

SUCCESS STORY



NVD National Vehicle Distribution

NVD implements IT-solution from INFORM for complete end-to-end management of vehicle logistics

NVD provides integrated vehicle storage, preparation and distribution solutions for automotive OEMs in Ireland. Now the largest vehicle logistics service provider in the region, the company handles around 400,000 vehicle movements every year.



The company operates facilities adjacent to the ports of Dublin, Cork and Rosslare, with 75 hectares of yard space providing capacity for the storage of 37,000 vehicles. It handles around 400,000 vehicle movements each year, with a significant fraction of those undergoing pre-delivery inspection or modification work prior to delivery to dealerships and end-customers across the country. In 2017, NVD also began to distribute vehicles in the UK. www.nvd.ie

NVD was founded in 1980 as a vehicle storage and preparation center business for automotive OEMs supplying the Irish market. The company expanded the scope of its operations in 1997, when the acquisition of a transport operation allowed it to offer a one-stop-shop distribution solution for carmakers. Today, NVD has become the dominant player in finished vehicle logistics in Ireland, with a market share of over 75 percent.

“Our customers need us to deliver the right car to right place at the right time,” explains Michael Howlin, the company’s Head of IT. “To do that, we have to meet very challenging lead times. Typically, we have between three or four days between receiving an instruction from a manufacturer to allocate a car and the time it is expected at a particular dealership. That might include picking up the vehicle from port side, or directly from the factory, something we do for vehicles made in the UK, for example. And because Ireland is quite rural in certain parts, we are mixing and matching loads a lot to make the best use of our transport capacity.” By 2014, however, the company’s IT infrastructure was struggling to keep up with its growth. NVD was running its operations on a home-grown IT platform, which it had developed and expanded over the years to meet its changing needs. “Essentially it started as a dealership system, and we had added to it again and again to make it work for our business,” says Howlin. “There were always challenges, as it was never designed to cover the type of business we had become.”

Key targets

- Integrated solution for vehicle storage, workshop and transport operations
- Meet customer expectations
- Efficient management and operations processes throughout chain
- Meet delivery targets

The challenge of continuous growth

NVD began the search for a new solution. “Our competitive advantage is the level of integration that we have between the three pillars of our business, which are storage, preparation center work, and transport,” says Howlin. “We wanted a software solution that could support that level of integration. That proved difficult to find. There are lots of providers of workshop management systems only, and lots of providers of transport management systems, for example, but nobody offered everything we needed.”

That’s when INFORM came into the picture. “INFORM was a leading contender from the start. They already offered a workshop solution and a storage management solution, so they were ahead of the game on the integration side,” says Howlin. “And when we started talking to the INFORM team, it was clear that they were also willing to develop a solution that would meet our transport management needs.”

That solution had to provide:

- Real-time management of the flow of vehicles from the factory gate through every stage of the transport, preparation and delivery process.
- A completely paperless process
- Planning and optimization functionality to maximize the utilization of critical assets such as trucks,
- workshop facilities and personnel
- Optimization of truck loads and route selection
- Support for NVD's sales and operations planning processes

The solution to complete digitization and integration

NVD and INFORM worked together to implement the new software solution using a phased approach. The yard management and workshop management elements were completed first, since these were based on solutions that already existed in the INFORM portfolio. Those parts of the project went live in July 2016. "The real work for us was in developing the transport management system," says Howlin. "We did a lot of work with the INFORM design and consultancy teams. They spent quite some time within our company, so they could gain an in-depth understanding of our transport management processes. Then they took that knowledge away and started to develop solutions using an agile approach."

Agile development is a highly iterative process. "There was a lot of over-and-back between our team and INFORM," says Howlin. "We tested different things, and looked at different options, continually refining the solution. We were releasing different functionality as we went along, because we had to operate our business as we went through this transition."

Implementing a major new software solution "always brings challenges" says Howlin. "We picked a busy time of year to make changes, but there's never a perfect moment." Overall, however, the transition went very smoothly, he adds. "I've been very impressed with the integrity that INFORM brings to the process. They have been very motivated to get to the bottom of the things that are important to our business and committed to making their offer work in its fullest sense and to its fullest extent."

» **"We've gone from quite a clunky way of doing business to one that's genuinely fully automated and optimized. INFORM's organization, scale and depth of expertise, particularly in operations research and optimization, is very impressive. You know you are working with a party that is world-class in this area. That gives you an added dimension alongside the software."**

Michael Howlin, Head of IT at NVD

The results of higher efficiency and satisfaction

Since its introduction, the INFORM system has delivered on NVD's demanding objectives. Running on a single, integrated database, the new system provides the end-to-end transparency the company needed, allowing every vehicle to be tracked through every process. The improved integration also reduces the workload of operations staff, since they no longer have to make updates to multiple systems and spreadsheets as activities are completed.



Workshop Management

As significantly, the system's advanced planning and optimization capabilities have automated many previously manual processes. For NVD's planners, that means significant times savings, and better business performance. "The ability to understand capacity planning management is at the heart of the INFORM system," says Howlin. "If you take transportation, for example, trucks are a very expensive asset. In our business, you need to ensure you are getting the maximum possible utilization from your transport, otherwise you are going to lose money. The new system is generating plans that are at least as good as our people could do manually, and often better, with much less manual input." Automation means NVD's planners now spend less time on routine, repetitive activities and more time doing higher-value work. That's good for business, says Howlin, and also good for staff morale, motivation and retention.

Key results

- Improved flow and total control throughout the chain
- Real time visibility and reaction for all stakeholders
- Full capability to fast-track urgent units
- Yard productivity is doubled
- Improved consistency - 98% on time delivery performance

It is a similar story in the company's yards and workshops. "In the past, our yard- and workshop managers would have to spend time before the start of every shift scheduling tasks, printing out work orders and allocating jobs to the available personnel," notes Howlin. "Now all that work is completed automatically by the INFORM system and tasks are delivered direct to workshop staff on tablet computers. When our people complete a job, they scan it into their tablet and the whole system updates in real time. It's really improved the quality of life for everyone in the workshop part of business." The productivity in the yard management is doubled.

NVD's customers are seeing direct benefits from the system too. Dealers and other end-customers can now use a web-based portal to get real-time updates on the location and status of vehicles they have ordered, making it easier for them to plan and schedule their own activities.

Overall, concludes Howlin, the INFORM system is having a transformative effect on the way NVD plans and executes its operations.

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