



CASE STUDY

Delivering Health and Happiness

Walgreens leverages JDA Transportation Management to fulfill its promise of “happy and healthy” across more than 8000 US stores

OBJECTIVE

Achieve cost and service excellence across the global distribution network via JDA Transportation Management

SOLUTION

- JDA Transportation Management

SERVICES

- JDA Education Services

REAL RESULTS

- Reduced overall transportation spend via greater visibility and cost control
- Improved delivery speed and agility
- Decreased environmental impact by reducing mileage of the truck fleet
- Increased efficiency of transportation planners

With more than 8000 stores in all 50 states, Walgreens is one of the largest drugstore chains in the United States. This enormously successful retailer interacts with more than 10 million consumers a day, whether they are shopping for prescriptions, last-minute grocery or gift needs, photo prints or beauty products.

Thanks to an aggressive expansion plan, today there is a Walgreens store located within five miles of approximately 76 percent of Americans. While this makes it extremely convenient for consumers to access the company's wide range of products and services, it creates a significant logistic challenge for the retailer's supply chain planners.

“Our three supply chain outcomes are providing the right product mix at the right time at the right place,” noted Sean Barbour, Senior Director of Supply Chain for Walgreens. “Achieving those outcomes means we have to work fast. Speed of delivery is critical to keeping consumers happy and growing Walgreens' business. When you think about the number of customers that we touch every day, we have to have the flexibility to optimize our network and ensure that products are always in the right place at the right time.”

According to Barbour, technology is a critical component of meeting that logistics challenge. “Technology and automated decision-making are key,” he said. “With a network that's made up of 8,000-plus stores, tons of nodes within our network, and obviously a massive amount of customers that come in and out of our stores every day, technology helps us manage that distribution network strategically.”



"JDA has enabled us to streamline our carrier network, achieve better control of our spend, and reduce our miles via transportation optimization and modeling. We've not only realized a financial gain, but improved from an environmental and sustainability perspective by taking trucks off the road, which is very important to us."

Sean Barbour

Senior Director of Supply Chain
Walgreens

"There are a number of different ways to deliver to our stores," added Barbour. "There are a number of different ways to get product to the shelf. Technology suggests the most optimal way to do so."

JDA: Supporting end-to-end success

Walgreens has relied on JDA Transportation Management to optimize not only shipments to its 8000 stores, but also its inbound logistics from Asia and other parts of the world.

"JDA Transportation Management helps us make flexible, intelligent decisions — and that's absolutely essential to keeping our customer promises," Barbour stated. "It helps us manage our fairly complex store delivery network, as well as bring products in from abroad. With JDA, we can model and optimize that entire picture to make sure we get good asset utilization, while also delivering product at the time it's needed."

"We chose JDA Transportation Management because of the breadth of the capabilities it offers," said Barbour. "When you look at transportation management software, there are a lot of options. Some solutions are particularly strong in optimization, others have a great user interface. But JDA offers a real end-to-end package. JDA Transportation Management provides a bidding platform through Logistics Procurement, the ability to model our network through Transportation Modeler, and then obviously the ability to actually optimize and enact the plan through Transportation Manager. It gives us all the capabilities we need in one solution."

Prior to implementing JDA Transportation Management, Walgreens relied on legacy software tools. "Our previous software really served its purpose at the time, but technology is consistently changing and constantly changing," Barbour explained. "Making the move to JDA ensured that we have the most advanced solution, which we need to keep our business running at the speed it needs to."

Barbour noted that it was very easy for Walgreens' transportation planners to begin applying JDA Transportation Management to the company's logistics challenges. "Software training and education are critical in order to get the most value from the technology," he pointed out. "When we first started deploying JDA Transportation Management, we utilized JDA Services to come in and conduct some classes for us. We used those courses to train our super-users, and then moving forward we developed our own training content based on what we learned in those sessions. We used that content to roll the software out to the field users."

He added that Walgreens' use of JDA software has actually helped the company recruit new transportation planners. "We've given our users a more effective and efficient platform, with an easy-to-learn user interface," said Barbour. "That's attractive to new recruits, people coming out of school, people that are used to very effective user interfaces. Having something that appeals to that generation is critical, and that's what we found with JDA Transportation Management."

A healthy return on investment

Barbour emphasized that, while it's difficult to quantify Walgreens' return on its investment in JDA software, there are significant intangible rewards.

"We've realized numerous benefits from our implementation of JDA Transportation Management, some financial and some related to making a cultural change," he said. "Having one platform that enables us to bid out our freight and optimize our transportation spend is critical to achieving cost efficiency."

He continued, "JDA has enabled us to streamline our carrier network, achieve better control of our spend, and reduce our miles via transportation optimization and modeling. We've not only realized a financial gain, but improved from an environmental and sustainability perspective by taking trucks off the road, which is very important to us."

"JDA Transportation Management allows us to look at all the different ways we can run our network. It helps us make the best possible choices as we move products from one place to another," concluded Barbour. "Today JDA Transportation Management is an ingrained part of our supply chain that's absolutely critical to delivering on our customer promises."



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