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Increasing Routing Efficiency to Decrease Transportation Costs

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Abstract. This work describes the strategy of a Mexican firm to decrease transportation costs. This is based on the application of a scheme for increasing efficiency in its routing operations on a detailed level. The Operational Equipment Effectiveness index used in TPM is adapted to be used as the main performance measure. Availability, performance and quality wastes are identified using Value Stream Mapping of the routing operation. The implementation of the improvement initiatives is still in progress but the projected and available results are provided.

Keywords: Transportation waste elimination, lean routing, value stream map, transportation efficiency, vehicle routing problem