

Resolve wins R400m contract for Pick n Pay logistics control tower



Resolve's recent R400-million partnership extension with Pick n Pay represents the company's biggest logistics control tower project to date. Resolve, an Imperial Logistics group company, was initially awarded a five-year contract by Pick n Pay for transport managed services in 2012.

The engagement was expected to yield significant savings on transport costs, largely as a result of integrated planning of demand and supply of transport services. This service was originally implemented at the major centralised grocery and perishable facilities of Pick n Pay in South Africa.

Core to the service are central planning and proactive execution management, ensuring compliance with distribution plans, which in turn improve customer satisfaction and reduce costs. The integrated service model optimises all logistics activities in Pick n Pay's outbound supply chain, which enables the extraction of maximum benefits from the Pick n Pay strategy of increased centralisation at the distribution centres.

Real-time control

With the contract due to expire in 2017, Resolve and Pick n Pay agreed an extension of the services currently offered to June 2020, as well as new services that include primary transport planning, management and optimisation, and the implementation of an integrated and outbound logistics control tower, enabled by ONE Network technology.

"This commitment by Pick n Pay represents their confidence in our ability to deliver – with R600-million in outbound logistics costs saved thus far, and throughput increased by 16% year-on-year, Pick n Pay sees the value of continuing their partnership with us," says Heinrich Strauss, Managing Director at Resolve.

The new ONE Network control tower will provide real-time updates across all aspects of the outbound logistics process, including warehouse performance. It will enable exceptions to the plan to be managed at all parts of the outbound process, and for the plan to be adjusted optimally in real-time, making the operation more efficient.

"One of the exciting capabilities of the system is to seamlessly integrate into our ERP system to avoid the manual capture process and the errors that arise from it," says Cobus Barnard, Group Executive: Retail Office at Pick n Pay. *"It will also rationalise the manpower needed to integrate the system, and enable a seamless end-to-end management of the outbound supply chain."*

The system will allow Pick n Pay and Resolve to collaborate with other third-party logistics providers in real-time, meaning better optimisation of labour and reduced labour waste. *“It will also provide a forward view of logistics activity and vehicle requirements, enabling everyone involved to improve how they work together,”* he says. *“Resolve and Pick n Pay will jointly drive continuous improvement projects, and in so doing, improve our skill set in the organisation.”*

Looking ahead

“We are excited that we have an opportunity to deploy world class technology to enable our managed services in building this end-to-end solution for Pick n Pay,” says Strauss. *“We are also fortunate to have a client like Pick n Pay that is driven to improve and wants to push the envelope, allowing us to implement end-to-end best practice in the supply chain.”*

Strauss sees this project as a critical phase in the process of developing a control tower that can incorporate a broader range of aspects of the Pick n Pay supply chain. *“Pick n Pay, who has become a valued partner, has invested in us, and in improvement, and we are excited to help provide them with the opportunity to drive industry standards and industry quality,”* he concludes. *“Once we have proved ourselves in terms of operating their control tower, there is lots of scope for further developments, and we look forward to a long partnership with Pick n Pay.”*