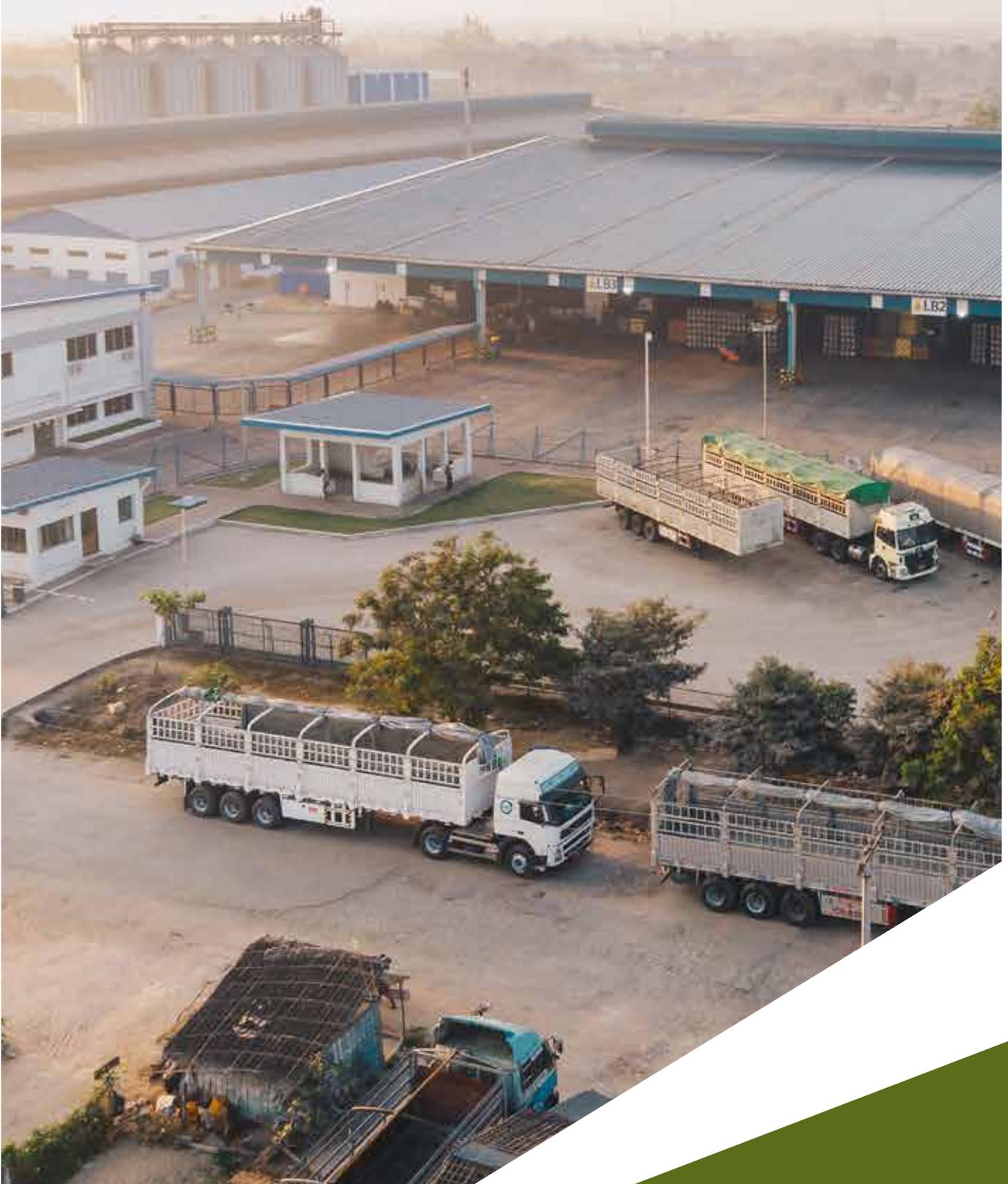




The Ultimate Guide To Optimise Delivery Fleet



CONTENTS

Introduction

Why Optimise Delivery Fleet

Reduce operational cost

Keep vehicles and drivers in top-notch condition

Improved fleet safety

Eliminate compliance issues

Easy scalability

Automatable operations

What Is Fleet Management And Why It's Important?

Key Elements Of Fleet Management

Vehicle management

Cost optimisation

Workforce management

Cross-departmental collaboration

Fleet Management Software Is The Way To Go

Essential Features Of A Fleet Management Software

Geo fencing

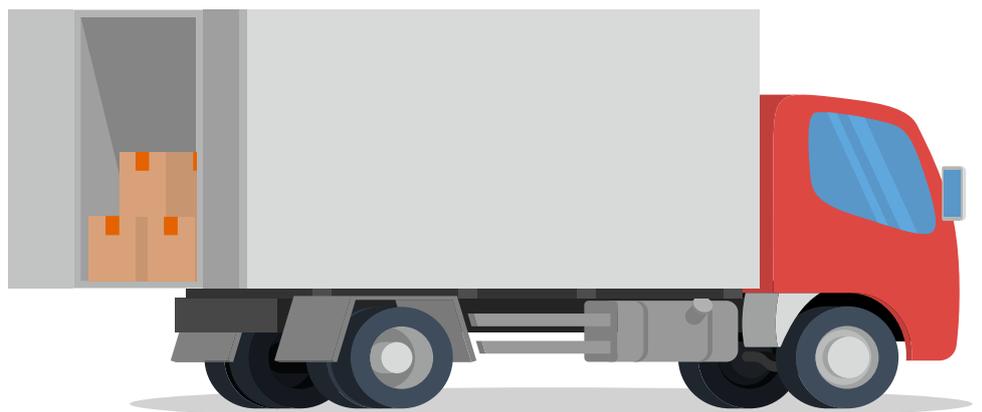
Inventory Management

Route Optimization

Payment Gateway

Behaviour Monitoring

Smart Analytics



INTRODUCTION



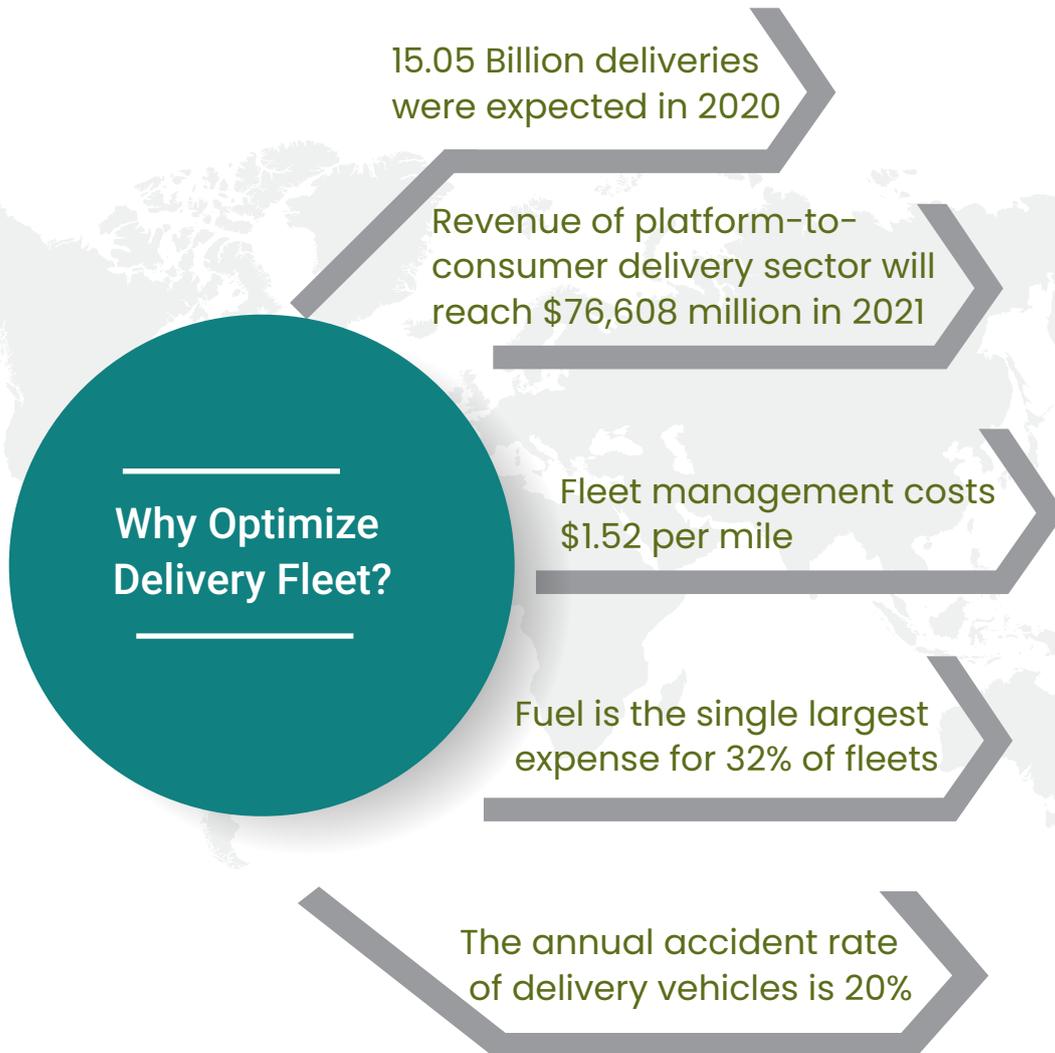
A whopping 15.05 billion home deliveries were expected to be made in 2020. These were orders from hungry customers, professionals working from home, students, homemakers, and people from all walks of life.

And when the revenue in the platform-to-consumer delivery sector reaches the expected US\$76,608 million in 2021, you can expect stiff competition to bag a larger chunk of this revenue as well. Business and fleet owners with a more streamlined process and an optimised fleet will deliver better experiences and get more orders from customers.

The next question is— How do I optimise my delivery fleet? And the answer is by employing optimum fleet management strategies. In this ebook, we'll tell you all there is to know about optimising the delivery fleet. The information will help you reap maximum benefits from your existing infrastructure and grow your delivery business. But before we get into any of that, let's have a closer look at why you need to optimise your delivery fleet.

Why Optimize Delivery Fleet?

Nurturing a better relationship with customers by delivering rich experiences in terms of delivery is the primary reason you should optimise your delivery fleet. However, that is merely a byproduct of all the smaller improvements you make in your overall fleet. And here are some of those.



Reduce operational cost

Considering all the fixed and variable costs involved, fleet management can cost you anywhere between \$3500 to \$6500 per month for a fleet of 10 vehicles. Or, if you consider cost in terms of usage, then it can be around \$1.52 per mile.

As the size or scope of your fleet increases, the cost of fleet management can get exponentially higher if not optimised. Everything right from route optimization to timely maintenance of vehicles is a key contributor to the overall fleet cost. With fleet optimisation, you can keep all the costs under check and save resources resulting in higher profit for your business.



Keep vehicles and drivers in top-notch condition

Whether it be the man or the machine in your fleet, stretching the abilities of either of them can lead to unpredictable failures. If the delivery vehicles in your fleet keep running for extended periods, it can lead to overheating. Similarly, if the drivers in your fleet are working for long durations, it can hamper their cognitive abilities and affect overall efficiency and productivity.

With fleet optimisation, both drivers and vehicles will get to have proper cool-off periods allowing them to perform to the best of their capabilities



Improved fleet safety

The annual accident rate for commercial fleets is around 20%. Considering the potential havoc accidents can cause on lives and resources, it's too big a figure. And while it should be among the top-most priority of fleet managers, fleet safety often ends up being overlooked amidst the pressures of timely deliveries and maintaining profitability. With fleet optimisation, fleet safety will become an intrinsic characteristic of your fleet. It will not only prevent all the potential losses and delays due to accidents but also help the brand reputation tremendously in the long run.



Eliminate compliance issues

Irrespective of in which part of the world you're operating, your fleet needs to abide by all the local and state compliances. But since there are often so many rules and compliances, it's nearly impossible for either fleet managers or drivers to keep track of them manually. The repercussions of not adhering to such compliances can be anything from small fines to large restrictions.

With fleet optimisation, drivers and fleet managers don't need to fret about keeping track of multiple compliances, as the fleet is set up to follow all the local and state guidelines



Easy scalability

Growth is often the goal of up and coming delivery businesses and becomes a necessity with increasing demand and success. As more people would want to do business with you, you'll need a larger fleet to cater to a larger customer pool. But, many poorly managed fleets often fail when trying to scale as they have no clue how to manage the increased number of resources.

Fleet optimisation enables your fleet to work seamlessly at any capacity and for any number of clients. The best way to stay primed for future scaling is to adopt fleet optimisation right from the get-go.

Automatable operations

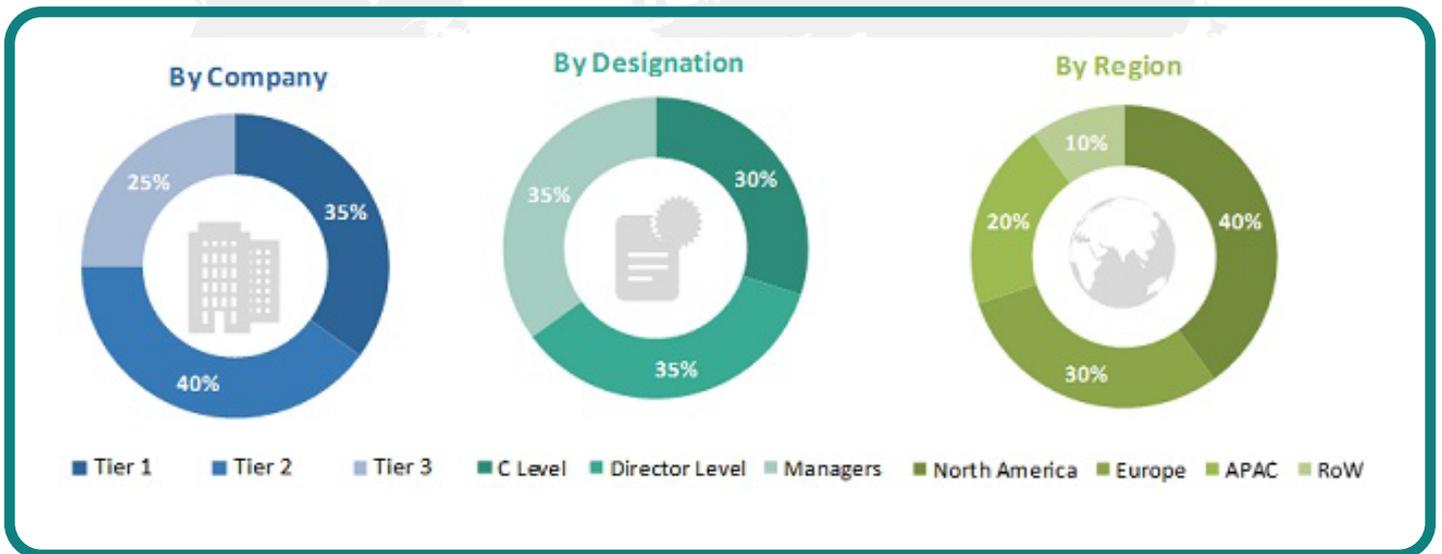
Automation is among the most desired virtues by organisations irrespective of the field of work. A lot can also be automated in delivery fleets. Tasks like dispatching, routing, scheduling, etc., are some of the tasks done more efficiently when left upon smart algorithms, especially in the case of larger fleets. Since fleet optimisation is all about elevating all fleet sections, automation can become common in your fleet operations. Executives will then have more time on their hands to spend on more productive activities. To optimise fleets and leverage all the benefits we discussed, you need to start with fleet management. So let's understand what it is all about.



What Is Fleet Management and Why It's Important?



Fleet management encompasses all the tasks, activities, and processes used to take care of end-to-end fleet operations. Everything right from purchasing a fleet vehicle to routing, maintenance, dispatching, assigning drivers, etc., falls under the umbrella of fleet management. Based on the nature, size, and scope of the fleet, it can also involve the use of multiple technologies such as telematics, AR, blockchain, etc.



The global fleet management market size is expected to grow nearly **two-folds** between 2017 and 2022. With this exponential growth, more players have shown up to establish their supremacy in the segment. And it's needless to say that a better-managed fleet will enable your business to stay on top of the competition. It'll help you deliver packages in time without overspending on fuel and vehicle maintenance. At the end of it all, you'll also have more data on how you can further streamline operations and gather more profits.

Key Elements of Fleet Management

From punching cards and physical inspections to digital sensors and telematics, fleet management has come a long way from the traditional methods. Things have moved gradually from papers to excel sheets and now onto interactive graphs and charts. However, despite the emergence of all these new technologies, the gist of fleet management remains pretty much the same.

The end goal is always to deliver products at the right place at the right time whilst also ensuring all the resources stay in prime condition for a longer duration. Before we dive into how you can optimise the fleet for smoother operations, you need to understand the key elements of any fleet management strategy. So, let's dive right into it.

Vehicle management

There's no fleet without vehicles. Be it heavy-duty vehicles that go for long hauls across states to deliver products or smaller nimbler last-mile delivery vehicles; you need to take care of them all. An efficient fleet management strategy would account for everything about these vehicles, right from sourcing them to how long you plan to use them. Such decisions would be based on the type of vehicle, nature of fleet, local geographical conditions, and so forth.

The vehicle management would also account for how frequently these vehicles need to go through a maintenance cycle. Some fleet managers implement predictive fleet maintenance strategies to determine this frequency, whereas the advanced options deploy predictive maintenance using high-tech solutions. At the end of the day, both strategies are focused on minimizing any operation bottlenecks because of vehicle breakdown or related issues.



Cost optimisation

All the efforts go down in vain if your fleet is leaking profits while trying to meet all the deadlines and standing up to the competition. A key consideration in any fleet management strategy is to ensure the fleet remains highly profitable.

There are both fixed and variable costs associated with a commercial fleet.

- Fixed costs involve the cost of vehicles, delivery hubs, permit costs, etc.
- Variable costs include fuel cost, vehicle repair, costs incurred due to bad weather, etc.

Fleet management should always imply various strategies to keep both fixed and variable costs in check. For instance, route optimization can help fleet managers save on fuel cost, while timely replacement of vehicles will keep a balance between maintenance cost and fleet efficiency.



Workforce management

For all the resources you have in your fleet, you also need a skilled and seasoned workforce to efficiently manage all of those resources. Whether it be driver assignment or even managing the army of robots at the delivery station, fleet management strategies always state how to judiciously utilize the workforce. For instance, you'll want to dispatch drivers in such a way that the most seasoned and reliable drivers take care of longer hauls and valuable packages. This will improve the success rate of your fleet.

The other consideration would be that you don't want to strain your seasoned drivers too much with a lot of long hauls in one go. This will ensure that you have a happy and rested workforce to continue operations.



Cross-departmental collaboration

Delivering goods and products is often merely one of the facets of any business. Whether it's an e-commerce business, food business, pharmaceutical business, or any other business which needs a delivery fleet, there are always many other departments working under that business. And for the business to be a success, the delivery fleet needs to work in synergy with these other departments.





Fleet Management Software is the Way to Go

The most common method of bringing all these key considerations to life these days is to use fleet management software. Advanced fleet management uses the latest technologies to give features that enable you to optimise the delivery fleets. It can track vehicles, schedule dispatches, notify drivers for maintenance, and handle multiple other fleet operations.

However, not all fleet management software is the same. Some rely on custom hardware to go inside vehicles in order to function properly, while some might be primal and might not even use GPS technology. As a fleet owner, your job is to look for a fleet management solution that best fits your business needs.

Essential Features of a Fleet Management Software



Irrespective of whether it's a custom or off-the-shelf fleet management software, there are few features you should always look for in a fleet management software. Let's see what these features are:

Geofencing

Vehicles in your delivery fleet will only operate in specific regions marked at the beginning of operations. You might even allocate specific regions to specific vehicles. In such a case, a feature such as geofencing can be a great help. It ensures that none of the fleet vehicles goes out of their jurisdiction, else you get a notification. The feature is sometimes a Saviour for drivers as they no longer have to worry about accidentally moving out of their field of operations.



Inventory Management

Vehicles in your fleet always carry items from your inventory in them. With a larger fleet and a bigger inventory, keeping track of things can become a challenging task. Fleet management software, which comes with inventory management built-in, doesn't let you go through the hassle of keeping sync between inventory and the delivery fleet. It automatically updates the inventory figures with each dispatch and keeps you as well as customers informed.



Route Optimization

Selecting the incorrect or longer route for delivery can have multiple consequences, the most significant being delayed delivery. The other consequence can be increased fuel cost or the vehicle not being able to reach back to the hub because of traffic. Fleet management software with route optimization accounts for multiple variables right from the length of the route to traffic condition to determine the best route possible for your delivery vehicle.



Payment Gateway

Built-in payment gateways are essential for businesses to collect revenue at the end of each delivery. On-delivery services such as food businesses and e-commerce especially need to provide multiple payment options to keep up with the fierce competition. Advanced fleet management software will provide you with multiple payment gateway options right from credit cards to cryptocurrency. Based on what are the preferred payment methods of your customers, you should include as many payment options as possible.



Behaviour Monitoring

Fleet safety and longevity depends a lot on how drivers handle vehicles and behave during trips. The use of advanced tech fleet management software can now let you know all about how drivers conduct themselves during trips. Fast cornering, harsh braking, etc., Are some of the signs you don't want to see in a driver's profile. An advanced fleet management software can identify such behavior enabling you to eliminate it.



Smart Analytics

With everything going around in fleet management operations, fleet owners might not have time to reflect upon operations or microscopically observe the processes to refine them further. Modern fleet management software provides you with even the tiniest of details. And to make things even easier for you, it presents all the data in the form of interactive graphs and charts. With smart analytics, you can easily identify bottlenecks even before they show up and optimize your fleet with ease.



Why Should Tookan Be Your Fleet Management Software?



Speaking of optimizing fleets, your best shot is at getting an advanced fleet management software such as Tookan to do all the heavy lifting for you. It comes with all the essential features we just mentioned and many more. Whether you are a logistics enterprise or a local restaurant eyeing local food deliveries, Tookan can easily accommodate your scale as well as the nature of deliveries. The setup doesn't take long, and you can hit the ground running right after that. So go ahead and check out all the amazing features Tookan has to offer and leverage the 2-week free trial to understand how it is the right fit for your delivery business.