LKQ Corporation

Leading Auto Parts Provider LKQ Corporation Improves Efficiencies, Drives Down Costs, and Optimizes Routes with Roadnet Anywhere®

LKQ provides alternative and specialty parts to repair and accessorize automobiles and other vehicles. It is a leading distributor and marketer of specialty aftermarket equipment and accessories in North America, the largest distributor of mechanical and collision alternative parts in the United Kingdom, and the largest distributor of mechanical parts in the Netherlands.

Fulfilling the One-Business-Day-Delivery Promise

In the company's North American operation, there was an opportunity to improve efficiencies and customer service by implementing a route optimization process that uses machine algorithms to supplement human decisions and commitments while maintaining specific customer preferences to deliver a route solution that's timely and efficient — here's why: With more than 400 locations of aftermarket and salvage locations throughout the U.S. and Canada, LKQ aims to provide its customers with the specialty parts they need within one business day.

Historically, LKQ relied heavily on its enterprise resource planning (ERP) system. Customers would call in and the sales team would take the customer's order and enter the information into the ERP. At the time of dispatch, LKQ would pull up the orders and print out the route for the driver.

Removing the Burden on the Drivers

Drivers would typically take the same route every day, which allowed them to get to know the customers. However, drivers were also responsible for determining the best way to get to each stop. This was placing the burden of route optimization on the drivers, and it also meant there was a lack of visibility into the process.

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Some routes were local — within a 10-15 mile radius — while other routes had the driver on the road for more than an hour before reaching the delivery radius. All of these factors were increasing the amount of time drivers spent on the road — which, in turn, was increasing the cost of delivery.

"We knew if we could implement a route optimization software, we could drive down the cost and time by helping our drivers to deliver the route faster and more efficiently," said Allan Hicks, project manager.

Putting Roadnet Anywhere® to the Test

After determining that a route planning tool would achieve the visibility and efficiency it needed, LKQ identified Omnitracs Roadnet Anywhere® as the right solution for the job. Hicks was tasked with making that solution work for the company's warehouses and drivers — but it was not exactly easy.

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LKQ faced several unique challenges with its logistics and infrastructure. The first hurdle was the frequency with which orders are being placed. "We have orders that have come in five minutes before a truck is scheduled to roll off the dock," Hicks said. "We were dealing with live orders coming in and having to make sure we accounted for those."

Hicks also explained the difficulties that arise from LKQ's distinct lines of business. The company has an after market business and a salvage business — both of which are two completely separate entities that were purchased by LKQ at different times and then combined.

"The parts are different with a separate set of serial numbers, and the two systems don't integrate well with each other," Hicks said. "It was a challenging implementation for both our team and Omnitracs, but they certainly stepped up to meet those challenges. At the end of the day, Omnitracs stayed with us. They followed through and delivered."

Increasing Efficiency Over Time

When LKQ first implemented Roadnet Anywhere®, it immediately identified routes that weren't being run efficiently. For example, some drivers were making the trip counterclockwise, instead of clockwise.

"Roadnet gave us better directions and better route plans," Hicks said. "Everybody uses it every day — it's part of our routine now. Roadnet is definitely integrated into our process."

Today, before the drivers begin their day, the company's ERP interfaces directly with Roadnet to develop an efficient route for each driver, which can either be printed out or delivered electronically via Roadnet mobile. The driver knows where to go and how to get there quickly, and LKQ has insight into where its drivers are located.

Using Analytics to Cut Costs

The company also has insight into improved performance and cost savings. While some regions have remained relatively consistent, one of LKQ's regions saw a nine percent savings in cost-per-route in the first quarter of 2017.

There are still some inefficiencies that the company is looking to improve. With the help of Roadnet Anywhere®, LKQ looks forward to implementing dynamic routing for an even better cost-per-route. It also continues to operate two lines of business and is working to further bring them together into one software solution to combine all routes. Twenty-five percent of LKQ's routes are combined today in a split greater than 80-20. Roadnet Anywhere actually helped combine the routes more than they were prior to implementation. Hicks is confident that they'll eventually reach 100% integration for combining salvage and after-market parts on the same routes and be able to implement a zone or sale routing system to achieve even greater efficiency.

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Getting More from Your Technology Investment

The Omnitracs Alliance Program facilitates integration of Omnitracs solutions with other leading companies that provide complementary technologies and services. This program taps into the power of integration in order to best meet the needs of our shared customers.

We offer Omnitracs Professional Services to all sizes of fleets to help you utilize our applications and our partners' applications in the most efficient way. Our assessment, integration, custom development and programming, training, business intelligence, and predictive modeling services deliver practical solutions. This critical information increases your productivity and efficiency, so you can both grow and differentiate your business.

The Omnitracs Services Portal provides access to a suite of web-based fleet management applications, including satellite mapping. Data from the Services Portal can be integrated into your existing enterprise systems.

About Omnitracs, LLC

Omnitracs, LLC is a global pioneer of trucking solutions for all business models. Omnitracs' more than 1,000 employees deliver software-as-a-service-based solutions to help more than 12,000 customers manage nearly 1,100,000 assets in more than 70 countries. The company pioneered the use of commercial vehicle telematics over 25 years ago and serves today as a powerhouse of innovative, intuitive technologies. Omnitracs transforms the transportation industry through technology and insight, featuring best-in-class solutions for compliance, safety and security, productivity, telematics and tracking, transportation management (TMS), planning and delivery, data and analytics, and professional services.

Learn how you can use our applications, platforms, and services to reduce costs, increase profitability, and stay competitive. Visit www.omnitracs.com and let us show you how you can save time and money.

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