

DispatchTrack

Faster Routing, Happier Customers:

# THE LAST MILE GUIDE TO ROUTE OPTIMIZATION



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## FACTS AND FIGURES



### Optimization Is Growing >10% Annually

Route optimization has been embraced by the logistics industry, especially in the last mile. The compound annual growth rate (CAGR) for optimization software is projected at 11.56% through 2030.



### On-Time Delivery Rate: 98%

Organizations using DispatchTrack to optimize routing report that their drivers meet the predicted ETA for deliveries 98% of the time.



### Decrease Miles Driven By 10%

Using DispatchTrack's AI-powered optimization algorithms resulted in decreasing miles driven by 10%, lowering the amount of fuel burned and carbon emitted.



### 69% Of Customers Won't Reorder

A study by Voxware found that more than two-thirds of online customers say they wouldn't reorder from a brand if the delivery ETA was not met. Route optimization increases on-time delivery.

# Introduction



When it comes to last mile deliveries, routes are at the bedrock of everything you do. The efficiency of your routes determines how quickly you'll be able to turn around orders, how many orders you can deliver per day, and whether you're able to get the right goods to the right customers at the right time.

It's no secret that driver pay and fuel costs are some of the most expensive parts of the entire fulfillment process, accounting for as much as XX% based on some estimates. Which means that the ability to get more deliveries out of the same number of miles and driver hours can have huge time- and cost-saving implications.

That's where route optimization comes in. By finding the most efficient sequence of stops and routes from one stop to the next, route optimization can reduce the number of miles driven per stop. This can significantly reduce driver and fuel costs—often by more than 10%.

But increasing efficiency and reducing miles driven aren't the only ways that effective route optimization can impact your last mile logistics. In fact, this process can have an important strategic impact on your operations. The best route optimization tools leverage AI to enable you to ensure not just shorter routes but highly accurate ETAs, which can have a huge positive impact on customer experience. At the same time, route

optimization capabilities can enable you to run what-if scenarios on potential routing options in order to predict costs and customer service implications.

In this post, we'll go over the ins and outs of route optimization—including some real-life examples of how businesses have used smarter routing to improve their operations. We'll discuss the benefits of the right routing technology, as well as what to look for when choosing route optimization software for your business.

If there's anything that piques your interest or that you want to learn more about, we're always happy to talk through the finer points of route optimization with anyone who's interested. Just set up some time to speak with us [here](#).



# What to Look for in Route Optimization

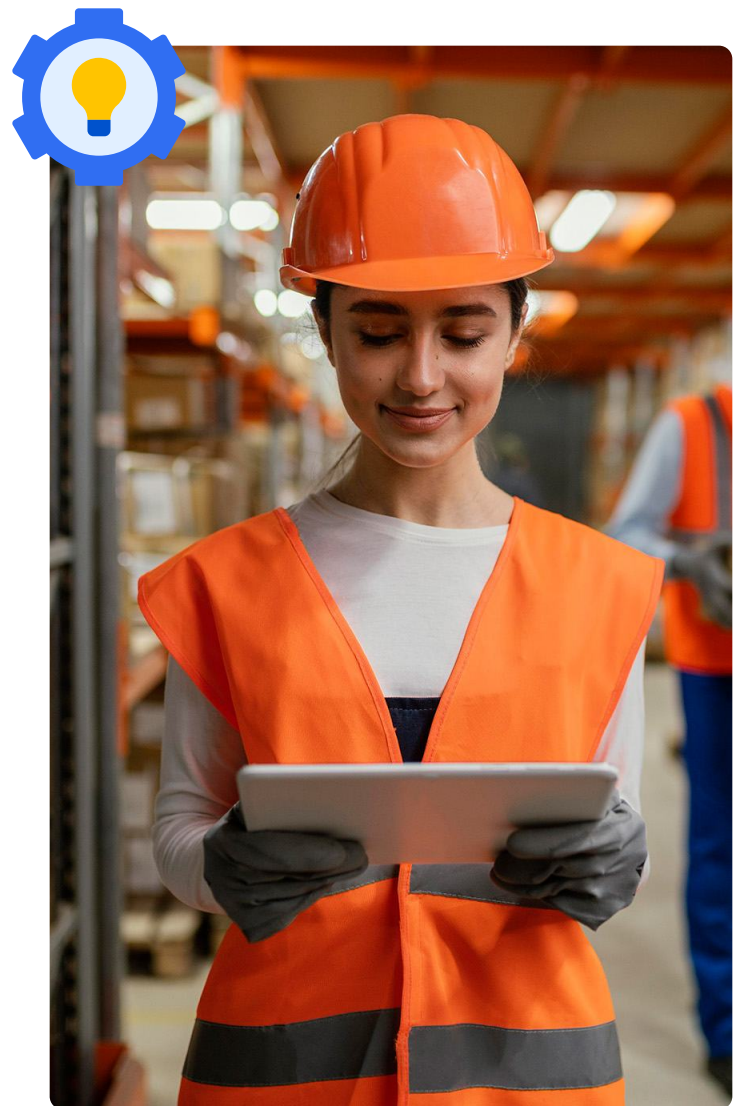
At a high level, route optimization is quite simple. You just need to find an efficient sequence for stops for a given number of orders, such that you complete all the deliveries within the allotted time without driving more miles than necessary.

It gets more complex than this pretty quickly. For starters, there's the fact that the "simple" task we described above isn't really that simple from a mathematical perspective. Each new stop increases the possible number of combinations exponentially, so that after only a few stops you quickly have a number of potential routes that's too large to compare by hand.

When you add in things like differences in driver speed and skill, customer time window requests, differences in vehicle capacity, and other parameters, finding the most efficient route becomes daunting pretty quickly. The result is that planners are almost never going to be in a position where they can find the right routes by hand on a consistent basis. Sure, sometimes you can eyeball it—but as soon as you add a wrinkle like a street closure or a request for a complex installation, it can all begin to fall apart.

That's why route optimization software has been a key part of the delivery technology stack for many years now. It's a necessary building block for smarter deliveries.

The right route optimization can make a huge difference in cutting through the complexities we talked about above and streamlining the process of planning efficient routes.



## Here a few key benefits:



01

**Driving fewer miles:** When you find the shortest distance between stops and the efficient sequence of those stops, you can drive fewer miles per stop. The result is that you save money on fuel and driver hours.



02

**Better capacity utilization:** By minimizing drive time between stops, your routing platform should enable you to complete more stops per route per day. This means that you get more out of your capacity, and you can handle more deliveries before having to contract to a 3rd party or purchase more assets.



03

**Faster delivery turnarounds:** This is somewhat dependent on having software that generates routes relatively quickly—but when you can use your capacity to its fullest, you can shrink the lead time for orders, delighting customers in the process.



04

**Improved strategic planning:** If your software supports it, you can use the same route optimization techniques to run what-if scenarios for potential changes in your network. This helps you make informed decisions about potential geographic expansions, placement of hubs and warehouses, etc.



05

**Reduced planning time:** A route optimization tool with the processing power to route thousands of stops in seconds can significantly cut down on the time it takes routers and dispatchers to come up with delivery routes for a given day or week. By the same token, a routing interface that's easy to use speeds up the process even further and enables you to run reroutes more frequently.



06

**Better on-time performance:** Without the right tools, coming up with accurate delivery ETAs across an entire route is nearly impossible. But when you can leverage technology like AI and machine learning to improve the accuracy of your time estimates, you can keep customers happy with consistent on-time deliveries.

# What to Look for in Route Optimization Software

Of course, the benefits that we're talking about aren't a given with any old routing software. You may be looking at your current route optimization deployment and wondering why you're missing out on improved on-time performance, or why it still takes what feels like eons to get a route plan optimized and dispatched to drivers.

Simply put, not all routing solutions are created equal. To make sure you're getting the benefits and capabilities you need out of your routing technology, there are some differentiators within your solution options that will need to be present.



Here are a few things to look for:

- 01 AI and machine learning capabilities:** In order to produce accurate ETAs, your software needs to consider more factors (such as service time, traffic patterns, and much more) than most legacy software solutions can deal with. To really achieve ETA accuracy, you'll want a platform that can leverage AI to turn accumulated delivery data into precise delivery time predictions.
- 02 Scalable SaaS architecture:** When it comes to routing, speed is more than just a nice-to-have. It can be the difference between an order cutoff at noon versus 8pm the previous day, and it can be the difference between accommodating last minute orders or potentially disappointing your customers. How do you achieve the level of routing speed you need? By opting for SaaS-based software that's architected to process routes quickly, at scale.

**03****Room for human intelligence:**

The trouble with some routing solutions—even powerful ones—is that they don't make it easy for human planners to bring their own expertise to the table. Even the best system-generated plans might need adjustments, and you need a solution that makes it easy to make those adjustments without losing out on efficiency. By the same token, it's important to be able to codify things like driver affinity, driver skill levels, customer time window preferences, and more within your routing engine so that it produces results you can actually use.

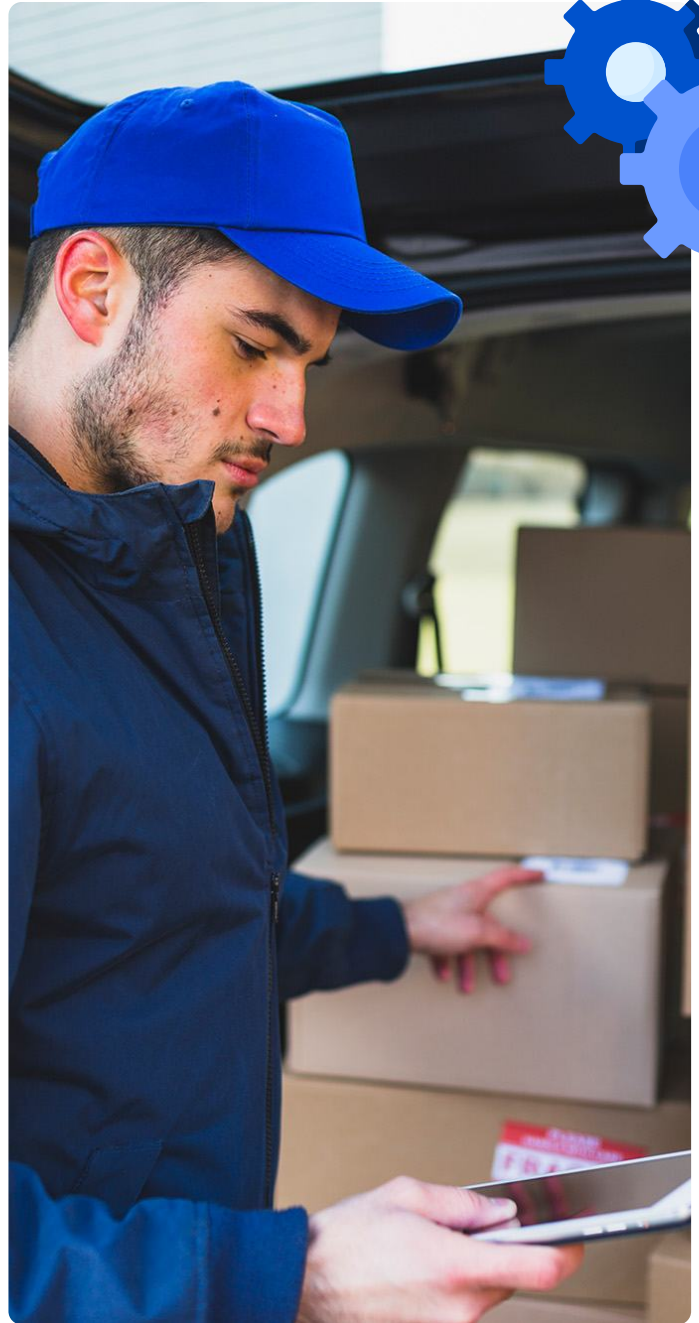
**04****Route optimization and execution within a single platform:**

Platforms that only focus on routes and don't provide any support for what happens after the routes have been generated—i.e. the actual deliveries—inevitably create silos. Ideally, you want your routing and execution to happen within a single pane of glass. This way, you can create a continuous feedback loop to improve both planning and execution over time.

**05****A track record of innovation:**

You want to effectively future-proof your routing with whatever solution you adopt. That's why you should make a point of finding a technology provider who consistently adapts to changes in the market with new innovations. Your needs a year ago might be different from your needs today—and those might be different from your needs three years down the line. You need to find a solution that can keep up.

There are, of course, plenty of intangibles. As you decide on the right routing software, you'll learn a lot about your options and their strengths and weaknesses relative to what you need. But keeping the criteria above in mind as you go through the selection process can help jumpstart you down the right path.



How Gunton/Pella Windows and Doors

# Reduced Routing Time by 50%

The benefits that we're talking about here are just hypothetical. DispatchTrack's route optimization capabilities have helped numerous businesses over the years to reduce the time they spend routing, cut down on fuel costs, and improve on-time performance.

One of these businesses is the Gunton Corporation. They're the largest distributor of Pella Windows and Doors, with 15 Experience Centers and three warehouses across Ohio, Pennsylvania, West Virginia, New Jersey, and Delaware. Their business required careful orchestration of window and door deliveries, but their route planning process was painfully slow, and they had limited visibility into deliveries once their trucks were on the road.

**They knew they could save time and money by rethinking the way they approached last mile delivery planning and execution—which is exactly where DispatchTrack came in.**

## We offered them:



Streamlined, AI-powered route optimization



Customer communications via text with the click of a button



Real-time delivery tracking from dock to door



Total connectivity between dispatchers and drivers



Time-stamped, geostamped photographic proof of delivery via driver mobile app



Digital delivery manifests for drivers



**With DispatchTrack, Gunton/Pella was able to cut its daily routing time by more than 50%.**

Following a smooth implementation process across multiple branches, Gunton/Pella began to see results in a matter of weeks. Their routing process was shortened from 1-2 hours per day per branch to as little as 30 minutes. Not only was the route optimization

process faster, it was also streamlined and codified in such a way that the process could be delegated. This freed up significant managerial time that could be spent on more strategic tasks.



**50% reduction in time spent routing**



**Significant reduction in phone calls to customers and drivers**



**Increased delivery transparency across the board**



**85% on-time delivery rate within a 30 minute window**

**"Before DispatchTrack, I could never have delegated the routing of the trucks. I wouldn't have had that crucial first 2 hours of the day to devote to overseeing multiple different teams within the company. DispatchTrack has been a pivotal tool for **giving time back** to our management and **saving costs.**"**

**Walter Greathouse**  
Customer Experience/Ops Manager,  
Gunton Corp, DBA Pella Windows



# The Benefits of SaaS Routing Software

One crucial consideration when you're looking for route optimization software is whether to leverage SaaS or on-premise software. From our perspective, the answer here is obvious—SaaS has a number of advantages over on-premise.

This is partially because on-prem deployments have a number of hidden drawbacks:

- ✘ Server replacement every 3–5 years
- ✘ No guarantees of new features or enhancements as time goes on
- ✘ Potential compatibility issues down the road
- ✘ Uneven update cycles across different branches
- ✘ Security must be managed in-house, potentially increasing risk.

**SaaS platforms help to mitigate these issues.**

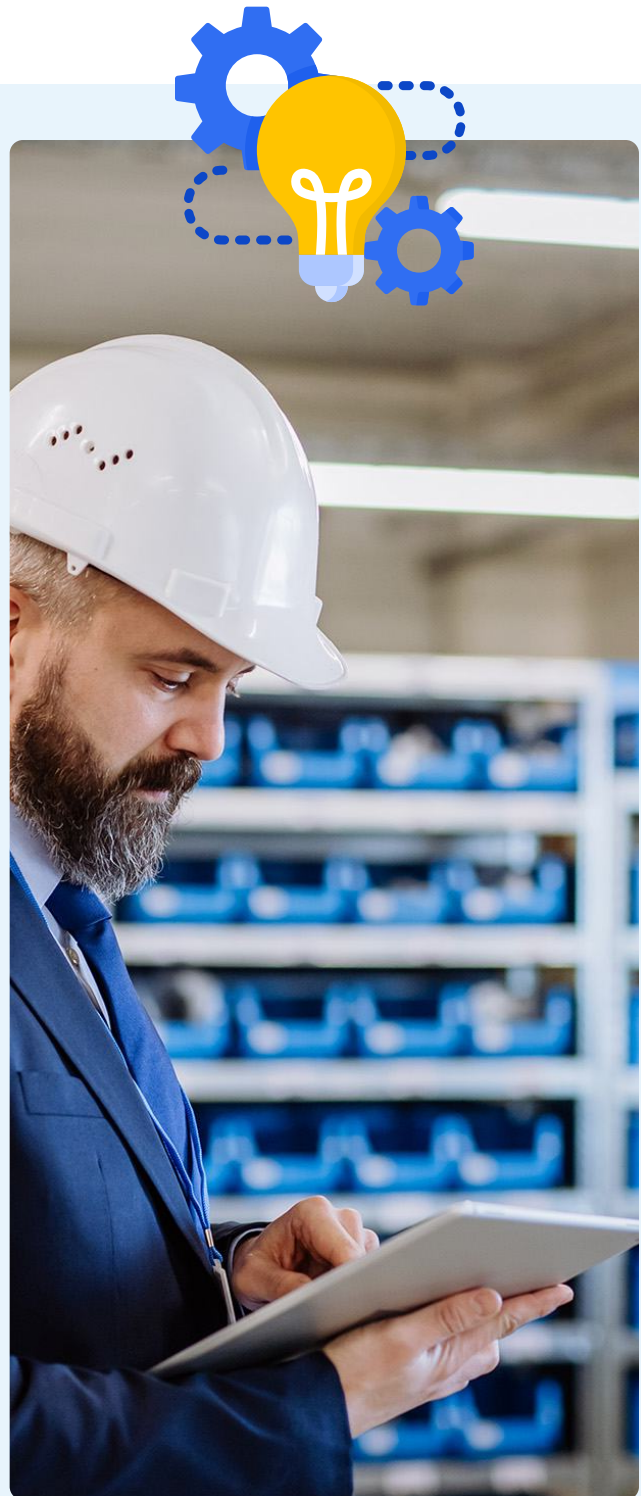


Because the onus is on the provider to push out updates and ensure security best practices, a trusted provider will essentially take those concerns off your list. The result is that you can be confident that you're always using the most up-to-date version of your software solution—and that all of your branches are using the most up-to-date version as well. Likewise, you're always using the most secure version, since any potential vulnerabilities should be caught and addressed by the software provider.

A true SaaS solution will also be more easily able to respond to requests for bug fixes, upgrades, and new features—to say nothing of provisioning new licenses or add-on capabilities. Processes that would have required serious IT staff effort can now be done with an email or two. Generally speaking, getting ongoing support from a cloud-based software provider tends to be easier as well.

All of this adds up to fewer headaches, less frustration, and software that just works. It puts you in a position to save on labor and equipment costs, plus all of the costs that pile up when your software doesn't do its job effectively.

Crucially, SaaS deployments also enable you to scale your usage up or down as needed (no slowdowns if you need to route significantly more trucks during the holiday delivery crunch). They can also help you future-proof your routing operations by ensuring that your routing technology evolves at the speed of your business and the overall marketplace.



# Case Study: How Ryder Shortened Delivery Lead Times with Streamlined Route Optimization

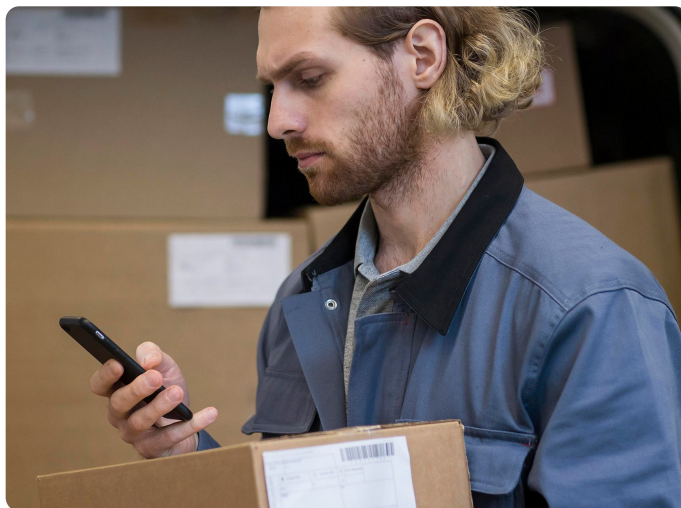
As one of the largest 3PLs in the country, Ryder has been working behind the scenes to manage their customers' supply chain, transportation, and fleet functions for more than 90 years. They pride themselves on delivering innovative supply chain and transportation solutions that enable their customers to deliver on their promises.

With consumer needs and expectations around deliveries changing—particularly in the big and bulky space—they were motivated to stay ahead of the curve and provide a best-in-class experience to their customers' customers. They wanted to move away from capturing proof of delivery via pen and paper and contacting customers manually to determine delivery schedules and provide updates.

By empowering smarter route optimization and delivery execution, DispatchTrack's platform was able to help Ryder deliver on their vision. They were able to cut out manual processes like collecting proof of delivery via pen and ink and replace them with smart, automated, streamlined processes.

Because the solution was easy to use, they were able to train their people on it rapidly, and as a result they were able to significantly reduce the time it took to schedule and execute on last mile deliveries.

In addition, DispatchTrack gave Ryder the ability to configure its operations differently for different use cases and share data with clients in flexible ways. As a 3PL with diverse clients delivering diverse products, this has proved invaluable—and it's formed the basis of continuing partnership as both businesses have grown.





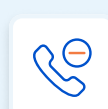
Reduction in delivery lead times by up to 1 day



98% on-time delivery rates via route optimization



Minimal training time for new users/drivers



Significant reduction in calls from end customers

“We’re one of the three major final mile providers that cover the entire United States, and in the critical areas of route optimization and delivery execution, **DispatchTrack is our application of choice.**”

**Seth de Vlugt**  
Director of Customer Logistics at Ryder



# About DispatchTrack

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Route optimization can have a huge impact on your success in the last mile. For retailers and other businesses who are dealing with a new slate of deliveries each week, dynamic route optimization is a must for getting the most out of your delivery capacity.

If you're in the business of making recurring deliveries week-in and week-out, routing is more complex—but just as crucial. It's imperative to find a solution that can enable you to stay flexible and efficient even when meeting your customers' requests involves a complicated balancing act.

At the end of the day, no two organizations are the same, but route optimization of some form is absolutely critical for any business that has to tackle the last mile of the supply chain.

**Scan the QR to  
Book a Demo:**



# DispatchTrack

Promise • Deliver • Delight

