



## ORLAIT

### OPTIMIZING THE MEAN DISTANCE TRAVELLED BY “J’AIME LE LAIT D’ICI” MILK



#### Aims:

- to investigate various logistics arrangements following the pooling of interests of a number of dairy cooperatives
- to guarantee the mean distance travelled by milk cartons

#### Solution:

- design work on the Orlait logistics network
- a quarterly mathematical study of logistics flows
- a method certified by an expert in logistics flow management



#### Results:

- a product that falls well within the 330-km mean travel per quarter claim printed on “J’aime le Lait d’ici” cartons
- a commercial success and a product made in France that is popular with consumers

*“The calculation of the distance travelled by the “J’aime le Lait d’ici” cartons made by EURODECISION is one of the critical components of this product. It is one of our key marketing arguments and we must be capable of standing by our claim” stresses Céline Houlgatte, Operations Director at Orlait.*

*Laëtitia Catherine, Orlait’s Packaging Coordinator points out that “Every quarter, we post up the distances travelled by the milk on our website. This data verified by EURODECISION, enables us to guarantee to our customers the distance travelled by our nationally-produced product and are a real asset in heading off competition from milk imports.”*

Orlait, an SME founded in 1994 now employing 24 people, is France’s leading drinking milk sector operator specializing in sales of entry price and store label milk. The company’s mission is to sell the volumes of UHT milk produced by its shareholders and make the best possible revenue on the market.

Since its tie-up with the Sodiaal milk cooperative in 2007, Orlait’s marketing teams have been responsible for the entry price and store label business of the Group’s entire customer portfolio. In 2008, the company launched a consultation exercise to investigate the various possible logistics arrangements and set its sights on optimizing transport costs and making the most of the existing structures following the merger. EURODECISION was

commissioned to conduct this logistics optimization study that was called “Optilait”. The project took 6 months and resulted in identifying and achieving gains by pooling networks.

Moreover, under the impetus of its founder, Orlait wanted to champion French milk to stem the swelling tide of competition from imported milk entering the French market. This spawned the idea of collecting and packing milk in France that travelled a limited distance. Orlait naturally turned to EURODECISION to help it in this new venture in the wake of the excellent collaboration by the teams during the previous year’s study.

To start off, the decision mathematics specialist conducted a painstaking distance analysis that revealed that Orlait could guarantee that on average its milk travelled less than 330 km per quarter between the dairies and its customers’ warehouses. The EURODECISION analysis method was approved by an expert in logistical flow management, Professor Philippe Vallin, teacher and founder of the Master degree course in Network Logistics and Economics at the Paris Dauphine University. The 1-L “J’aime le Lait d’ici” carton first hit the shop shelves in September 2009, after receiving the go-ahead from the General Directorate for Competition Policy, Consumer Affairs and Fraud Control.

Since the product launch, EURODECISION has conducted studies enabling Orlait to certify that it does indeed adhere to the quarterly mean distance of 330 km set in 2009 and displayed on every “J’aime le Lait d’ici” carton sold. The logistics network comprises 8 dairies and 500 delivery points. In 2012, the study covered 122 million liters of milk, which amounts to a 6.30% share of the French milk market.

This initiative has won over consumers as many major retail chain stores now sell this entry-price product in their dairy departments.

Orlait is not content to rest on its laurels. The SME has set itself a new challenge – it wants to reduce the mean monthly distance travelled by its “J’aime le Lait d’ici” milk and of course will be counting on EURODECISION to help pull it off.



*EURODECISION supports the Orlait approach:*

- *social responsibility – collected and packed in France, “J’aime le Lait d’ici” stimulates local agriculture, supports employment in our regions and encourages the local food movement*
- *an environmentally-friendly approach – by limiting the distance between its dairies and its customers, Orlait minimizes the carbon footprint of its “J’aime le Lait d’ici” milk*
- *a low-cost approach – “J’aime le Lait d’ici” guarantees affordable French quality.*