![DispatchTrack]

How to get ready for Radical Transparency at Scale in Last Mile Logistics

Executive Summary

The delivery experience is critical to the customer experience, and transparency is the keystone in that experience. However, transparency without the right preparations can reveal dysfunction in operations that deter from the customer experience. A system-wide approach integrating factors from continuous route optimization, real-time tracking, and rapid communications between dispatch, drivers, and customers is needed.

In the age of Amazon, Customer Expectations are High.

The delivery experience is a critical part of the overall customer experience. It is where the rubber meets the road and where retailers' or wholesalers' true colors show.

In many ways, Amazon has set the bar for the delivery experience. But those who deliver big and bulky goods need to go beyond what Amazon offers. Consumers have come to expect rapid and high-precision delivery, and bring those expectations with them into the workplace. But for those needing to be present at home or at a worksite to receive goods, more is required. They need to be able to select narrow delivery slots that fit their schedules, and they need to trust that the goods will arrive when promised.

There is no better way to build trust than to offer radical transparency. When customers know how you are progressing on a delivery commitment, they feel calm and empowered to adjust their plans.

Before you pull back the curtain – clean up first.

Being opaque has its benefits. Many organizations won't admit it, but they can cover up operational shortcomings and mistakes behind the curtain. Not everyone is ready for this level of transparency. Companies who struggle with timeliness and precision will look even worse if they open their operations to outside eyes.

93%
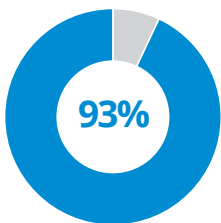
93% of customers reported that they want to stay informed and receive proactive updates from retailers about their shipments.

– Modern Customer Delivery Imperative, 2017

65% of consumers want greater flexibility for their deliveries

– Retail TouchPoints, 2018

Many organizations are not yet equipped for this high transparency level. In a new study, the firm Deloitte Consulting cites 40% of executives surveyed stating "sudden demand changes" from their customers cause the largest expense and disruption to their supply chains (TransAmerican, 2019).

So how do companies prepare for radical last-mile transparency at scale? First, they need to understand the customer's core needs.

Customers require sound options delivered on, with continuous updates.

Customers want to know where their delivery is and how it tracks against the promised time window. There are a few key components that need to come into place:

- Flexible, multiple-choice delivery dates & time windows.
- Fulfill commitments you've made to customers, on time and without errors.
- An easy, intuitive way to track their delivery truck on the day of delivery.
- Picture and short bio about the lead driver, allowing customers to learn about their delivery team beforehand.

Radical transparency is hard to get right.

If these factors were easy to deliver on, all retailers and wholesalers would already be fully set up for radical transparency. But it is not easy, and going transparent often requires system-wide change. Here are some of the top things that need to come together:

- Accurate tracking of various SKUs' load and off-load times.
- Correct modeling of different delivery assets' capacity and speed. The diversity of assets is only increasing with autonomous vehicles and drones becoming viable options.
- Adaptive learning of driving times. Using Google Maps isn't a reliable option because trucks have different drive times than cars, and some roads have restrictions on weight limits or are impassable due to bridge heights.
- Continuous what-if route planning to offer potential delivery slots that can be fulfilled with precision.
- GPS tracking of all assets, provided transparently to customers, and dispatch.

By providing visibility in real-time, companies can turn last-mile logistics' challenges into a customer experience advantage.

"The biggest challenge in the last mile is matching increasing cost against spiraling consumer expectations."

— **Paul Hamblin, Logistics Business (Retail TouchPoints, 2018)**

Modern last mile software enables radical transparency.

With such complex requirements for system-wide connection and optimization, it is clear that a modern software suite is needed as support. The technological requirements for such a solution include:

- An always-on routing engine that matches orders with inventory while adhering to prior appointments, and delivery capacity, all in real-time.
- A high-precision routing engine that can accurately model load times, drive time, break time, and delivery and installation times.
- A routing engine powerful enough to handle all delivery assets.
- A driver app that provides:
    - Paperless, digital dispatch of orders
    - Driving directions
    - GPS tracking
    - Frictionless communications with both customers and dispatch
    - Easy documentation of deliveries and exceptions (in a post-COVID world, contact-free POD is quickly becoming the standard)
- Visibility delivered in the form of fast-loading links sent via text or email can take customers to a branded tracking page where they can see their delivery ETA, along with information about what's being delivered and by who. Modern systems elevate the user experience higher by rendering well-designed maps that update truck-tracking data in real-time if conditions change.
- 100% adoption and consistent usage among dispatchers and drivers.
- The ability to seamlessly extend all these capabilities to 3PL partners without complications.

Timely, effective communication is more complicated than it sounds. Where notifications are concerned, some systems are limited in capabilities, or they are too aggressive and can burden a consumer with irrelevant or excessive updates. The best software balances direct communication with customers by being transparent at critical moments in the fulfillment process, e.g., a scheduling prompt after purchase, when an order arrives at the warehouse, a reminder before the day of delivery, and so on.

Also, the human-trust factor inherent to long term successful system adoption should not be forgotten. The software must be user friendly with enough depth to do the job, yet allow new users to feel 'in control.' Dispatchers care deeply about their customers and how their brand is represented, and will only continue using software that they trust will deliver predictable results.

Using Google Maps isn't a reliable option because trucks have different drive times than cars.

Don't forget the human-trust factor needed for long term successful change.

The DispatchTrack solution

At DispatchTrack, we take great pride in helping our customers become and remain successful. We know that our customers care deeply about their customers' experience, and we mirror that deeply in our values. If you are considering implementing last-mile logistics software, we would love to talk to you.

DispatchTrack serves 1200 customers, from one-truck shops up to major retailers with ~4000 trucks. Our routing engine is machine-learning based and learns the actual times to load, drive, and deliver goods. We perform these services every day via SaaS for customers, some of which are running 3500+ trucks. Our interface is easy to use and highly adopted by dispatchers, drivers, and customers. It tracks the truck's progress vs. plan and communicates with the customer in real-time. The driver can reach out with the press of the button and can easily document their delivery. Finally, all this is seamlessly extendable to onboard and monitor 3PL partners.

Contact us for a demo at sales@dispatchtrack.com

Cited Sources:

- **Retail TouchPoints:** https://tinyurl.com/y44ytrqd
- **TransAmerican, 2019:** https://tacustoms.com/transparency-is-more-important-than-ever/
- **The Modern Customer Delivery Imperative:** https://www.getconvey.com/resource/retail-delivery-statistics-2/
- **McKinsey & Company:** https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/a-global-view-of-how-consumer-behavior-is-changing-amid-covid-19#

About DispatchTrack

DispatchTrack is the leading end-to-end software for last mile logistics, and services over 180 million deliveries per year for companies ranging from 3 to 4,000+ trucks. Companies in industries such as furniture/appliances, 3PL, building supplies, food distribution, grocery delivery, medical supplies, and auto-parts use DispatchTrack to provide excellent delivery service experiences and to optimize their operations. Our NPS score of 70 shows that customers love the long-term relationships we develop and truly be their partners.

DispatchTrack

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