



Why Should Enterprises Digitize Their Delivery Operations?

Table of Contents

1. Introduction
2. Current Trends in Delivery Management
3. Challenges faced by Logistics Companies in 2021
4. Why should enterprises digitalize their delivery operations?
5. What is a delivery management system?
6. Top features to look for in a Delivery Management System
7. What is Tookan, and why is it the perfect delivery management system for you?
8. Summary

1. INTRODUCTION



The world is rapidly getting digitalized; people are more connected with technology than ever before. As of January 2021, there are about 4.66 billion internet users and 4.20 billion active social media users out of a total population of 7.83 billion. It indicates that technology is penetrating every nook and corner of the world.

The tremors of digitalization and its need are also being felt across different industries, particularly ones involved in shipping and logistics. When you have a massive fleet of vehicles transferring goods to various places around the world, it is important to keep track of every package. This ensures that you are always on top of your delivery operations.

Unfortunately, most of the delivery management tasks are being done manually even today by some companies. Doing so, these companies are being plagued by three critical problems -

- Manually tracking so many packages is draining time, effort, and money.
- Maintaining such voluminous data is taking a major toll on their human capital.
- Organizing the data and retrieving them when needed is not easy with a team that is already stretched for time.

The solution to this problem is simple - digitalize your entire delivery operations. Integrating a Delivery Management System in your daily operations will not only make the tracking process more manageable but will help you connect the sellers and buyers with your tracking data. Every stakeholder involved in the order can access the data stored in the cloud anytime, anywhere.

2. Current Trends in Delivery Management

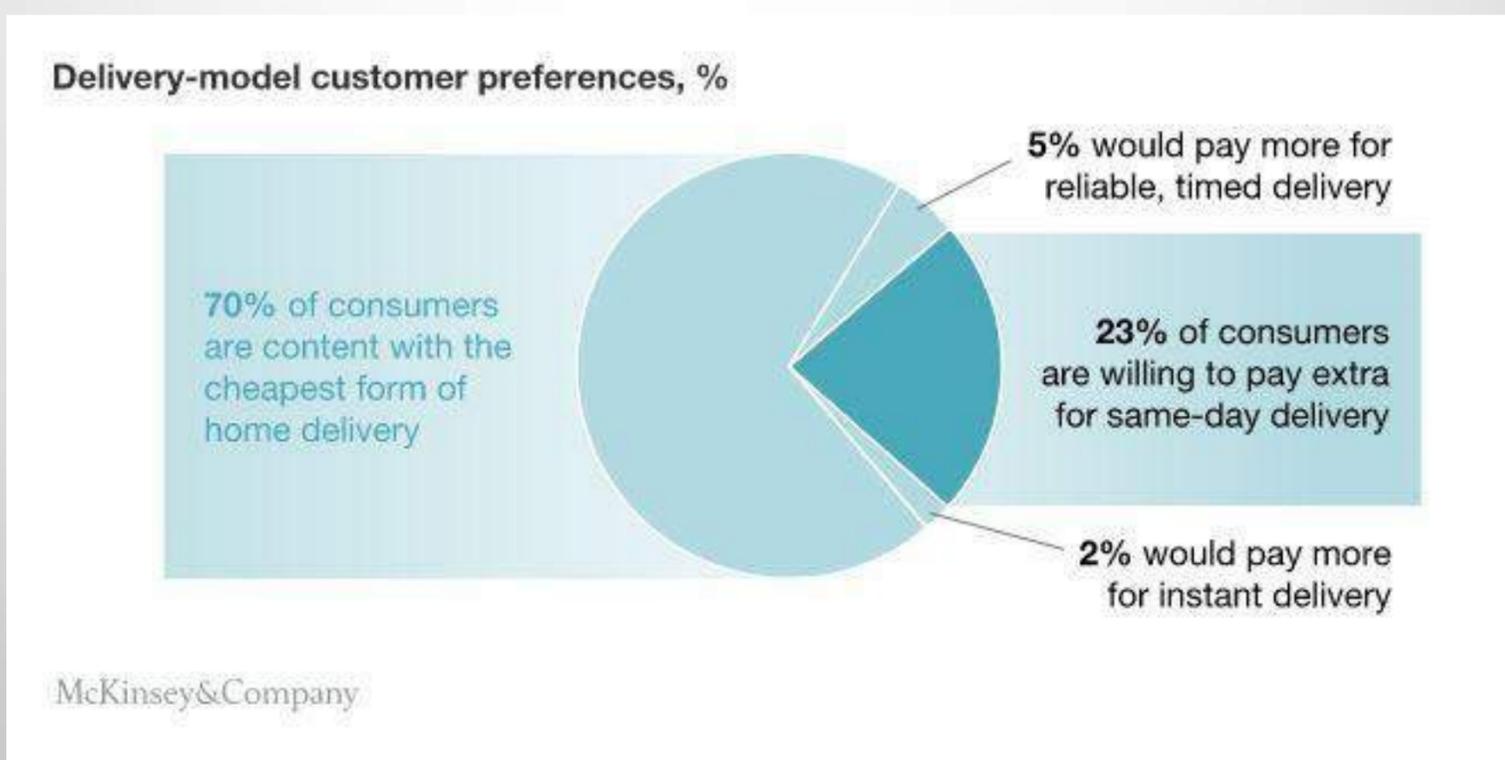
The logistics industry is constantly evolving to meet the rapidly changing consumer needs. The staggering growth of e-commerce (market share of \$26.1 trillion in 2020) in recent years is an important factor shaping its evolution. On that note, here are three key trends that are defining the current landscape of the logistics industry -

1. Rising Need for Speedy Fulfilments

Consumers want their orders to be delivered on or before the promised time today. Here is an interesting fact confirming this -

“Nearly 23% of the consumers are willing to pay extra for same-day delivery.”

Mckinsey Report



To compete with a giant like Amazon, small e-commerce vendors have to up their 'on-time delivery' game to even stand a chance. The rising number of e-commerce players puts the customers on the throne today as they can always switch brands if they are not happy with the experience. And the responsibility to offer a good customer experience lies equally on the shoulders of the product manufacturer, the retailer, and the delivery partner.

2. Embracing Disruptive Technologies for Prompt Delivery Management

Technologies such as the Internet of Things (IoT), Blockchain, Sensors, and Smart Devices are playing a critical role in offering real-time and reliable data to various stakeholders. The introduction of an Electronic Logging Device (ELD) when combined with the above technologies will further help accurately track your last-mile delivery. A study shows that incorporating AI into the supply chain will help the business gain nearly \$1.3 trillion to \$2 trillion each year. Autonomous vehicles, Autonomous trucks, and Robotic delivery systems will further bring down human errors and costs.

Top 10 Logistics Industry Trends & Innovations in 2021

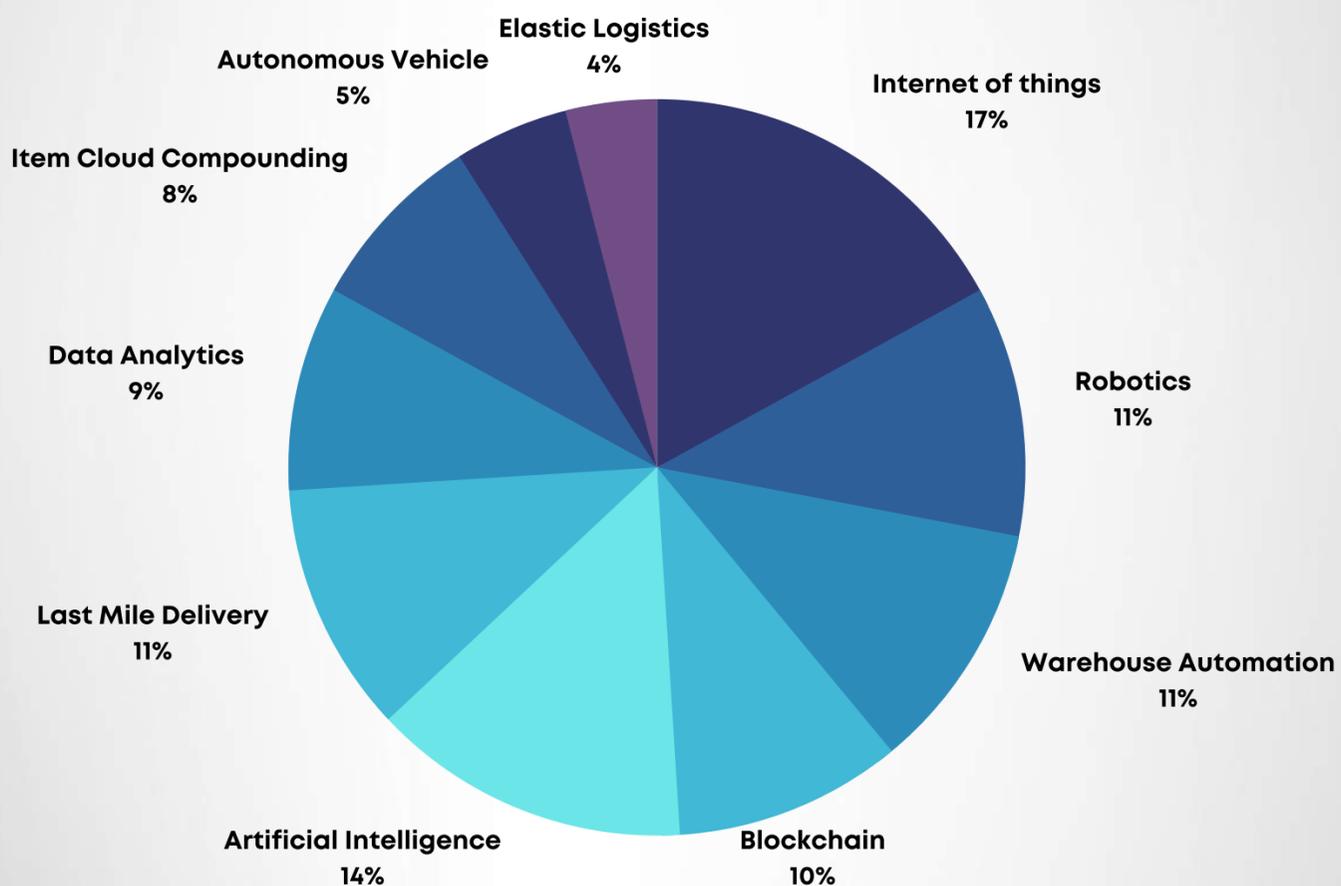


Image source - StartUS Insights

Analytics to Drive the Cost Down

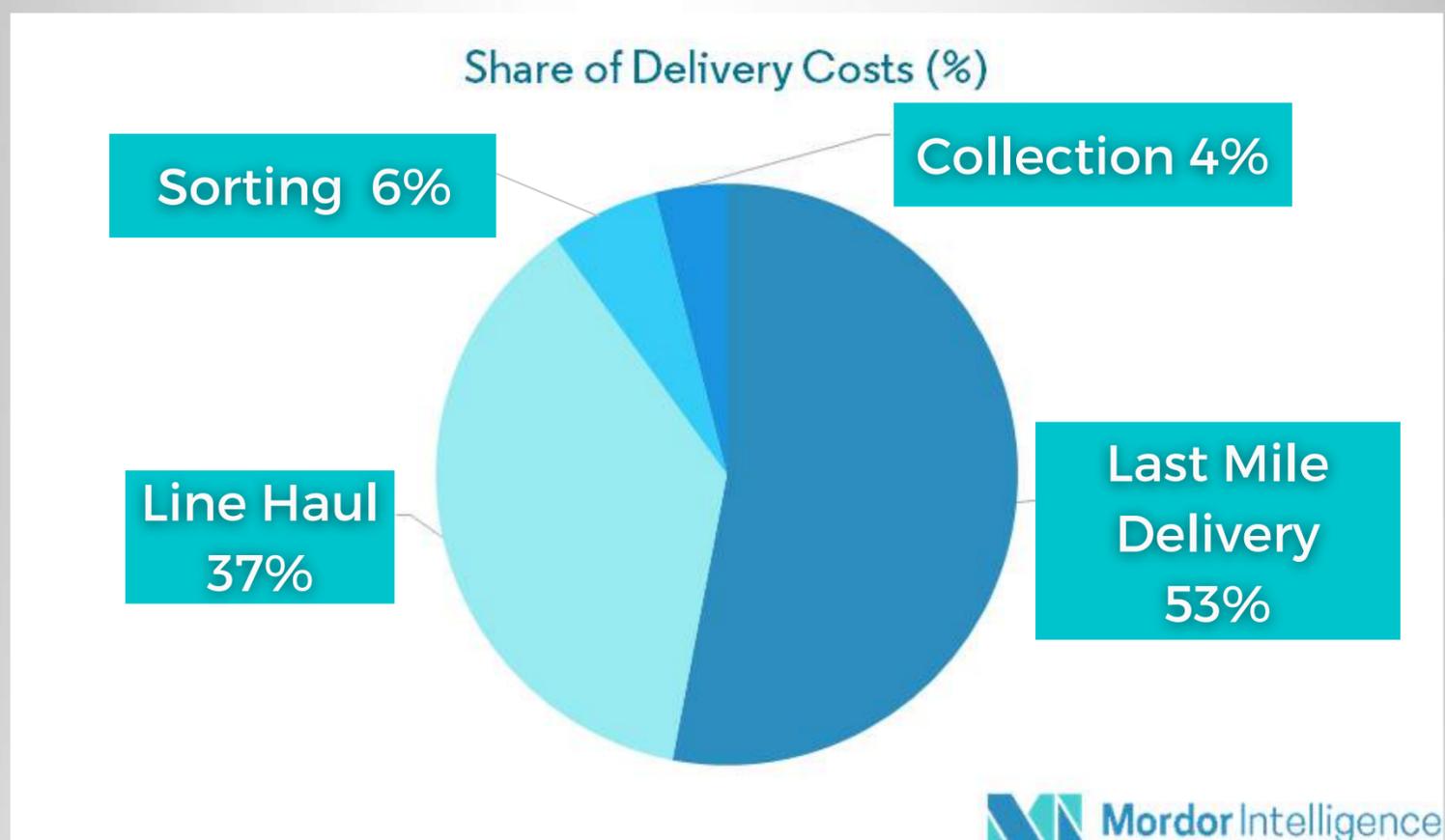
Massive piles of data are being generated every second in the logistics industry thanks to thousands of sensors and automated systems tracking packages and vehicles 24 X 7. Analyzing this data will help in making better decisions and bringing down overall the cost of the shipment. A study confirms this - nearly 81% of supply chain managers and experts think that analytics will help bring down logistics costs,.

3. Challenges faced by Logistics Companies in 2021



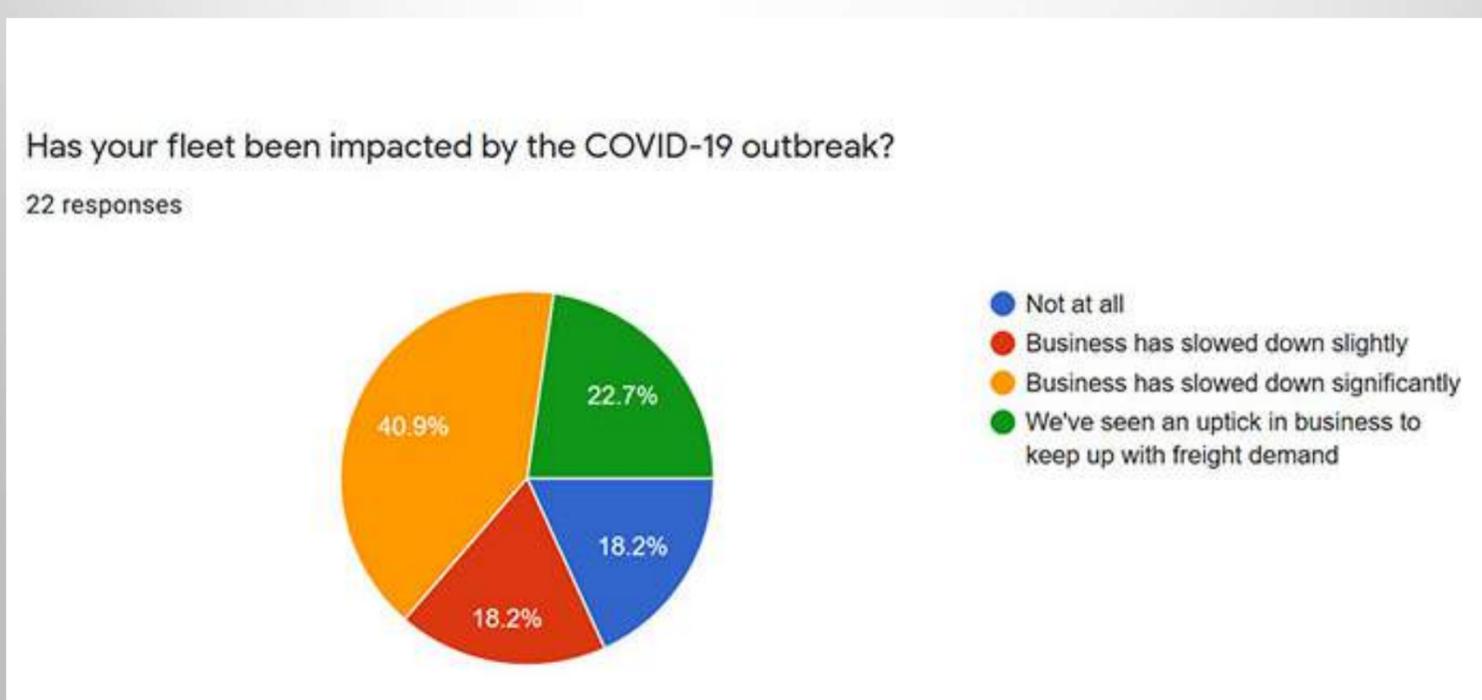
A dynamic industry like supply chain and logistics will never be out of challenges, even in 2021. With rising customer standards comes the need for operational excellence. Better operational excellence means a need for a larger budget for everyday tasks.

Though most consumers are willing to bear the extra cost of improved deliveries today, the companies are still leaking money due to inefficiencies in operations and human errors. Delivering products in the last mile takes the biggest share (53%) of the delivery costs. In short, the burgeoning delivery cost is the biggest challenge faced by logistics companies today.



The year 2020 became a daunting year for most logistics companies. Back in March 2020, there was a surge in online shopping due to the lockdown restrictions. The total growth of e-commerce sales in the US for the first two months of the pandemic equalled the overall growth of four to six years before the pandemic. Such was the demand. People were highly reliant on online delivery even for their everyday needs. Though this was a major boost to the e-commerce industry, it turned out to be a nightmare for the logistics companies as the volume was too much to handle.

Even though consumers were tolerant of delayed deliveries, there were thousands of instances where the products never got delivered due to a lack of manpower. Also, companies that had an over-reliance on humans faced the maximum brunt as many people failed to turn up for work. Here is a result of the survey conducted by the American Transport Research Institute on the impact of COVID-19 on logistics businesses-

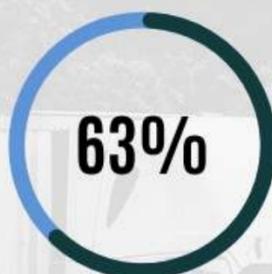


4. Why Should Enterprises Digitalize Delivery Options?

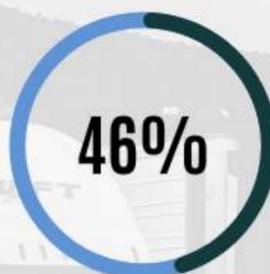
Key stats



of companies believe that technological advancements have a strong impact on the supply chain, logistics, and transportation operations.



of organizations have no systems in place for monitoring supply chain performance.



of supply chain professionals still rely on excel spreadsheets for their operations.



of people have not adopted technology in supply chain because they do not know where to start

The challenges plaguing the logistics industry today have made industry leaders look for various solutions. But every solution points to a single source of truth - **Digitalize your delivery management**. Here is why we think so -

To reduce the cost of freight delivery

Amazon's total delivery cost in the third quarter of 2020 was a mind-boggling 15.03 billion. That is the level of spending in a highly digitalized company like Amazon. Imagine the state of a business that has not fully digitalized its shipping operations yet. It will certainly burn a big hole in their coffers. The need of the hour is to digitalize every segment of your shipping operations fully. Using a comprehensive delivery management system alone can bring down the total freight costs by 8%.



To increase driver's efficiency

A key reason for most delays in deliveries is poor weather conditions. For example, around 22% of vehicle crashes happen due to poor weather. Technology today has grown to such an extent that it can accurately predict the shortest and safest route considering traffic and weather conditions. It ensures that drivers not only deliver packages on time but also reach their destination safely. (1)

Fuel optimization

The price of fuel is growing at an alarming rate and logistics companies are the most affected by it. Due to poor route selection, an average American trucker spends 16 minutes idling their vehicle every day. This translates to 3.8 million gallons of wasted fuel daily. A business may not have any control over the prices of the fuel but can improve the scenario by digitalizing the delivery operations with intelligent tools that will predict the ideal route for minimum fuel consumption. (!)



Improved customer satisfaction

Customers are the king in every business. The sheer number of options that customers have today makes it very important for businesses to satisfy every customer to retain them. When you digitalize the delivery operations, you can offer a rich customer experience in the form of real-time delivery updates through multiple channels.

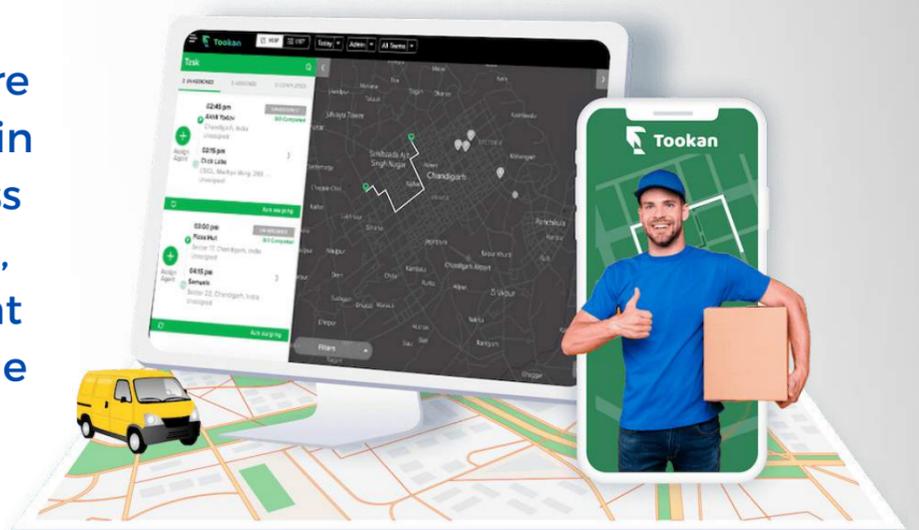


5. What is a Delivery Management System?

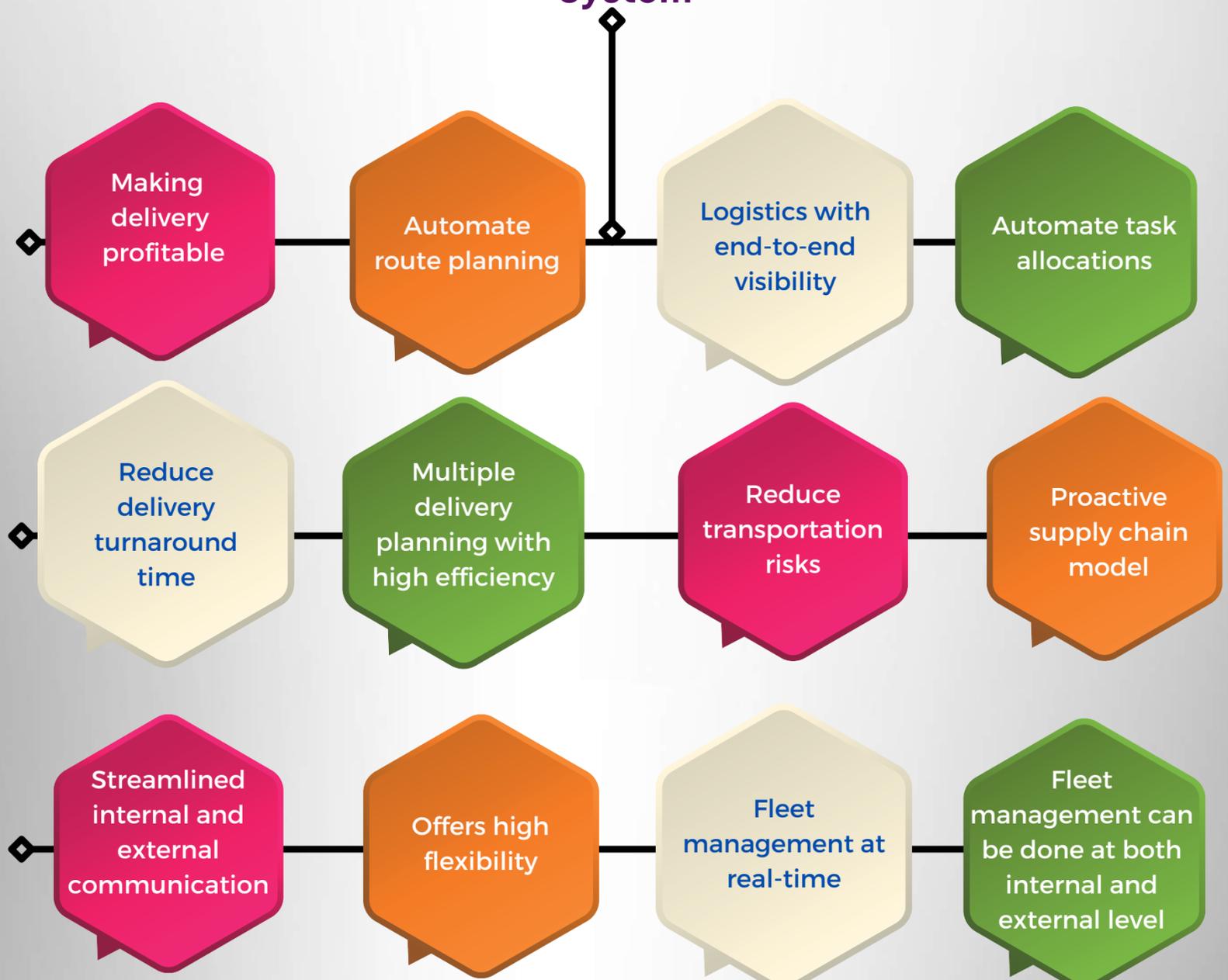
A delivery management system can be defined as

“A piece of software that is used to digitalize and automate various logistics operations. Smart task allocations, intelligent route planning, synchronous vehicle tracking are some of the common applications of a delivery management system.”

It is a centralized platform where multiple stakeholders involved in the lifecycle of a delivery process are connected together. In 2019, the global delivery management systems market had a total value of \$1593.4 million. It is expected to grow at a CAGR of 12.7% between 2019 and 2027.



Key Objectives fulfilled by Delivery Management System



6. Top Features to Look For in a Delivery Management System

Integrating a delivery management system into your logistics operations will boost the entire delivery lifecycle for your business. But how do you pick the right tool? Simple - make sure that the below key features are available in the one you choose -



Intelligent Order Management

Once an order is placed, it has to meet the SLA (Service Level Agreement) defined for the particular type of order. In the past, the onus of managing the order by adhering to SLAs rested on the shoulders of humans. Multiple teams will coordinate with each other to ensure that the product reaches the customer on time. But today, a delivery management system can help the operational team with the help of its smart order management feature. It intelligently captures the SLA for every order, schedules the pickup at the right time, and ensures that the product reaches on time. All these by offering end-to-end visibility to all relevant stakeholders.



Flexible Design

Versatility in the delivery management system is important as the logistics industry today will be very different from the one tomorrow. The delivery management system you choose should allow you to add new variables that will affect the delivery in the coming days. You should be able to do this in minimal time and steps. A rigid platform should have no place in your growth trajectory.

Mobile support

Every stakeholder (including the last mile delivery person) should be equipped with the delivery details and customer details while they are on the move. So, a good delivery management system will offer a smooth mobile interface with all the key features that the delivery person needs while delivering an order. He/she should have details like payment status, customer contact details, preferred time, specific delivery instructions, and route information handy while on his/her way to deliver the package. The more informed the delivery person is, the faster he/she can deliver the package.



Here are some other must-have features of a delivery management system -

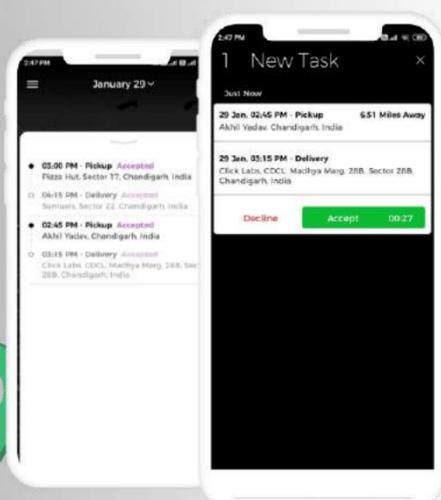
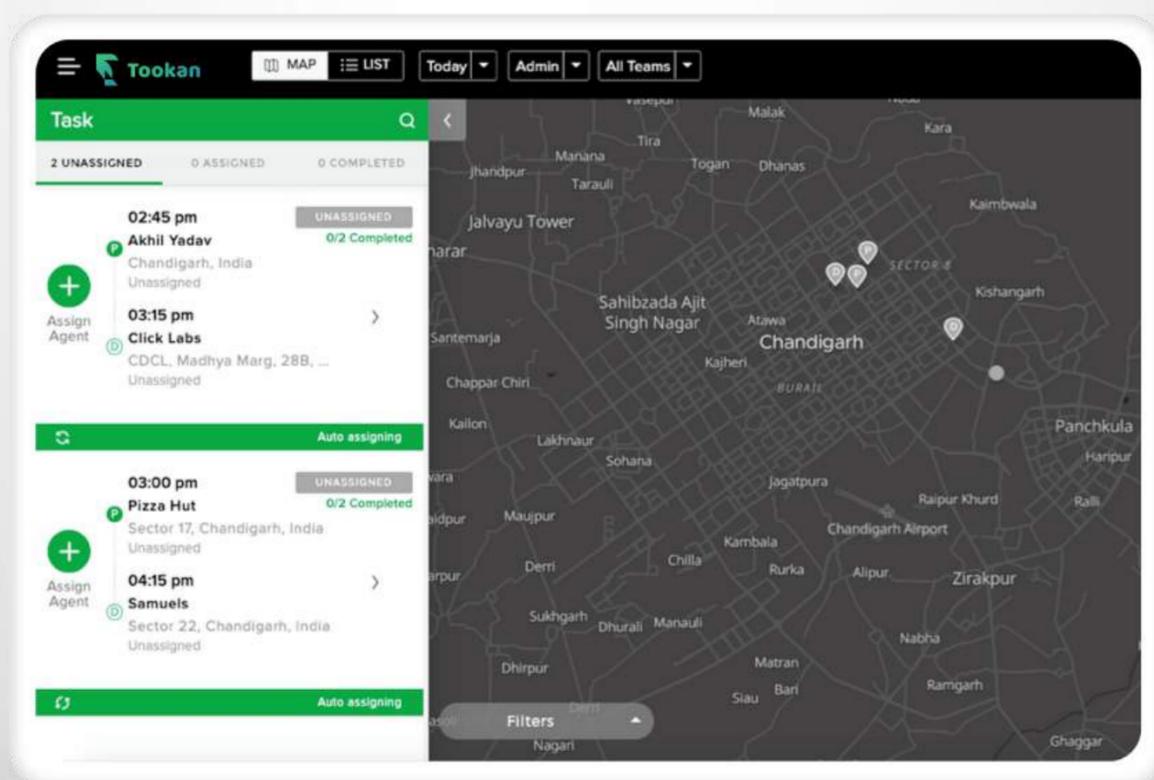


7. What is Tookan and why is it the Perfect Delivery Management System for you?

Tookan is a one-stop solution for all your delivery management needs. It offers an end-to-end solution to manage the complete life cycle of your delivery.

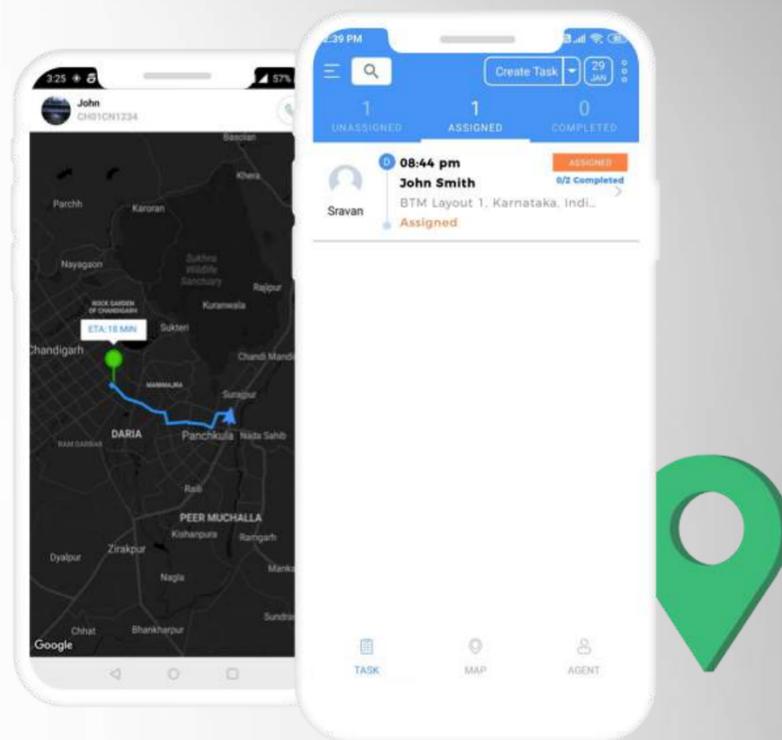
Tookan offers three different apps - one for the customer, one for the agent, and one for the manager. Each of these apps has its own set of unique features that are required by the corresponding stakeholder.

For example, the customer app helps customers to track an order live till it is delivered. It is also integrated with a payment gateway and wallets to allow secure payment for the customers.



The **agent app** intelligently picks the free and closest agents and assigns them new tasks. It also optimizes the routes for the delivery agent to ensure that minimum time is taken to deliver the parcel.

The **manager app** helps managers to keep a tab on orders placed at the online store. It also generates analytical reports of orders placed. The app also allows them to track their on-field personnel in real-time which helps to identify roadblocks in last-mile delivery and increase the overall workforce productivity.



Some of the key features of Tookan are

1. A centralized dispatch dashboard to manage your waybills, SMS gateways, Payment, gateways, Geo-fencing, API Access, and Inventory management.
2. A dedicated service app to manage task notifications, optimized routes, proof of delivery, agent wallets, and agent capacity management.
3. Easy integration of extensions and apps such as utility apps to increase efficiency, merchant add-on helps to onboard merchants onto your marketplace, etc.
4. Advanced fleet tracking and route optimization can also be done using Tookan which helps in reducing shipping costs.
5. You can use its behavior monitoring and smart analytics feature to make better business decisions.

Tookan is trusted by more than 24,000 businesses across the world. Some of the popular ones include McDonald's, Swiggy, Burger King, KFC, and JSW steel.



Summary



With the ongoing COVID-19 situation, people's dependence on e-commerce has risen sharply as they want even their essentials to be delivered at their doorsteps. This has put an unprecedented burden on logistics companies. They are neither equipped to fulfill such massive demands with the existing workforce nor have the financial health to expand their manpower. The over-reliance of such companies on human capital to manage everyday operations in the past has put them in a really tight spot today.

Digitalizing the entire supply chain operations is the overarching solution to this problem. Companies need to use technology to bridge the rising gap between the demand and supply of delivering goods.

Helping in this process is a Delivery Management System - a tool that can automate multiple logistics operations, letting you scale up during these turbulent times. It offers end-to-end visibility to all the stakeholders involved as you can access the data from the cloud - All you need is an internet connection. Choosing a Delivery Management System like Tookan with its state-of-the-art features is a good first step in your journey to digitalize your operations.

To know more about how Tookan can help you and your organization in delivery management, [contact us](#) today.

Reference:

1. <https://www.getfareye.com/insights/blog/21-things-businesses-should-know-about-a-delivery-routing-software#:~:text=22%25%20of%20vehicle%20crashes%20happen%20due%20to%20bad%20weather>

1. <https://financesonline.com/supply-chain-statistics/>

