longer offered sufficient support. HelloFresh started a timely search for transportation software that would also support the company's future ambitions. "We made our start distributing meal kits and want to be – and remain – the largest supplier. We've got a continuous focus on service and quality improvement and are always exploring new opportunities. HelloFresh is constantly adding recipes and catering to more dietary requirements, will be switching to electric distribution in urban areas and wishes to take the lead in testing new vehicles in line with our sustainability commitment. In addition, offering a wider range of delivery times makes logistics more complex. Because of this added complexity and increasing volumes, we knew: We had to take actions."

Selection process

Prior to the implementation of OptiFlow route optimization software, three to four planners worked on planning deliveries each day. "We were convinced that this needed to change and that better, faster and more powerful modern algorithms could support this process. During the selection process, PTV Logistics clearly outperformed the other suppliers. PTV Logistics was focused on a Proof of Concept that would allow them to validate the planning process and potential savings based on real data and driving times. In doing so, they showed that they understood what's most important in our business. PTV Logistics also responded quickly and demonstrated great potential for improvement."

Proof of Concept

The Proof of Concept revealed very significant potential savings. Though HelloFresh already suspected that it could improve the efficiency – thereby also reducing CO2 emissions – Dooijeweert says the projected savings were still surprising. "Wow! was our first reaction. It seems our expectations were well-founded. We've now started verifying the potential for savings and the findings from this Proof of Concept in practice."

Predicted savings realized

On going live, the predicted logistics improvement didn't just prove feasible, it turned out to be even higher than predicted. The savings are mainly the result of reductions in hours and mileage to carry out the same tasks. The reduced mileage also translates directly into lower CO2 emissions.

Dooijeweert says, "In addition, our planners have more time available to test scenarios for further improvements to our services." The latter is important with an eye to the future. The Head of Planning also mentions his interest in OptiFlow's ability to not only plan trips from A to B, but also to determine what capacity is required per distribution location for optimal performance. "The system offers us greater tactical insight into opportunities to scale our hubs' capacity up or down."

Rapid adoption

Getting used to OptiFlow took little time, says Dooijeweert. "We were used to doing more ourselves, and we had to let that go. The software works well, is intuitive and the user interface – the screen you work with – is clear. The latter ensures that getting familiar with the system is a quick process. After one or two days, you are perfectly comfortable working with it. The learning curve is actually very short."

Happy drivers

After going live it often happens that users discover new functionalities. This was also the case with HelloFresh. "We used to have our drivers cross rivers by ferry. That didn't always go smoothly for several reasons. Now OptiFlow plans the routes while avoiding ferries." We're also testing the use of traffic information in the new planning process. "This enables us to avoid traffic jams and rush hours better than before and we can further increase our on-time deliveries. The drivers' working conditions improve as well. Less stress, fewer mistakes and damages contribute to the drivers arriving at the customer's door in a better mood." What's more, the planners can work more flexibly. "We're less tied to a fixed PC, increasing our freedom to work at other times and locations."

'Ready for further growth'

The collaboration between HelloFresh and PTV Logistics was smooth. "We worked well together, operating as a team. It was easy because we're both hands-on organizations. There was a very clear division of tasks, the support was excellent and we were heard well and quickly. They addressed our wishes, including logistical restrictions, to our full satisfaction. We're now well-prepared to use our planning software for future growth as well."