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ARAUCO Reduces Transport Costs by 15% With Tactical Planning and Scheduling







Executive summary

Based on its proven optimisation platform, Opturion has built a supply chain optimisation solution for ARAUCO's forestry and transport operations. The solution upgrades the optimal transport planning and scheduling system over several time horizons.

Client Background

ARAUCO (<u>www.arauco.com</u>) is a global manufacturer of forest products, serving customers with excellence in the manufacturing and distribution of wood products. With roots in sustainable forestry and innovative product development, ARAUCO brings more than a half-century of manufacturing and supply chain excellence to the market.

Client Challenges

ARAUCO had an optimal transport planning that was based on older technologies that was in need of updating and upgrading. The operation if complex and precise scheduling was required to avoid co-ordinate loading, avoid excessive queueing and manage driver rest breaks.

Project Background

The application provides medium-term tactical planning and will be extended to long term planning and real-time dynamic optimisation on the day of operations. It integrates entirely with existing management systems and provides a secure, efficient workflow. It includes sourcing and loading forest products and transporting them to sawmills, pulp mills, and plywood manufacturing plants.

Project Results

Initial estimates have identified cost savings from two main sources:

- A reduction in distance travelled for the fleet by more efficient scheduling
- Greater fleet utilisation by more intelligent scheduling of driver changeovers

Together, these represent a total saving of approximately 15%. In addition, the new schedules are 100% compliant with legislation around driver breaks and fatigue.