Optimizing Truck Routing and Delivery Efficiency(TLRK)

September 18, 2024

1 Executive Summary

This idea focuses on improving the delivery process by optimizing truck routes. The company is currently facing high delivery costs due to inefficient truck routing. The proposed solution involves using clustering techniques (DBSCAN or K-means) and solving the Vehicle Routing Problem (VRP) to reduce delivery time and costs.

2 Problem Statement

The company is currently experiencing high logistics costs due to inefficient truck routing and sub-optimal customer clustering. This leads to increased delivery time and excessive fuel consumption.

3 Proposed Solution

The solution relies on using clustering algorithms to group customers based on proximity and then optimizing truck routes using Vehicle Routing Problem (VRP) algorithms. Trucks will be assigned based on their capacity to maximize efficiency.

3.1 How It Works

1. Receive customer orders and validate them.
2. Cluster customers geographically.
3. Assign trucks based on capacity and volume of packages.
4. Optimize truck routes using VRP solutions.
5. Calculate the most efficient paths for each truck.

3.2 Benefits of Solution

1. Reduce costs by minimizing fuel consumption.
2. Improve efficiency by reducing delivery times.
3. Scalability: the solution can grow as the number of trucks and customers increases.

4 Implementation Plan

1. Pilot test the solution in a small region.
2. Full-scale implementation across the logistics network.
3. Provide training to staff on the new system.

5 Potential Risks and Mitigation

There may be resistance to change from staff. To mitigate this, training sessions should be provided to explain the benefits and how to use the new system.

6 Conclusion

Optimizing truck routing will help reduce costs and improve operational efficiency. We encourage the company to adopt this solution and move forward with further discussions in an upcoming meeting.