

HOPPS GROUP

MUTUALIZATION AND REDESIGN OF THE PARCELS TRANSPORT, COLLECTION, AND LAST MILE DELIVERY NETWORK



Aim:

to create a next-day delivery network by mutualizing the logistics infrastructures of the Colis Privé and Adrexo companies

Solutions:

- design of a new network of branches
- optimization of the transport plan
- dimensioning last mile delivery rounds

Results:

- new organization
- improvement in service quality: serving 80% of the French territory by next-day delivery
- substantial reductions to the logistics and transport budget

“Relations with the EURODECISION team were excellent. We called on them frequently to make new calculations and examine scenario variants, and expected to get very fast results. They were exceptionally responsive and highly instructive on every occasion. We should add that they turned out to give us good advice without interfering. We were looking for an all-singing all-dancing solution, but they helped us refocus and arbitrate between several decisions.” Stéphane Chessé, Synergies and Quality Director, HOPPS Group

HOPPS Group, the leading integrated player in the e-logistics universe, is structured around several subsidiaries including Distri'HOPPS. The latter comprises Colis Privé, the leading BtoC parcels delivery company, Adrexo, which specializes in distributing unaddressed printed advertising matter and direct mail, and Cibléo, an expert in sampling and creating tailor-made distribution networks.

In 2017, HOPPS Group set up a Synergies and Quality Department to exploit operational synergies between the group's distribution units. The department's mission was to come up with a new transport network by mutualizing the logistics infrastructures of the Colis Privé and Adrexo companies.

Colis Privé, whose network of 21 branches generally delivered within 48 hrs., wanted to meet growing market expectations for 24-hr delivery, by creating its own next-day delivery network, and also sought savings on the transport budget. Adrexo had more than 200 centers spread

across France, which enabled Colis Privé to increase the density of its delivery network's coverage.

At the end of November 2017, HOPPS Group sent specifications to several optimization specialists, including EURODECISION, the business analytics expert. The specific operational vision, business-oriented approach, and its many supply chain optimization customer references persuaded HOPPS Group to select EURODECISION as its project partner.



Once the necessary data had been gathered early in 2018, the EURODECISION consultants modeled the existing Colis Privé transport network, and then integrated the Adrexo branch details. The decision-making tools were tweaked during workshop sessions to visualize the various possible coverage areas and establish the new network's best "cost per parcel/delivery time" trade-off. This required defining the optimal number of sites and their locations, designing the transport plan, and dimensioning the last-mile delivery rounds. The EURODECISION algorithms took all these tasks in their stride.

Two scenarios emerging from these integrated optimization simulations were recommended to the HOPPS Group directors in March 2018.

Once the target scenario had been adopted, the transformation project started to integrate 64 selected Adrexo centers and arrived at a transport network comprising 85 branches. The system was rolled out in four successive waves starting in June 2018.

At the beginning of September 2018, the new, finalized Colis Privé network was supported by the 64 Adrexo centers. It now serves 80% of France with next-day deliveries and has led to substantial logistics savings.

HOPPS Group intends to further optimize its transport plan and delivery network. The management feels that it should be possible to extend the next-day delivery rate to more than 90% while increasing the distributed parcel volumes.

The project amounted to a major logistics revamp in addition to modifying the transport network and improving service quality. The Colis Privé branches, Adrexo centers and the 2,500 Colis Privé subcontractors made all the adjustments needed to adopt this new distribution organization.

About Colis Privé

Colis Privé, the **No.1 private delivery operator to consumers**, is poised to deliver to **45 million** customers in 2018.

Colis Privé, a **next-day and 2-day** delivery expert, has the strength of a network comprising 3 national hubs, 85 regional branches and more than 2,500 couriers all thoroughly trained in its exclusive in-house processes behind it. Customer delight, service quality and national coverage are its strategic priorities. Colis Privé posts annual growth of 20% by volume backed by an ambitious development plan drawn up to take on the challenges of e-commerce. Colis Privé is a subsidiary of HOPPS Group, a specialized e-logistics holding company with over 22,000 employees. It posted consolidated sales of 450 million euros in 2017 with sales forecast at 600 million euros for 2018.