

Directions

FROM PARAGON SOFTWARE SYSTEMS, LEADERS IN COMPUTERISED VEHICLE ROUTING AND SCHEDULING

Software and service proving hard to beat



Paragon for Windows helps companies reduce distribution costs and meet ever more stringent service objectives

As a dramatically increased number of companies discovered in 1996, Paragon has the experience to make vehicle routing and scheduling software achieve the promised business benefits. For Paragon, the year's achievements represent the benefits to its business of keeping a sharp eye on its core strengths.

When one of the country's leading contract distribution companies, with an unqualified knowledge of international systems, says that Paragon is the only vehicle scheduling software company it wants to do business with, it says a lot about Paragon's standing in the market. And when this same company commissions a bespoke version for transport planners and adds that, "We don't need more than one meeting - if Paragon doesn't know what we want and how to get there - no one does," the message is even more impressive.

Paragon not only has a proven product, it also has the experience to ensure that distribution problems are translated into software solutions that work. It's a message the industry at large has obviously heard loud and clear. In 1996 the number of companies choosing Paragon rose by 78%.

It's a situation that's not entirely unexpected. Paragon's powerful presence has, after all, been a constant in the market for 17 years. While other companies have jostled for position in the background, Paragon has remained out in front. It currently has a market share of 50% - tangible testament to its ability to stay ahead of the competition. This is something clearly valued by a diversity of clients in all sectors, from food distribution to furniture delivery, banking to bulk distribution, store to home delivery, contract distribution to catering supplies. And it's a state of affairs that Managing Director Dr David Holmes attributes to having a clear focus. "Our software is based on the ideas and expertise of some of the best brains in the business and they are continuously honing it to meet the ever-changing needs of UK industry. Because we've been successful we are able to plough profits back into research and development to maintain our position. And that's how it's going to stay".

This focus, based as it is on a UK distribution scene viewed by many as the most advanced and complex in the world, is paying dividends. Paragon itself has consolidated its international reputation by winning business in France, Spain, Belgium, Germany and Hungary in the last year. And the 24 companies who have recently joined the ranks of Paragon's existing users - such as Tesco, British Gas, Iceland and Safeway - are already reaping the financial, service and strategic rewards.

Paragon's concentration on its core strengths not only means that it is ahead of the game when it comes to technology. It also means that it has a uniquely experienced, results-orientated approach to implementation. "Clients are now as selective about their supplier as their system and I think Paragon has had a lot to do with this. Our determination to ensure that the software delivers the business benefits drives our approach to implementation planning and support and is key to our reputation", concludes David Holmes.

NEWS briefs

HEALTHY PROSPECTS

Confirmation that Paragon has been selected as the vehicle routing and scheduling system to be adopted within Lloyds Chemists plc highlights its versatility. In the first three installations alone it is clear that while the corporate goals of reduced costs and improved service levels are driving the overall exercise, individual businesses within the Group have distinct priorities and needs which must fuel their particular implementations. Within one of these, Farillon, Paragon will be used to facilitate next-day delivery of healthcare products to a 10,000-strong customer base of hospitals, chemists and doctors' surgeries and ensure that variable customer service requirements are fulfilled at the lowest transport costs. National pharmaceuticals wholesaler Enterprise is relying on Paragon to help reorganise the regular routes of 57 vehicles. And at Pricemaster, Lloyds' toiletries and household goods wholesaler, Paragon is being used to take a strategic view of its distribution operation.

SPANISH AYES

Winning the contract to improve the competitiveness of German-owned Henkel's Spanish distribution operation involved beating off European contenders to secure the endorsement of the firm's management consultants Arthur Andersen. Paragon had a head start as a result of its easy integration with Henkel's order processing system SAP R/3 and its Windows interface, but the company's support and implementation track record coupled with a solution-orientated, cost-saving trial sealed its competitors' fate. Henkel Iberica SA, market leader in detergents, household cleaning products and bleaches, is achieving through the use of Paragon, an improvement in distribution management, fast. The system was up and running within six weeks, securing 10-15% transport savings and a 25% reduction in planning time.

Just back from Spain, where Paragon had swiftly and successfully implemented a new system for household cleaning materials distributor Henkel, it received a call from Henkel's sister organisation in Portugal. Please could Paragon do for Lisbon what they'd done for Barcelona.

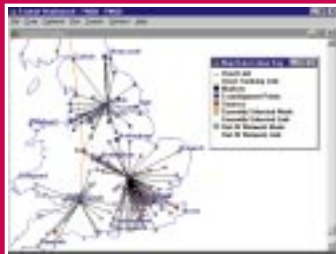
The Opel plant in Zaragoza is getting ready to receive its specially enhanced Paragon software, designed to plan the complex inbound logistics requirements of General Motors' European plants and integrate with the company's EuroMais 'lean' material ordering system. Created for the strategic planning of fixed routes from European component suppliers, together with weekly planning based on specific requirements generated by EuroMais, the system has already been installed at Luton, Antwerp and Eisenach.



Options

ADDING VALUE TO PARAGON

Paragon's Vehicle Routing and Scheduling System lies at the heart of its commitment to helping companies improve transport efficiency, but radiating out from it are a number of seamlessly connected additional options providing solutions to today's distribution challenges.



FASTNET is a strategic modelling tool for designing distribution networks with the best choice of factories, warehouses and transshipment points to meet the needs of the market and defined cost, service level, vehicle and time constraints. The 'big picture' options Fastnet models can be displayed both as reports and graphically against a map background and, once optimised, can be loaded into Paragon to give detailed vehicle requirements and costs.



THE MULTI-DEPOT VERSION of Paragon delivers daily operating plans for companies with central scheduling operations by adjusting depot boundaries according to the most cost-efficient volume and geographical allocation of work within defined parameters. Once Paragon has allocated and routed orders, interactive graphics allow a single operator to review the whole network and make any adjustments to routes for all depots.

DIGITISED ROADMAPS to enable Paragon to be used successfully for distribution planning in any country are available with varying levels of detail for use at local, national or multi-national level. Paragon's comprehensive collection extends from Edgbaston to Eire to a Europe-wide version, as well as Austria to Albania, France to Finland, Portugal to Poland and Spain to Slovakia.

Hot results for cool customer

In its first thirty five years of operation, **North Wales-based Woodward Foodservice, a family-owned frozen food wholesale firm, had built up an enviable local reputation and an annual turnover of £13 million. There were 30 vehicles, a sound, if time-consuming, manual transport planning, routing and scheduling function and a committed workforce. Then it installed Paragon.**

Now there are five fewer vehicles, daily mileage has dropped by 10%, order processing and scheduling takes just 45 minutes at the end of each day, picking/loading productivity has increased by 50% - and the workforce is still committed. Some drivers have retrained to operate the system - their on-the-road experience complementing their new route planning role - and all drivers appreciate the fair play they see in the allocation of work. Even more than



this though, Paragon is helping the company to extend its horizons. With the standard live operation for next-day delivery of 500-



Woodward Foodservice's delivery vehicles lined up for action outside its Bodelwyddan cold store.

700 orders for its 3,000-strong customer base running smoothly and dovetailing seamlessly with the warehouse management, computerised order processing and stock control systems, Managing Director Jeremy Woodward and his team have the time and the strategic tool to experiment with their total distribution operation. By modelling operational changes to see the effect on productivity they can come to clear decisions about distribution policy and strategic development. "We could reduce our fleet from 25 to 20 vehicles by widening customer delivery windows," says Jeremy. "So I already know that five

vehicles are there purely to deliver customer service. These advantages help us make the right decisions within the company to meet our customers' ever-changing needs and our own strategic development plans".

Paragon will play a vital role as Woodward's gears up to fulfil the next phase of these plans. With a new cold store, created with an eye to future growth, and a model for proposed operational expansion over a wider delivery area, the company is confident that it can drive forward to a future that will see its reputation and turnover grow.

Making a splash in France

When Whirlpool France asked one of its logistics contractors to investigate software suppliers for the daily planning of its retail delivery operation throughout the country, those involved may have been forgiven for assuming that the advantages of having a local agent would outweigh any that a foreign supplier could provide. But they would have been wrong.



In fact, Whirlpool chose Paragon over national and European rivals for a number of reasons, a key one being its proven level of implementation expertise in the white goods sector and the strength of its in-house support services. And these strengths clearly travel well. Not only were two systems, giving complete coverage of France, up and running within six weeks, it was also perceived by both Whirlpool and TDG Beck & Pollitzer to have been a resounding success.

"We were very impressed with the level of expertise Paragon provided during the implementation in France," says TDG Beck & Pollitzer's Christian Durieux, who was involved with the Amiens-based operation. Credit indeed, given the complicated characteristics of the task. Paragon Sales and Marketing Director, Charles Nockold attributes the smooth implementation of what was a complex operation in another country where most of the operational staff spoke a different language to, "The cooperation and understanding of the three main parties working together." Credit for this perhaps goes not only to the individuals involved, but to the entire team's continuous focus on well defined business goals.

Whirlpool's aim was to install new routing and

scheduling systems powerful and flexible enough to link with its existing processing and information systems and streamline and improve control of around 65 trucks making daily deliveries from its regional bases at Amiens and Lyon, increase warehouse productivity and facilitate shorter delivery times. As Whirlpool's Logistics Manager, Jean Marc Caudron explains, "Through this type of distribution we aim to increase the satisfaction of our 2,400 trade partners. Paragon is a fantastic tool and it's already playing a crucial role in helping us to achieve this." Now, just one scheduler at each base plans the daily routes for all local distribution centres, picking lists are passed to the warehouse and swap-bodies are trunked overnight for delivery the next day.

If one of the most telling tests of customer satisfaction is repeat business, then Paragon has clearly passed with flying colours. For Whirlpool then asked Paragon to work alongside its team to develop the newly-installed software to enable it to pre-empt the ever-changing needs of the market.



PREMIER LEAGUE

When Premier Beverages (Typhoo Tea, Fresh Brew, Cadbury's Drinking Chocolate) needed to increase the effectiveness and service of its distribution operation in line with its strategic development plan it brought in Paragon as a key player. "The fact that Paragon clearly has the technical capabilities to handle an operation of this complexity and that the system had additional facilities which were going to be vital, such as Multi-Depot and the ability to link up with the AS400 order processing system helped our case," says Sales and Marketing Director Charles Nockold. "Equally important, though, was Premier's recognition that they weren't just selecting a piece of software but a supplier with the experience and support systems to minimise implementation pitfalls and maximise strategic applications". Both of these skills were seen as top priorities.

WHOLESALE SUCCESS

Take one major restructure of a wholesale and cash and carry distribution operation. Add the opening of four new regional distribution centres with a capacity of 20,000 orders a week covering several waves of ambient, chilled and frozen product deliveries every day and you have a recipe for success. This was Booker's plan. One vital ingredient still had to be added - the supplier of the system which would provide the computerised transport planning capabilities to support this complex operation. Not only did this system have to be versatile enough to handle composite multi-temperature deliveries, multi-wave scheduling and multiple loads per day, it also had to integrate with Booker's DCS3000 Distribution system. Great care was taken to choose the right system. It's Paragon.

FAST-TRACK OPERATOR

Paragon had barely been installed when one of the country's leading logistics operators, Taylor Barnard, had cause to be grateful for its support in developing an existing contract. "Taylor Barnard wanted us to help them use Paragon to identify transport performance improvements for a client whose business they were working to retain," says Sales Manager William Salter. "We met the brief and its timescales and they were very happy with the result." This application is typical of the way Taylor Barnard plans to use Paragon to support its added value service to existing clients. By regularly reviewing its distribution operations and identifying potential efficiencies, the company can pass savings on to its clients, improving both retention and reputation.

1997

The projects currently in development at Paragon reveal a rapid response to clients' needs, the power of working partnerships to secure technological advantage and the ability of the continuously-evolving distribution industry to keep everyone involved firmly on their toes!

■ Paragon's Frozen Route concept will allow operators to check and 'freeze' a route on screen, preventing any further changes to it. Paragon's software designers came up with the idea in response to clients' needs to be able to freeze some loads so that they can be released for picking, while other loads have additional orders inserted automatically.

■ More flexible downstream reporting and cost allocation is the goal of a major enhancement of Paragon's output capability currently in development. It will enable users to download additional data and results from Paragon to other administrative or operations software systems for reporting, analysis and calculations. A key factor driving this development is clients' desire to be able to analyse the

profitability of individual deliveries and routes through the allocation of transport costs in a method of their own choosing.

■ Product/depot compatibility is the issue addressed by a new feature being developed in Paragon's Multi-Depot option to enable operators to specify which depots can supply which products.

■ A major development of Paragon is underway to meet the needs of increasingly complex distribution activity involving, for example, multiple warehouses, multiple products with restricted availability and multiple depots. An automatic routing capability which allows for situations such as delivery vehicles picking up from two sites in different areas is currently on trial.

■ A Multi-Period Planner enhancement will define a delivery profile across the week to allow for flexible volumes.

■ In-Cab developments are advancing as a result of Paragon's partnership with key equipment and mobile communications companies. With its huge potential for businesses to compare plans to actuality through real time monitoring, demand for state-of-the-art technology is high. Already GEC Startrack is being linked to Paragon at Iceland; NB3 has launched FleetWizard integrated with Paragon at Tesco and with Kerry Foods. Paragon is also working with Encrypta, Midas Data Communications, Simac Techniq and RAM.



A culture of commitment

For a company whose business is the application of logic, it's not surprising that Paragon is the epitome of the simply structured, clearly focused organisation. What might be surprising is the strength of commitment contained within this framework.

Paragon's marketing literature doesn't just promote its product. Revealingly, it also explains its mission: "The company is committed to the continued development of Paragon, ensuring it provides lasting benefits to users". This culture of commitment is important to Managing Director Dr David Holmes and the company is structured to secure its longevity. There's the long-serving, well-rewarded management team who 'live and breathe Paragon'. There's the fact that of the organisation's teams, Development is the largest, followed by Support, Sales & Marketing and Administration. And then there are the fell walking expeditions and sailing trips which fall somewhere between brainstorming sessions and simple fun.

At the moment, there's a tangible energy about the place as the expanded management team plans for the future, the support team implements a record number of new systems and the development team works on its next major release and updates. Development Manager Richard Street, who has been with Paragon for eight years, is also recruiting to his team. "To stay in front we have to make use of the latest technologies and talents."

Like Richard, Support Manager Phil Ingham has



Sales Manager, William Salter (seated left), with Support Manager, Phil Ingham (centre) and Development Manager, Richard Street

his work cut out as a result of recent successes. Overseeing the implementation of new systems is very much part of Phil's remit, even though he manages a team of consultants. Phil brings his experience of 50 implementations built up over 10 years with Paragon to his role, in which he is known for getting things done and ensuring that systems deliver the targeted benefits.

This is just as well because newly-appointed Sales Manager William Salter, who has been with the company for nine years, is as committed to ensuring that the rest of the team delivers as he is to winning the business. "Promoting William to Sales Manager has resulted in the sales team working as a more cohesive force and winning a larger share of the business," says Sales and Marketing Director Charles Nockold.

Wizard

REAL TIME, REAL BENEFITS

NB3, providers of national networks for mobile business communications, has developed a mobile data system integrated with Paragon to monitor and control scheduled vehicle movements.

Real time reporting of what is actually happening on the road gives operators the opportunity to assess and modify the scheduling plans created by Paragon and is seen within the industry as the next stage in driving down distribution costs.

FleetWizard, the integrated voice and data solution developed by NB3, acts as a voice communications and status reporting link between distribution centres and vehicles on the road. Already implemented alongside Paragon by Tesco, FleetWizard has cut driver hours by over 4%, reduced delivery times – and achieved payback within only six months. Given these statistics, its take-up by others in the industry, such as Kerry Foods, was perhaps inevitable.

next step...

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