

Last Mile Logistics for Building Supplies Delivery: A Guide

Who should read this guide?

Anyone involved in last mile deliveries for construction and building supply materials—whether you're delivering sheet metal to job sites, installing irrigation equipment, or managing anything else that requires you to balance customer needs with the complexities of the construction material supply chain.

Why is this guide worth your time?

Because DispatchTrack has been helping large enterprises in building supplies delivery and related fields for most of its 10+ years in business. In that time, we've learned firsthand how to tackle the unique challenges that come with this particular industry.

What will you learn?

- ◆ How to gain the flexibility to handle last-minute orders from contractors
- ◆ Why return management is such a challenge and how to handle it
- ◆ Why customer pickup logistics is so chaotic—and what to do about it

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Introduction: Combating Volatility in Building Supplies Delivery

Earlier in 2021, the rest of the world started paying attention to the construction materials supply chain. Why? Because their attention was caught by the [skyrocketing cost of lumber](#), which had increased by almost 300% in June, wreaking havoc on budgets that had been planned out potentially years in advance.

While this story caught a few news cycles, those in the construction and building supplies industries know that this [wasn't just about lumber](#). Steel costs were also rising, and lead times for materials across the board were getting longer. Naturally, this was causing even further disruption across all types of job sites—and it was making the importance of supply chain resilience more obvious than ever.

While lumber prices have come back down to earth, the underlying challenges that define success in this industry remain unchanged. In this white paper, we'll give a quick sketch of exactly what those challenges are, as well as a breakdown of how you can approach them with the right technology.



The Top 5 Building Supplies Delivery Challenges

Efficient last mile delivery can't magically make the building materials supply chain into something that easily meets everyone's needs—but it can make a big difference in terms of giving your customers better experiences that will keep them coming back to work with you. To make that possible, you need a clear understanding of the top challenges that stand between building supplies delivery operations and sustainable success.

1. High Expectations for Fulfilment Turnarounds

At best, the process of delivering, say, sheetrock to a jobsite is chaotic. In all likelihood, the person who did the ordering is not the same person who's going to receive the delivery, the construction site might not have an address yet, over-ordering is fairly common, and deliveries have to line up with installation timelines in order to avoid causing jobsite disruptions. On top of all that, contractors increasingly expect options for next-day, same-day, and on-demand order fulfillment. The result is that dispatchers and managers planning deliveries to job sites have to navigate all of this complexity, sometimes within a matter of minutes—something that's simply not feasible with manual routing and dispatching processes.

2. Timing Challenges

Job sites are fluid environments, which means that onus is on delivery organizations to make sure that orders are showing up at the right time (e.g. the beginning of the day), and when there's actually someone there to receive them. For one thing, pallet theft is a bigger concern than ever. For another, scheduled deliveries need to align with existing schedules for installation work. This requires your last mile route optimization capabilities to be fairly sophisticated, at least insofar as it should be able to account for time-window requests while providing accurate delivery ETAs.

3. Managing Returns

Again, many of your customers will overorder materials and send back what they determine they don't need. Obviously, you want to be as flexible as possible here in order to keep your customers happy—but managing returns can quickly drive up costs. Without a robust solution in place that's actually designed to provide visibility into orders and deliveries from end to end, what happens after the truck leaves the warehouse or distribution center is more or less black box. Some items get delivered, and some come back to the DC, but there's no easy way to figure out who returned which product and why. This means that you have no way of knowing whether a particular pallet is perfectly good and should be slated for redelivery or whether it was sent back because it was flawed. The end result is that managing returns takes longer—and requires more manual effort—than would be ideal, resulting in higher warehousing costs and ultimately more wastage.

4. Capturing Proof of Delivery

When different people are doing the ordering and accepting the orders—and when you're delivering to bustling job sites—effective documentation is more important than ever. Unfortunately, documenting deliveries without the right technology can be difficult. What you really need is timestamped and geostamped photos and videos that show that a delivery was made in full at the right time, in the right place, in the right condition—all automatically included in the data for the relevant order. Without these capabilities, it's difficult to create an audit trail for orders that actually protects you against false liability claims while ensuring visibility into exactly which product was delivered. This can result in inventory discrepancies that can be costly to resolve.

5. Pickup Logistics

Delivering to job sites is a complex process that requires careful optimization via powerful tools—but many businesses that deal with contractors also offer fulfillment via customer pickups at stores and warehouses. This is often a serious blindspot for technology solutions, despite the fact that it's nearly as complex as actual last mile delivery. Construction and building materials businesses need a way to manage store capacity, communicate with customers, capture proof of pickup, and streamline the entire process from the perspective of store and warehouse associates. And you need to do all that knowing that some customers are simply going to call, place an order, then drive straight to the pickup site and expect the order to be ready. Absent any robust means of tracking orders and communicating with customers, this tends to result in traffic jams at your pickup locations and legions of overworked associates.



What Are the Keys to Effective Fulfillment for Construction Supplies?

The challenges we sketched out above might seem like they lack obvious solutions—but modern technology has made problems like the ones above more manageable, giving construction material delivery operations more robust tools than ever for boosting efficiency and providing high-quality service to their customers.

Here are a few keys to improving your fulfillment process:

1. Implement Route Optimization That Actually Works

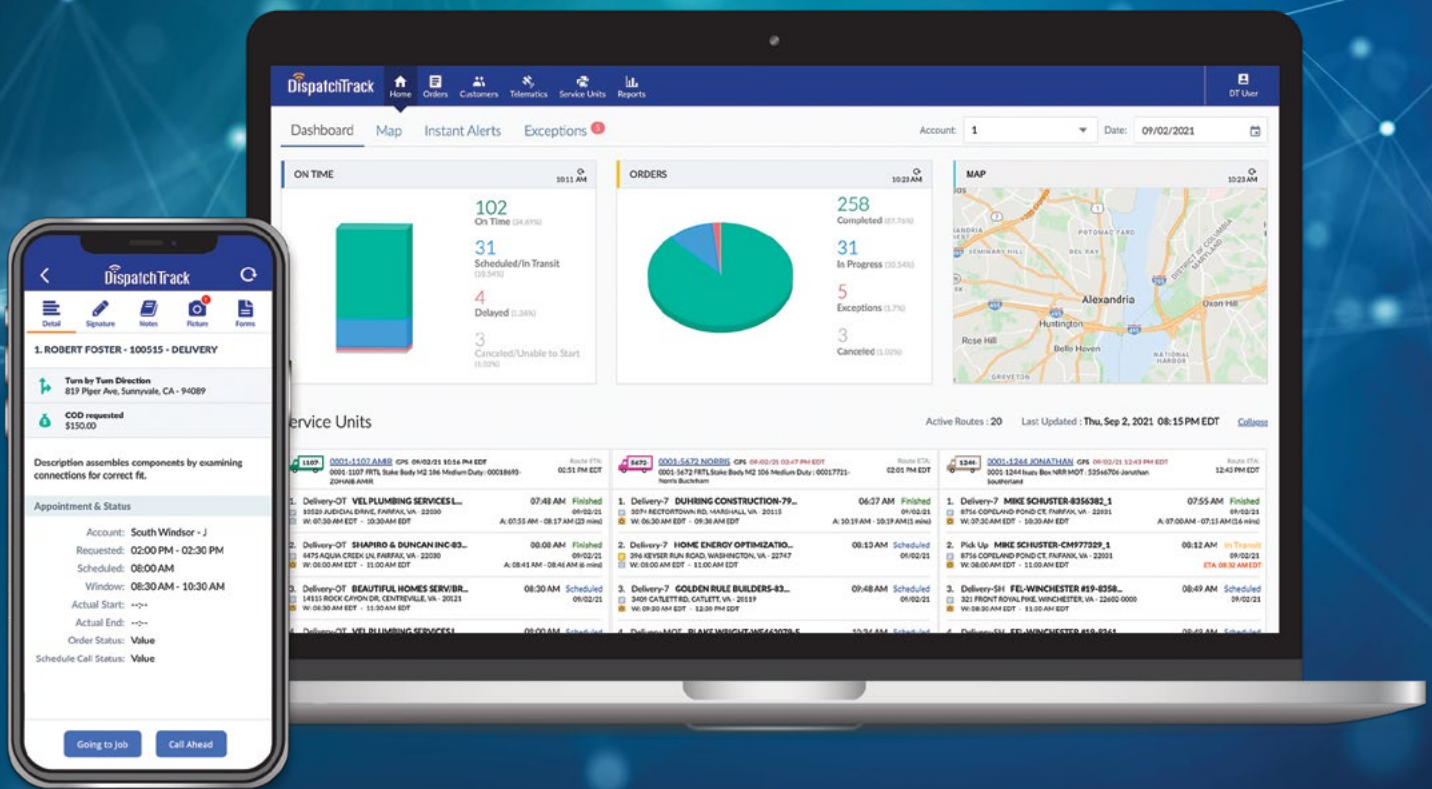
Route optimization means different things to different people, but if you're going to provide on-demand delivery to construction sites that are juggling deliveries with installations, you're going to need route optimization technology that can:

- ◆ Route quickly and scalably, even when last minute orders come in requiring fast turnarounds
- ◆ Provide flexibility for late orders that need to be slotted into existing routes
- ◆ Handle routing to jobsite locations that might not have reliable addresses
- ◆ Account for differences in which trucks and drivers are appropriate for which deliveries
- ◆ Generate ETAs for orders that are precise and accurate, such that they can be reliably communicated to customers

In many ways, it's the final requirement that's hardest to come by. Why? Because there are uncountably many variables that impact delivery times, and even technology solutions that are capable of spitting out the most efficient route plans for a given set of stops and constraints can't always estimate delivery windows accurately. This can be a huge pain point, with dispatchers either manually massaging these ETAs based on their own domain knowledge or trucks going out with unrealistic schedules that leave drivers exhausted and customers disappointed.

Here, you may need to find an AI-powered routing solution that learns from previous deliveries, area traffic patterns, and other factors over time to generate highly precise and accurate time estimates. This—combined with a high degree of flexibility when it comes to setting parameters for which pallets need to be routed on which types of trucks, which drivers can handle which types of jobs, etc.—gives you the power to let customers know when to expect their deliveries, *and then actually deliver on those promises.*





2. Power Real-Time Visibility

The ability to deliver on-time, all the time—while still maximizing truck capacity—puts you in a position to communicate with your customers more efficiently, track your deliveries more easily, and handle any disruptions that do crop up more effectively. So what's the next step to optimizing your deliveries after your routes have been optimized? Finding a way to implement real-time visibility.

This isn't just a matter of collecting data, it's also a matter of making it accessible. This comes down to a couple of things:

- ◆ **Technology integration up and down the delivery chain:** For enterprise building materials delivery organizations, you'll likely need to pull order data in from a third party system and then share route plans with a granular level of detail with other systems after they've been created. This means that your delivery management system needs to be designed for easy integration and data sharing.
- ◆ **Intuitive centralized order dashboard:** Of course, even the most robust API integration isn't always fast enough for dealing with issues that crop up on the day of delivery. To meet the needs of contractors and construction crews, you need to be able to spot delivery exceptions as they're happening. This requires automatically generated system alerts for deliveries whose live ETAs slip out of the specified range; it requires a single-pane-of-glass dashboard that enables users to spot exceptions; and it requires automatically gathering complete order data (customer info, assigned driver, ETA, communications sent to customer, customer signature, proof of delivery, etc.) into one place for easy auditing.

Managing construction material delivery at scale is complex, and it gets even more complex when you can't find the data you need when you need it. Even if we're just thinking about return management and reducing wastage, it can make a huge difference in terms of how easy it is to understand what happened with a particular pallet and deal with it appropriately.

3. Optimize Customer Experience for Pickup Logistics Optimization... And Beyond

This best-practice mostly applies to those who do a large portion of their business via will-call or customer pickup, but the general method of boosting customer experience is more broadly applicable.

We discussed the challenges that come with customer pickups above—but what's the solution? At a high level, you'll need three things:

- ◆ Automated capacity management
- ◆ Automated customer communication
- ◆ Automated store/warehouse associate notifications.

In an ideal world, your customer pickup would look something like this:

- ◆ The customer places an order. They're automatically assigned a pickup time (or offered a choice of times) based on capacity parameters that are being dynamically adjusted in real time.
- ◆ The customer receives a confirmation—and the pickup site's system receives the order.
- ◆ When it's time to pick the order, associates are automatically notified via a mobile application.
- ◆ When customers arrive, they check-in on their phones, indicating make, model, and location of their vehicles; the associate is automatically alerted so they know to bring out the order
- ◆ The associate loads the order into the contractor's vehicle, takes a signature (contactlessly if desired), and captures photo proof of delivery via the mobile app.
- ◆ The pickup is now marked as complete in the system, and managers can audit completed orders as needed.

Here, automated capacity management prevents traffic jams in your store or warehouse, while the clear flow of automated customer and associate notifications ensures efficient fulfillment all around. As a result, you can fulfill more pickup orders in the day—all while giving your customers a seamless experience that will keep them from turning to the competition.

Like we said above, while this workflow is fairly specific to pickup logistics optimization, the basic ethos is not. This workflow puts two things front and center:

Customer experience and workflow automation.

Luckily, these two things go hand in hand. The goal is to decrease manual effort throughout the dispatching, routing, and delivery tracking processes in order to free up dispatchers and managers to provide more personal support to customers as needed, and this generally comes from automating out time-consuming processes like calling customers to provide updates on deliveries.

Simply put, when you can automatically route, dispatch, and monitor your deliveries—all while providing full visibility to the customer—you can become a reliable partner for your customers, simultaneously boosting your brand and decreasing costs. The trick is just to find the right solution.



Conclusion: How DispatchTrack Can Help

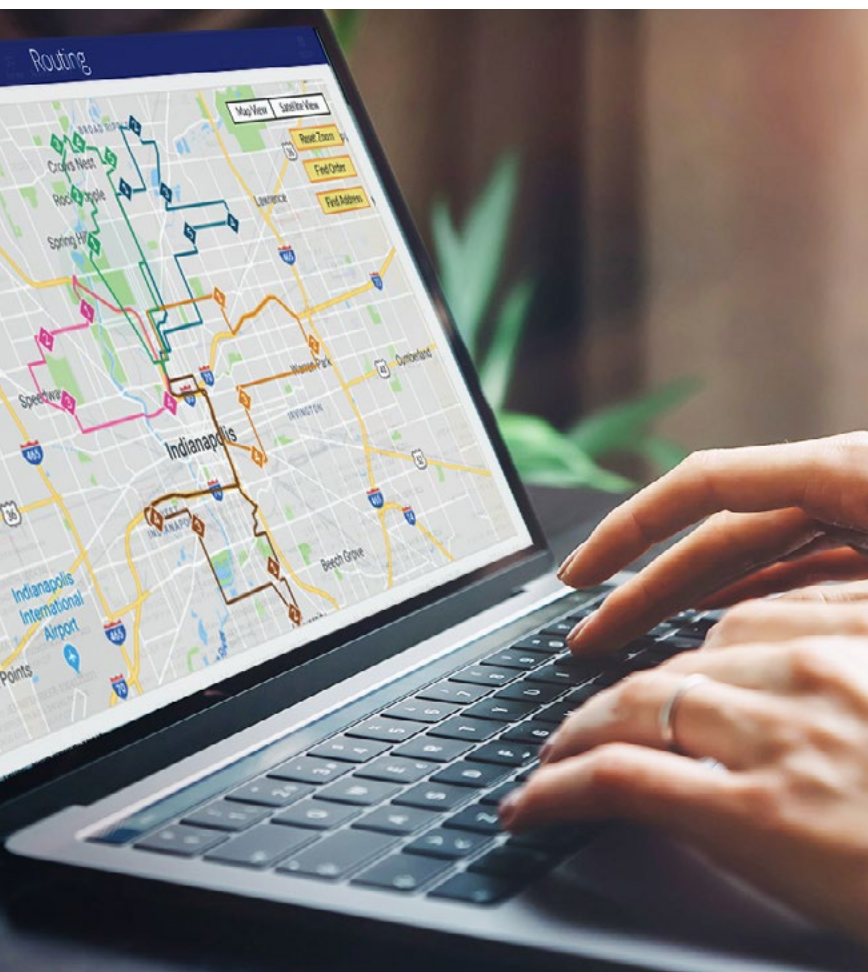
Building supplies delivery isn't getting any easier—the complexities of delivery to job sites aren't going away, and neither is broader supply chain volatility. Delivering on-time, capturing an audit trail, and keeping customers in the loop can all pose serious operational challenges.

Luckily, that's exactly where DispatchTrack comes in. We offer an enterprise-ready end-to-end last mile logistics platform to help you:

- ◆ Optimize routes quickly and easily to maximize truck capacity with 98% accurate ETAs
- ◆ Automatically notify customers of delivery times and statuses
- ◆ Capture picture and video proof of delivery via our driver mobile application
- ◆ Visualize the last mile in real-time and proactively manage exceptions
- ◆ Run custom reports to track return items, delivery performance, and much more.

With DispatchTrack's platform, return discrepancies are reduced by over 80% via comprehensive, seamlessly-integrated documentation. At the same time, DispatchTrack's high-accuracy address resolution system helps you avoid confusion about where the job sites actually are—as well as a pickup logistics optimization platform for will-call and customer pickup orders.

The result is that loss of inventory is dramatically reduced, and you're able to quickly route deliveries that meet your customers' needs. Best of all, DispatchTrack offers robust integration abilities for slotting into complex enterprise software environments. We take pride in working closely with our customers to configure the solution to their needs and act as a true technology partner for improving building supplies deliveries from end to end.



About DispatchTrack:

DispatchTrack is the complete customer delivery experience and last mile logistics optimization platform. Since its founding in 2010, DispatchTrack has empowered thousands of customers across multiple industries—furniture and appliance, food and beverage distribution, building supplies, third party logistics, and many others—to plan and manage all last mile touchpoints with flexible, easy-to-use features.

Our end-to-end, AI-powered, SaaS-based platform helps users automatically route and schedule deliveries, communicate with end customers, and track the entire last mile in real time. The result is streamlined last mile operations and elevated customer delivery experiences for more than 60 million deliveries each year.

For more information, visit our website at DispatchTrack.com, or contact us directly at **1-866-437-3573** or sales@dispatchtrack.com.