

How Locus Optimized Distribution and Increased Operational Efficiency for P.T Tirtakencana Tatawarna (Avian Brands Group)





Optimized route planning, saving logistics costs by 1.6 billion IDR



95%* increase in SLAs (Order to Delivery) *for retail shops within 50 km radius from a wholly owned DC.



Reduced lead time from 1.21 days to 0.98 days

OVERVIEW

Established in 2001, PT. Tirtakencana Tatawarna, which is a member of the PT Avia Avian Tbk (AVIA), is a company engaged in the sale and distribution of building materials and furniture. Avian Brands is an Indonesian paint giant company that has existed for more than 40 years and is the largest company for waterproofing, wood and metal paint with more than 25% of the domestic market share in terms of sales last year, according to consulting firm Frost & Sullivan.

PT Avia Avian Tbk operates as an integrated paint company. It operates in two segments: Architectural Solutions, which generates the vast majority of its revenue, and Trading Goods. Architectural Solutions focuses on the production, distribution, and trade of wall paint, wood and metal paint, waterproofing paint, wood care, glue, roof paint, and instant cement products. The Trading Goods segment is into distribution and sales of pipes, furniture, and supporting products required in the painting process, such as paint rollers, paintbrushes, tape, and sandpaper. All of its revenue comes from its dDomestic mMarket.

Tirta's distribution network is very wide and comprehensive and serves more than 98 cities and 38 provinces in Indonesia. Supported by 110 distribution centers spread throughout Indonesia, Tirta's services include both traditional and modern channels.

Over the years, Tirta has consistently increased the number of distribution centers to provide the best and fastest service to all its customers. Currently, Tirta has warehouse facilities of more than 240,000 m2 and a delivery fleet of more than 650 units, as well as more than 3,500 salespeople.

Recognizing the importance of information technology systems, Tirta has successfully implemented Locus Dynamic Route Optimization in all its distribution processes. Thus, Tirta has the ability to analyze data quickly and accurately. Decision making can be done more precisely.



CHALLENGES FACED BY THE CLIENT

Tirta's operations team was planning to use the old system with manual planning done by drivers and without visibility or efficiency in delivery planning.

Their major supply chain challenges were:

0	Static planning of day-to-day logistical activities	0	Multi-day, multi-trips, and multi-drops deliveries
0	A clear underutilization of vehicles due tolack of insight on fleet allocation and high dependency on human intelligence to sort shipments	0	Multiple on-ground constraints such as time slots for customers, traffic, and other road restrictions
0	Delivery reattempts	0	Data visibility and reporting

The company was looking for a smart system for their logistics operations, and partnered with Locus to increase operational efficiency and optimize their supply chain processes.

LOCUS SOLUTION

Locus implemented Order Management, Route Planning and Control Tower, enabling end-to-end automation of the company's distribution planning. Driven by a proprietary

geocoding engine and Machine Learning algorithms, Locus solutions enabled efficient planning of delivery routes and effective scheduling of orders.

Locus acts as a complete Transport Management System, helping the company plan, execute, and streamline its entire supply chain, starting from managing the customers, drivers, locations, sellers and acting as a machine learning platform.

CASE STUDY





Optimized Route Planning

Locus' proprietary geocoder enabled systematic planning of delivery routes based on three different metrics:- geography, time and vehicle. It also provides a single screen view of the distribution plans and helps in defining crisp timelines for deliveries.



Dynamic Shipment Allocation

Locus ensured that shipments could be automatically assigned to the most optimal delivery routes and to the riders best suited for it. Automated shipment allocation creates the most profitable routes and assigns them to the right delivery agents beforehand.



Machine Learning and Track & Trace

With proprietary machine learning algorithms, Locus learns from the on-ground execution and subsequently refines the future plans being generated.



Tracking deliveries on a single platform

Tackled the client's major pain point with a hawk-eye view of on-ground operations for real-time tracking. With Locus, it only takes 10-60 seconds to track a shipment or a truck location and its status, which is about 10-20 times faster than the original 'calling' method. Locus also provides intelligent real-time alerts based on SLA breaches, battery levels, and customer interactions, for proactive operation management.



Digitization via app

Drivers use the LOTR mobile app to record the shipment statuses. Delivery status is updated on the app on a real-time basis and ePOD (Electronic proof of delivery), including photos, signature, and cancellation/partial delivery reason is generated for better visibility.

Impact

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End-to-end process automation



Optimized route planning, saving logistics costs by 1.6 billion IDR



95%* increase in SLAs (Order to Delivery) *for retail shops within 50 km radius from a wholly owned DC.



Same-day delivery service fulfillment



Reduced lead time from 1.21 days to 0.98 days



Control Tower setup for real-time visibility



Order status tracking and Intelligent alerts

100%

Digitization of POD Process



Track & Trace: Single platform for end-to-end order status tracking