

Geetika Tahilyani, SCM 2019

Sponsor: Ahold-Delhaize

Shrihari Venkatesh, SCM 2019

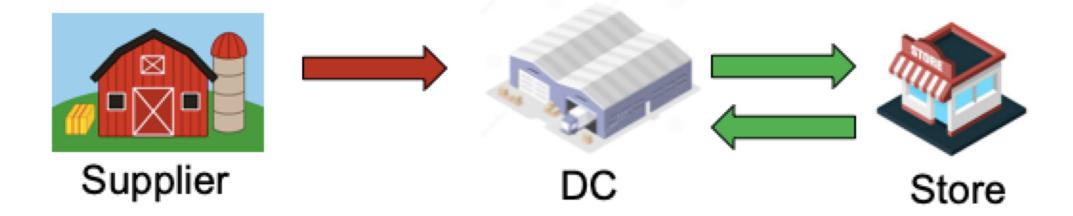
Optimization of Transportation Fleet Using Backhauls Advisors: Dr. Karla Gamez Perez and Dr. Josue Velazquez



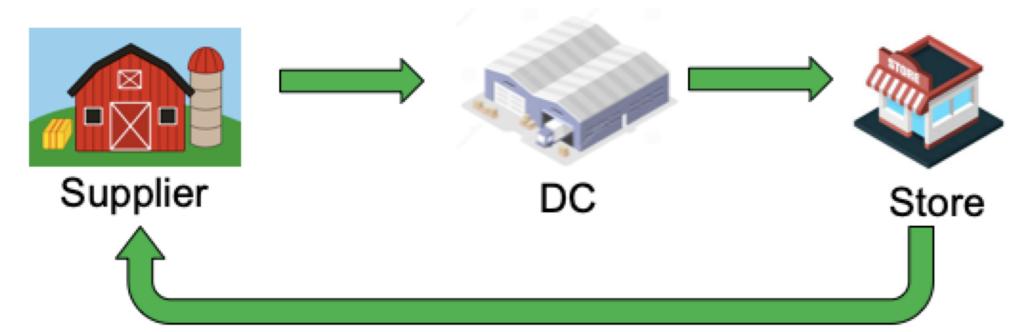


Motivation / Background

Current State



Future State



Key Question / Hypothesis

Using new standardized practice for route planning using VRP with backhauls will lead to optimum fleet utilization and cost savings

Relevant Literature

- Tavakkoli-Moghaddam, R., Saremi, A. R., & Ziaee, M. S. (2006). A memetic algorithm for a vehicle routing problem with backhauls.
- Wade, A. C., & Salhi, S. (2002). An investigation into a new class of vehicle routing problem with backhauls.



The Problem

Determine the optimal network to use backhauls of outbound fleets for inbound transportation and reduce transportation spend by minimizing empty miles

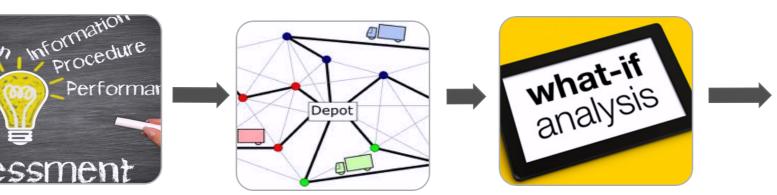
Methodology

Current State Assessment

MILP Formulation Sensitivity Analysis

Management Buy-In

Recommend





Initial Results

Ahold Delhaize At a Glance



>700 Suppliers



1100 trucks



>30 DC's



\$50 million per month on 3rd party deliveries

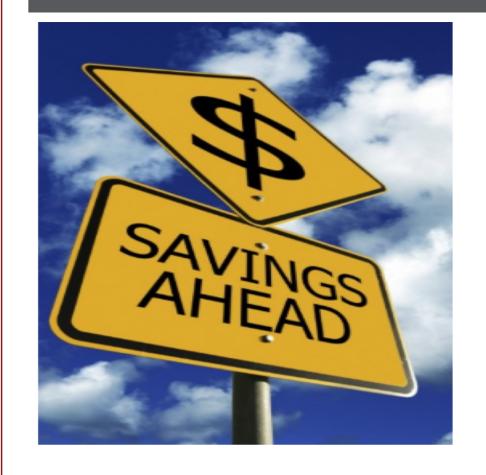


>1200 Stores



20 million miles driven per month

Expected Contribution



An optimized transportation route that would minimize empty backhauls and reduce transportation costs



