



TOTAL

OPTILOG PROJECT: STRATEGIC OPTIMISATION OF HOME HEATING OIL DISTRIBUTION IN FRANCE



Objective:

Obtain a simulation tool for analysing changes in the French logistics grid for the distribution of home heating oil

Solution:

Eurodecision LP-SupplyChain



Results:

A strategic analysis tool for quickly setting up relevant simulations in order to improve the logistics of fuel distribution, and adapt these logistics to new constraints

"With LP SupplyChain, we have significantly improved the visibility of our supply chain plan. This rational mathematical tool has enabled us to validate or invalidate options previously determined empirically. We have done away with a number of preconceived notions; for instance, we believed that the organisation of our logistics sectors was optimal and eternal... Thanks to this tool, we now work impartially and with confidence." Bruno Ollivier, Project Manager in the Combustible Fuel Division, Total.

Total fuel is provided to French end-users (e.g. consumers, farmers, and small businesses) through a network of approximately 400 depots grouped within eight distribution subsidiaries. The depots are supplied by tankers.

The Combustible Fuels Division must continuously adapt its supply chain strategy in order to optimise distribution costs without reducing quality of service to end users. The Division needed a tool to take into account all the distribution-related constraints: new products, availability, travel time, working time, depot accessibility, transportation costs, new environmental standards (such as double envelope tanks for 2010, or reduced levels of sulphur in some of the fuel, as from 2011), and come up with a minimum cost solution. This should lead to new approaches to tackling problems at both the central and the regional levels in order to prepare for future changes and investment.

Previously, simulations were carried out in each of the eight subsidiaries. The Group decided to set up a centralised optimisation tool in early 2007. A team led by Bruno Ollivier was assigned to carry out the project within the Management Audit Department.

With assistance from an external consultant (Alligra), the principal contractor wrote the specifications and drew up a short list of software vendors potentially able to meet the requirements.

Eurodecision's LP SupplyChain was quickly selected as it provided an ideal solution to the specifications; it is the only such tool available in French and Total already used it, it having been selected a few months previously by their French Fuel Distribution Department.

LP SupplyChain was soon adapted and validated at a test subsidiary, before being deployed, in just a matter of months, across all subsidiaries.

Users find it very easy to use and they appreciate the fast processing times.

Besides the strategic analysis performed centrally by the management audit team, LP SupplyChain can also be run on demand in any subsidiary in order to prepare one-off regional scenarios (such as the opening or closing of a depot). The regional subsidiaries, who were all involved from the outset of the project, rapidly saw the benefits of the software, and they have all set up a permanent correspondent.