

TRANSPOREON

A Trimble Company

CASE STUDY



Essity





About Essity

Global leading hygiene and health company Essity combines essentials and necessities to offer a wide range of everyday wellbeing products and services. You probably recognise brand names like TENA, Tork, Knix, Leukoplast, Lotus, Modibodi, Tempo and Libero – just some of the subsidiary names that reach more than one billion people every day and account for sales in around 150 countries.

Listed on Nasdaq Stockholm, Essity comprises three core business areas: Health & Medical, Consumer Goods, and Professional Hygiene. Net sales in 2022 totalled SEK 156billion and a cool 48,000 employees contribute to the success of Essity.

The following strategic priorities make Essity the market leader it is today:

- Building innovative brands for customers and consumers
- Committed to sustainable solutions and net zero emissions by 2050
- Winning with people and culture
- World-class operational efficiency and service excellence

Globally, Essity's facilities have a yearly tissue production capacity of 4,615,000 tonnes. The company is striving for 100% recyclability and 85% renewable or recycled packaging material – a target applied to both paper and plastic packaging for all Essity brands.

Transporeon for all transport modes

Essity ships B2B and B2C worldwide (Europe, North America, Latin America and Asia) using all transport modes – that's FTL, LTL, Parcel, Rail, Intermodal, Short-sea, and Ocean. Full-truckload share equates to around 75%, and the company ships roughly 3000 FTLs per working day from more than 200 storage locations globally.

Essity uses Transporeon to manage most of the worldwide freight procurement. In Europe, all finished goods flows are supported by Transporeon Transport Assignment and Time Slot Management.

Good to know

- Promotional activity drives peaks in business throughout the year causing a knock-on effect on transportation.
- Orders are processed rapidly and often shipped the following day, allowing only 90-180 minutes to assign a transport to a carrier.

The challenge

Back in the day before Transporeon was implemented, Essity's warehouse locations across Europe were largely autonomous. Phone, email and fax were heavily relied upon for communication with 500+ carriers across Europe all with varying levels of IT-integration.

Warehouse processes and technology are driven by local distribution needs to serve a variety of customer segments and product categories both locally and internationally.

Issues with waiting times for loading and unloading were frequently encountered, and the only way to track delays was by retrospective and cumbersome telephone research.

The need for standardisation was clear – it would only be possible to improve distribution efficiency by allocating all bookings for loading and unloading processes and harmonising the whole operation.

The implementation

Essity chose Transporeon for all European operations because of the strength of its innovation capabilities, broad carrier coverage and customer-centric approach to implementation. The option for multi-lingual support also tipped the scales in favour of Transporeon and its position as a pioneering market leader in transportation.

Since first implementing the Transporeon platform in 2008, Transport Assignment Best Carrier and NTO (No Touch Order), Time Slot Management, Transport Visibility, and Freight Procurement functionality have been integrated across all International Distribution Centre sites in Europe.

Roll-out continues in the UK, and once complete, this implementation will cover more than 50 loading points in a total of 12 countries. More than 2100 carriers will be connected as a result.

More strategic opportunities are anticipated in the future.

The following capabilities play a role in achieving overall company and commercial goals at Essity:

- One single platform to connect with a broad carrier base covering multiple transport execution processes (procurement, tendering, slot-booking and visibility)
- Full process integration into its global TMS platform (finalised in 2020)
- Transactional processing data feeds our data-lake to extract logistics scorecards for carriers, warehouses and customer segments, enriching ERP and TMS data with Transporeon information.

The results

Once implementation began, Essity was able to report multiple and dramatic improvements.

- Automated load tender execution in minutes and enabling automated carrier sequential tendering thanks to TMS integration resulted in **massive efficiency gains**.
- Coordinating outgoing goods to minimise standing and loading times using Time Slot Management means **lower fees and flattened demand**.
- Greater transparency of transports' delivery status plus a pro-active approach to communicating ETA, potential disruptions and delays to customers **keeps clients happier**.
- Visibility technology **improves accuracy of KPIs** such as timeliness and forwarder performance
- **On-time shipments rose by 5%** by using Transporeon Transport Assignment
- Internal processes, like managing delays and mitigating the impact, are greatly improved as a result of implementing Road Visibility
- It's **easier than ever** to track carrier performance





“Our collaboration is working well and we’re continuously expanding the functional and geographical scope of our partnership. Implementing new processes and functionality is fast thanks to the team’s hands-on approach.”

Frank Vetter

Director Global Sourcing, Essity

Key successes

1. Transport availability has **improved by 5%** through Carrier Sequential Tendering and automated Best Carrier Integration
2. Gate-access processes are simplified and Essity experiences **overall less onsite traffic**
3. Average turnaround time at Essity IDCs **improved by 10-15%**
4. Wait-time fees **reduced by 20%**

What’s next

Looking ahead, Essity is already piloting Autonomous Procurement. Essity plans to build on the potential of strong carrier-shipper integrations – such as automated slot re-booking using ETA data, real-time CO2 emission reporting and digitalisation of document workflows with Transporeon as its partner in logistics digitalisation.

Net-zero by 2050

Essity has joined the SBT initiative and has a target to cut scope 3 emissions by 18% by 2030 and reach net-zero by 2050. Essity is trialling the very latest clean vehicle technology alongside continuous efforts to optimise transportation with digitalisation which is helping reduce total number of trucks on the road and reduce empty miles. In addition, various early adoption projects are underway involving suppliers and customers and new solutions.



“Transporeon is an innovative and reliable partner for our transport execution processes in Europe and is actively extending its position as the leading platform to connect shippers with carriers.”

Frank Vetter

Director Global Sourcing, Essity



