



Management briefing

3 smart moves that slash intermodal costs

Deliver the best customer service at the lowest total cost





The phone rings.
A potential customer in
London has a large shipment
that's due in Milan on Friday.
Her next call may be to your
closest competitor.

After a brief pause, the caller has a quote that is extremely competitive, meets all delivery requirements, and safeguards your required profit margin.

You get the order. Of course.

Within minutes, your planner in Milan has reserved the empties that will be coming his way for another order – which immediately saves you the cost of empty repositioning.

Read on to discover the capabilities that make all this – and more – possible.



Three smart intermodal moves: Can you make them?

The practices listed in this briefing are already delivering significant savings at leading intermodal operators such as P&O Ferrymasters and Ewals Cargo Care. They lead to real planning transparency and, most importantly, quick returns.

1. Focus on the top two to five intermodal choices for your order

With an almost infinite number of intermodal options and hundreds of orders, planners naturally fall back on familiar routes and modalities. If they've always moved goods from London to Milan via Antwerp (short sea) and Turin (rail), this is what they'll continue to do – whether or not there is a better way.

To plan effectively, your planners need end-to-end visibility of:

- Where there is capacity
- When that capacity is available
- How much capacity is left
- Current orders
- All relevant intermodal connections
- Arrival and departure times
- Transit times

Next, all these complex factors should be narrowed to the top two to five considerations so planners can focus on creating the best plan instead of struggling to arrive at a feasible one.

These considerations should factor all your unique rules and constraints, to deliver the order:

- By the due date
- At the lowest total cost by taking advantage of:
 - consolidation
 - triangulation
 - return trips
 - opportunities for cost-effective empty repositioning

Your planners should be able to explore the top two to five intermodal choices and evaluate their impact on relevant key performance indicators quickly and easily.



2. Keep your planners in control with KPI-based interactive automation

There's rarely an intermodal plan that optimizes all your KPIs.

In situations where there is no clear winner, your planner knows better than the system which KPIs to favor. For example, if you need to focus on meeting a tight delivery window for a certain customer, a planner can take this into account and select the optimal plan under those special circumstances.

There may also be times when you want to look beyond common KPIs such as total cost of transportation and on-time delivery to, say, transit times. Monitoring and minimizing the time your containers spend in transit will help you maximize the frequency with which you can re-use them.

Choose optimization approaches that enable your planners to stay in control.

3. Give your planners a single view of all operations

This is essential if they are to capitalize on the opportunities they create for one another.

In the case of P&O Ferrymasters, having a single view of all operations enabled planners to increase return loads between countries. Savings from this improvement alone fully justified the cost of their new planning system within six months.

An effective planning system should enable planners to integrate empty repositioning with their day-to-day planning by highlighting:

- Where your empty containers are
- Where and when they are needed
- The most cost-effective way to reposition them, for example by filling empty slots in an existing transport plan
- Opportunities for triangulation and pairing



Are your planners equipped to deliver the best customer service at the lowest total cost?

To find out how you can optimize your intermodal operations, contact us or visit www.quintiq.com.



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