

“With this system, based on FUJITSU Logistic Solution Logifit, we will find an optimal route in the blink of an eye as it will automatically plan a dispatch route.”

Hajime Otsuki
Director
Acecook Vietnam JSC

Acecook Vietnam JSC works with FUJITSU Logistic Solution Logifit to revamp the locally operated and managed logistics system by visualizing its local logistics.

At a glance

Country: Vietnam
Industry: FMCG
Founded: 1954
Website: acecook.co.jp

Challenge

Acecook Vietnam JSC (ACV) aimed to reform business management through revamping logistics, moving away from local logistics companies which previously completed data management and dispatch planning manually. It wanted to visualize its logistics to improve efficiency while reducing costs.

Solution

In partnership with Fujitsu, ACV leveraged FUJITSU Logistic Solution Logifit to develop an easy to use joint logistics information system using accurate geographic data to judge the optimal routes, while complying with loading regulations and local traffic restrictions.

Benefit

- Enabled logistics management to be brought inhouse, reducing costs
- Efficient transportation with appropriate dispatch plans
- Improvement of physical distribution quality
- Increased accuracy of delivery time and reduction of false delivery

Customer

With its headquarters based in Osaka, Acecook Co. Ltd manufactures and sells instant noodles. It established Acecook Vietnam JSC (ACV) in 1995 starting with the production and sale of instant noodles. Since then, it has released a number of products with its goal being 'to raise the level of food as a whole in Vietnam'. Due to the success of Hao Hao in 2000, the popularity of its products extends to every corner of the country.

Products and services

■ FUJITSU Logistic Solution Logifit



Improving the quality of physical distribution

"Our first priority was to supply all over the country without experiencing stock shortages," says Junichi Kajiwara, President of ACV. "We first focused on the improvement of Vietnamese food. Next we focused on reforming business management through revamping the local logistics process."

Until now, Japanese companies left the operation of logistics to local businesses, due to complex local traffic situations. For example, in cities such as Ho Chi Minh, there are traffic restrictions where trucks heavier than two tons are prohibited during the daytime. Businesses are forced to deliver products through light trucks, requiring more drivers. Such traffic situations have a big influence on the distribution plans.

Local logistics companies have previously done almost everything manually, from data management on dispatch planning to its logistics process.

"I was really surprised when I actually learnt about the real logistics situation in Vietnam," says Hajime Otsuki, Director, ACV. "It is completely unclear who delivered what and how it was delivered. To improve efficiency and costs, it was obvious that the visualization of logistics had to be the first priority," says Otsuki. "We shared our challenges with Fujitsu and it suggested an idea of developing an automatic planning system for dispatch plans that utilize accurate geographical information."

For system development, Fujitsu advanced the development of geographical information in Vietnam and ACV prepared the operation based on the newly-developed system. With the necessary environment in place, a trial operation using ACV logistics data was conducted for a month from June 2016.

Transportation instructions delivered in real-time

Based on FUJITSU Logistic Solution Logifit, the completed Joint Logistics System judges the optimal routes, complying with loading as well as delivery conditions from data such as the contents of shipping instructions, requests from shipping destinations, and road information. The automatic planning of the optimal dispatch improves the loading ratio of the vehicle and the actual vehicle rate (the ratio of the distance travelled with loaded cargo in the overall travel distance).

Furthermore, it can obtain the location as well as transportation information from smartphones of each vehicle and it can grasp the progress information in real-time. As a result, the instructions can be smoothly given to each driver and at the same time, enable them to flexibly cope with sudden troubles.

"With this system, based on FUJITSU Logistic Solution Logifit, we will find an optimal route in the blink of an eye as it will automatically plan a dispatch route," says Otsuki.

Another distinctive feature is that the user interface is designed to be simple, so it can be handled intuitively. "It's easy to understand so that everyone can utilize it without any difficulties, also, intuitively it will clear any language barriers. This is particularly effective in a foreign country," explains Otsuki.

Significant improvement of quality

In the pilot operation, the average load capacity was improved by 13-18 percent, and logistic costs were reduced by 10-20 percent. There was also an effect on compliance with law and regulations in the delivery process. Since the logistics management has not been possible without local logistics companies so far, it was not possible to grasp information such as how many bags were loaded in each truck. However, the introduction of the system enabled efficient and waste-free loading, and at the same time, compliance with the load limitation of cargo.

"We can now clearly understand the keys to successfully reducing the cost, or the reasons for previous failures. There were various discoveries which can be used for full-scale operation in the future," says Otsuki.

"In Vietnam, retail markets such as supermarkets and convenience stores are expected to grow significantly. I believe that the role of the Joint Logistic System is extremely important in this area," adds Kajiwara.

In Vietnam, delivery vehicles are prepared for each manufacturer and delivered to each retailer: "Therefore, in the case of a big supermarket, there is always a heavy traffic jam of trucks waiting to deliver. This obviously makes everything complicated and is so wasteful," says Kajiwara.

In the future, further cost reduction will be expected if Joint Logistics Systems utilizing Logifit are expanded and jointly used by local businesses. Kajiwara concludes: "It is a system that can revolutionize the logistics of Vietnam from the very bottom, and can show the efficiency of logistics by eliminating waste."

FUJITSU

Phone: +81-3-6252-2220