

Six keys to the optimal last mile delivery





Introduction

The last mile is the crucial phase in the delivery process. Perfecting last mile delivery has become a strategic priority for the e-commerce and logistics industries, especially as we are experiencing a world where online shopping has turned into entertainment. This final frontier is full of challenges, however, so it is currently impossible to envision surmounting these obstacles without an efficient strategy for last mile distribution, which requires implementing the right logistics software.

This e-book explains how logistics software can address six key challenges and contribute to long-term value creation.



Reduce fuel consumption and minimize environmental impacts

Last mile deliveries in urban areas greatly increase fuel consumption. Postal companies and logistics service providers often make hundreds of short stops a day, so many are considering introducing electric vans to cope with CO₂ emissions. One example is DHL with its E-Mobility project. On the other hand, regulations on exhaust emissions are increasingly restricted and companies are required by law to track their carbon footprints and actively reduce their emissions.

Lowering emissions and minimizing fuel consumption go hand in hand, which can be achieved with the following functions:



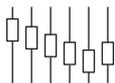
Route optimization

Out-of-route miles can account for up to 50% of a driver's total mileage. Sticking to the shortest possible route to the destination can ensure on-time delivery, drive down fuel consumption and narrow delivery windows, enhancing end-user delight.



Scanning and loading the vehicles in the right order

Scanning and computing the optimal route and work sequence significantly reduces the time per stop.



Identifying the most efficient delivery patterns

Combining deliveries geographically to reduce the number of stops can minimize the additional resources needed for several, spread-out last mile stops. This smart practice can be enabled by logistics software that digitalizes tasks based on acquired data and provides guided workflows.

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Deal with driver shortages

Driver shortage is a top issue for the logistics industry in many countries. According to UK-based research firm Ti, a lack of drivers poses a big threat to the industry. Scarcity of truck drivers will affect the industry's performance.

Companies not only have to contend with a shortage of drivers but like any industry, implement effective employee retention strategies. Training is another key issue; unless drivers are well-trained, equipped and empowered to do their jobs, poor performance will adversely affect the bottom line. It is imperative for companies to develop a strong, loyal workforce to stay profitable, grow and sharpen their competitive edge. In the face of an industry-wide driver shortage, companies must lead necessary implementations proactively.

An easy-to-use logistics software that assists drivers in a meaningful way, enabling them to meet targets and earn more with less effort, will certainly boost driver satisfaction and encourage them to stay longer with their employer. Apart from basic functionality, the software must be user-friendly, offering an intuitive interface without a steep learning curve. A needlessly feature-rich and complex logistics solution will end up being counterproductive.

Ideally, the software should require minimal training and give drivers some choices of desired routes and working hours, while still adhering to data-driven business rules. By empowering drivers to take ownership of their work and allowing them flexibility to achieve a work-life balance, logistics technology can decrease turnover, resulting in more business stability.



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Secure top customer experience

Consumers hate surprises! They want assurances about the delivery status and expect retailers to act transparently. Companies can inspire customer loyalty by consistently meeting delivery schedules. Keeping recipients in the loop across the purchase, transit and last mile delivery is a must. On-time delivery is imperative and non-negotiable. Who wants to sit at home and wait for a package that never turns up! In the event of unforeseen circumstances and disruptions, timely notifications show that the logistics provider cares about them.

By displaying the human face of their brand, companies can appeal to and influence customers' emotions. This allows them to earn loyalty and advocacy. Paradoxically, the brand-to-customer connection can be forged by software, specifically digitalization. Here are some ways in which a logistics solution can reinforce reliability for recipients:

- Calculate and communicate an accurate estimated time of arrival (ETA) so recipients can manage their time, plans and priorities efficiently.
- Digitalize tasks and provide drivers with guided workflows and extensive online (mobile) and offline support. This way, they can optimize routes, react quickly to operational problems on the road, avoid making unnecessary visits to the same location and drive up the efficient use of their vehicles. All these best practices translate into advantages such as narrow delivery times and reliable time slots without adding to delivery costs for the company.

On average, returning customers generate three times as much revenue as first-time buyers, and delivery management is a critical component of enhancing customer delight. Notifying customers via their preferred channel – mobile text message, email or both – is essential rather than merely “nice to have”.

- Companies need to document delivery performance and customers also need to know when the delivery occurred and who accepted the delivery. A robust logistics software provides a proof of delivery that establishes facts to eliminate potential disputes and serves as a smarter alternative to paper-based reconciliation at the last mile. Potential problems such as inaccurate shipments, damaged items or other delivery issues can also be sorted out efficiently through electronic time stamps. By doing away with paperwork, drivers spend fewer minutes at each location, saving time and avoiding idling vehicles.
- Delivery days and times greatly impact consumers' purchase decisions. By making night-time and Saturday deliveries available to customers, companies can cater to urgent needs that cannot spill over to the next day or until the weekend is over.

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Improve business processes

If you really want to improve your business, you need to optimize how you do it. Improving your business processes will positively affect quality, productivity, service and costs. Logistics software minimizes inaccuracy arising from manual intervention, eliminates cumbersome tasks and streamlines commonly used delivery processes. When assessing a logistics solution for your last mile delivery goals, check if it incorporates the following functions:

- A customizable workflow that can be modified and adjusted to changing business processes and requirements. When work and data are flowing seamlessly across devices and between on-site staff and field agents, the risk of errors is significantly reduced.
- Real-time visibility of job order status from dispatch to proof of delivery, through barcodes and location tracking, is of critical importance from the perspectives of workflow, fleet management and security. The software should have the capability to log scans, gather information and record the movement of resources in real time.
- Complex processes call for adherence to business rules. The software should offer a guided workflow aligned to business rules, so there is no ambiguity on next steps and last mile delivery takes place on time, every time.
- Checklists provided to all drivers ensure safer, more efficient driving and dispatch. They help maintain tight control, optimizing various facets of the journey and ensuring a standard quality check on deliveries.
- The ability to integrate easily into existing enterprise systems is a key consideration. Companies shouldn't have to deal with needless complexity in route to digitalization, and need an upfront assurance that the logistics software will interact seamlessly with their back-end operational and accounting systems.

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Expand to new business areas

In a fiercely competitive landscape, getting comfortable with the status quo is disastrous for companies. As technology-backed disruptors eat into market share and bigger players leverage their financial resources to transform customer experiences, some companies are inevitably left behind – often those who were slow to expand to new business areas.

A good logistics software should enable logistics actors to do more with fewer resources by offering the ability to add new workflows, customize to new or updated business rules or needs, or integrate with niche apps to provide extra options or services to customers.

The solution should also handle options such as payments at the door/cash on delivery. Delivery delays can mean that more working capital gets stuck in the system. By improving last mile delivery and cash movement for customers opting for at-the-door-payments, a logistics software keeps cash flow strong.

Innovation in order fulfilment can also come in the form of enhanced parcel delivery experience for personnel. A switch to smaller mobile screens, fewer clicks of mobile buttons and offline use can combine to reduce complexity, free up time and stay in touch with office staff in areas of poor mobile reception.



Ensuring compliance

Besides driver shortages, the other operational challenge companies face is adherence to regulations and local laws. These may be related to greenhouse gas emissions, decent working hours for drivers, safer roads and traffic congestion. Companies are also required by law to conduct security audits. Failure to meet compliance goals, whether set by the authorities or management, could attract penalties, affect operations and company culture, or damage reputations.

By logging data in real time and creating a dynamic information repository, a logistics software secures facts, provides evidence and allows cross-checks and referencing with utmost convenience and accuracy – in a way that paper trails cannot. The specific functions enabling the easy creation of electronic records include:

- Dynamic forms based on metadata describing business rules; the forms can be changed frequently to align with evolving business needs, new laws or updates to regulations.
- Proof of delivery via onscreen signatures for compliance reporting.
- Checklists to compare performance and incidents against legal and company-established standards. The logistics solutions will also assist with risk management in the event of driver injuries, vehicle accidents and incidents involving customers.

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