

# The Bama Group

## Using LogiX for tactical and strategic decision making within the fields of transport and logistics



The Bama Group is physically handling more than half of the wholesales of fruit and vegetables within Norway, as well as an increasing share of flowers wholesales. This, plus the fact that Bama directly controls the value chain – from the producer/farmer until the retailer – makes Bama to one of the most transport intensive businesses in Norway.

In its everlasting search to improve the effectiveness of this supply chain, Bama searched for tools supporting logistic decision making, and summer 1998 acquired LogiX for this reason.

### Increased reliability with complete transport solutions

Bama distributes their products out from approximately 50 different distribution terminals spread all over Norway. The deliveries to the retailers are mainly based on predefined weekly distribution plans. The challenge is to optimize how to spread shipments out over the week and over the day to result in the lowest cost possible and at the same time maintaining a reasonable service degree. For this Bama has used LogiX to evaluate the practical and economic consequences of different alternatives. In contrast to the traditional way of planning, using bench marking figures and standard or average values, now it was possible to simulate alternative complete distribution strategies. Not only could the number and the complexity of analyses be increased, but also, as a result of the simulation of every single delivery, the reliability were significantly increased.

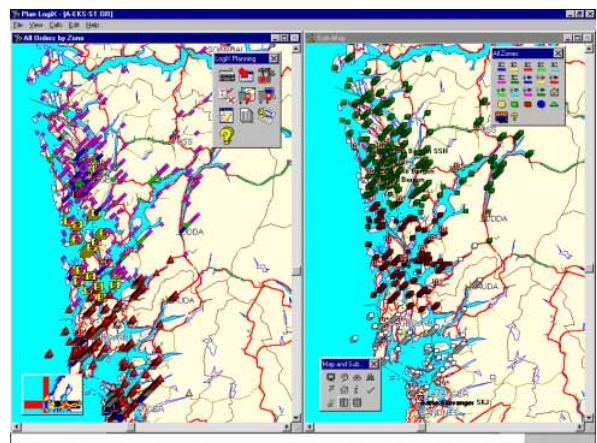
### Buying transport services at correct prices

A large portion of Bama's distribution is based on contracting with different sorts of road transport companies. Being one of the major contractors, for Bama pricing of these services are crucial. Based on well documented distribution plans

using LogiX, in combination with knowledge of transportation cost parameters, Bama became able to document its prices toward external transport providers. Solid data as input to a thoroughly tested distribution model, created an atmosphere of confidence amongst the parties, assuring both vendor and customer that pricing of the transport services resulted in a win-win situation.

### Complex decision making triggers the need for relevant tools

Also at the strategic level, LogiX has been helping out the logistic decision making. Using LogiX, Bama has been able to evaluate different alternative logistic structures against the present situation. Due to the use of LogiX, all these scenarios have been evaluated with regard to impact on supply chain costs, lead times and need of transport capacity.



The Bama Group is using LogiX for analyzing alternative logistic structures.

At this stage Bama has focused on the strategic and tactical utility of LogiX. Due to the extensive use of this tool, both the overall analyzing capacity and the complexity of the scenarios being analyzed at Bama have increased significantly.