

## IBM Global Services

### Highway Corridor Analytic Program (HCAP)



#### Solution Description

The United States Postal Service (USPS) delivers more than 200 billion items per year. The numerous complexities of various mail sizes, weights and classes, coupled with the large scale of the USPS network, create a challenging environment in which to plan and manage transportation. In order to meet stringent service and financial goals, the transportation of these items must be carried out in a timely and cost efficient manner. The Highway Corridor Analytic Program (HCAP) uses advanced technology to analyze USPS highway transportation scenarios and identify cost saving opportunities. HCAP is an optimization model designed to minimize highway transportation costs within specified business rules and operational constraints. The HCAP model identifies the optimal consolidation opportunities to minimize transportation costs within these specified constraints.

#### Features & Benefits

- The size of a typical transportation scenario is bound by approximately 15,000 business constraints and 3,200 variables. HCAP's model can be applied to a wide variety of scenarios to ensure timely delivery, while not exceeding truck capacity or violating routes.
- HCAP was designed to use existing data sources so the HCAP model can be used for near-term identification of savings opportunities.
- A graphical user interface was created for the HCAP model to automate data input and streamline the model-building process. This user interface also provides several reporting features to facilitate analysis of the results and assist in developing recommendations for implementation.
- The HCAP model was primarily designed to focus on consolidation opportunities within existing USPS highway transportation; however, HCAP also provides the capability of generating potential new trip options that may represent additional cost savings opportunities.

#### Value Proposition

HCAP helps identify opportunities to consolidate delivery trucks so that resources can be maximized without sacrificing service levels. HCAP provides the USPS with the most efficient plan for utilizing existing transportation assets. Additionally, the solution provides important and necessary accounting for specified parameters, such as routes, delivery time, truck capacity restrictions and mail class.

#### IBM Segment

- ILOG Optimization

#### Business Function

- Economic Planning and Operational Scheduling

#### Target Industry

- Government

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