

Greggs uses Paragon to support business transformation



At a glance

SECTOR: Food and Drink

COUNTRY: UK

PARAGON PRODUCTS:

- Multi Depot Routing and Scheduling
- Street Level Mapping

Central planning benefits

- Simplified the planning process
- Achieved optimum distribution performance
- Supported business transformation

Scotland change project benefits

- Improved fleet utilisation by over 30%
- Removed almost 900 miles a week from local plans
- Fuel saving of more than 2%
- Reduced CO₂ emissions by around 35 tonnes per year.

About Greggs

Greggs is the UK's leading bakery food-on-the-go retailer with over 1,800 shops nationwide, serving over six million customers a week. Greggs has undertaken an ambitious £100 million, five-year investment to reshape its supply chain. This is part of a strategic plan designed to transform it from a decentralised traditional bakery business into a centrally-run, food-on-the-go brand that can meet the choice and availability customers demand.

The initiative included the creation of a nationwide network of centres of excellence in manufacturing and distribution, increasing capacity to support shop expansion substantially beyond 2,000 outlets. The retailer has also expanded beyond its traditional place on the high street to new locations on retail and industrial parks, motorway service stations and travel hubs, supported by a successful and growing franchise model.

With the food-on-the-go sector rapidly expanding in the UK, retailers are investing heavily in product and service innovation, often targeting peak demand at different times of the day. Specialists such as Greggs face growing pressure on their supply chains to meet changing customer expectations, so are turning to advanced planning tools to achieve the highest levels of efficiency, utilisation and service performance.

"The Paragon routing and scheduling software has enabled us to quickly identify where improvements could be made and create highly-efficient multi-drop route plans that better serve our retail network."
Richard Penna, Group Logistics Manager

Advanced, centralised planning

Greggs has a fleet of 250 18-tonne, temperature-controlled rigid vehicles that provide 3,500 store deliveries every day, with 25 tractor units also used for trunking requirements between regional distribution centres. A team of 600 drivers work across two shifts, so each store receives a delivery overnight and one during the day, with vehicles also handling the collection of empty cages, trays and baskets.

Paragon's Multi Depot routing and scheduling software is used extensively by Greggs to simplify the planning process, target efficiency savings and maintain service standards. A team of two full-time transport solution managers are tasked with reviewing fixed routes and schedules on a regular basis to ensure continued optimum performance and factor in any operational changes such as new stores or changes to opening times.

The distribution planning has become progressively more complex in recent years, which has increased the reliance on the routing and scheduling software. With the growing diversity within the store network, for example, the transport solution managers need to factor in a wide range of operational parameters including time-sensitive access restrictions and strict delivery windows. The distribution planning also has to contend with changing market demands, with extended opening at many stores to handle the growth of breakfast trade and a changing product offer to ensure higher levels of freshly-prepared food.

"We are using the Paragon software to regularly review the efficiency of our multi-drop route planning across the UK, as well as remodel specific areas of the operation as part of a larger major change project." explains Richard Penna, Group Logistics Manager at Greggs. "We are making record levels of investment in our infrastructure to create a blueprint for logistics that can be applied across the business. This needs to be backed-up by best-practice route planning to achieve optimum performance and support our transformation into the leading food-on-the-go retailer."

Supporting major change projects

Following the consolidation of its Edinburgh and Glasgow bakeries, Greggs used Paragon's software to model transport requirements. As a result, the retailer was able to improve fleet utilisation by over 30% and remove almost 900 miles a week from its local plans.

Greggs had previously operated 35 18-tonne rigids, split between the Edinburgh and Glasgow bakeries, that serviced each of the 260 shops twice a day. With the planned expansion of the Glasgow site to cover all Scottish shops, the company used Paragon's Multi Depot software to undertake a strategic review of the transport operation. As a result, Greggs has been able to resize its fleet to just 24 commercial vehicles by optimising multi-drop route plans, realigning driver shifts and removing a trunking operation.

Despite the distance of many vehicle journeys increasing since the site consolidation – with 80 Edinburgh stores now being fulfilled direct from Glasgow – Greggs has been able to significantly reduce the overall mileage travelled through improved planning. This has contributed to a fuel saving of more than 2%, equating to reductions of around 35 tonnes of CO₂ emissions per year.

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Paragon's Multi Depot routing and scheduling software was also used to support a similar major change project in London, with the remodelling of distribution requirements.

About Paragon

Paragon Software Systems is dedicated to the continued development, implementation and support of routing and scheduling solutions that help businesses to cut transport costs, improve productivity, reduce carbon emissions and raise customer service levels. The Paragon support consultants have implemented more than 3,400 systems at over 1,100 client sites in 61 countries. Headquartered in Dorking, UK and with offices in Dallas, TX and Manchester, NH, Paragon is a respected pioneer in routing and scheduling with over 30 years of know-how.

Paragon



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