



How to Optimise Delivery Operations





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Introduction

Delivering an item at the customer's door is becoming a complex job today. The evolving customer preferences for receiving an item to find the best route for delivering while working to reduce the costs warrants the organizations to innovate, experiment, and improve their delivery service. Every type of delivery service including food, groceries, parcels, medicine, etc. with their exclusive customer base is hustling to make it big.

So, when numerous players and organisations are in it to get a share of the pie, cut-throat competition becomes the new normal. And to become better than the competitors, organisations leverage all sorts of tactics to ensure that their delivery services are the best in town.

Other strategies like marketing, hiring more drivers, increasing the delivery areas involve an initial cost, and the returns are a bit delayed. But, optimising the delivery route and additional options is a cost-cutting mechanism without affecting your delivery efficiency, enhancing the delivery system.



What is the Meaning of Delivery Optimisation?

The customer demands changes, sometimes more quickly than we can fathom, period. These variations in preferences can be bad for your business and lead to losing the customer base.

When you are planning to deliver an item, the following are the significant aspects under consideration:



Time to deliver.



Customer's location.



Agent availability, and so on.

The concept of delivery optimisation is about creating better delivery routes on a strategic and operational level. Due to these aspects, any sort of delivery is the ultimate challenge posed to the businesses. This is irrespective of whether they are running a standalone delivery business or are delivering food/groceries/medicines, etc., by their partner establishments.

A study done by the Georgia Institute of Technology and Decision Engineering Department at GrubHub identifies:

- The customers expect their order to reach in an hour (less, if possible), and when it comes to food, they need the order to reach the given address within minutes.
- The food delivery networks must respond to the abrupt swings in the customer's preferences.

Working on these aspects, the delivery services need to effectuate some changes in:

- 01 Terms of route planning.
- 02 Controlling the delivery costs.
- 03 Leveraging the latest technological systems.
- 04 Using analytics to understand the customers.
- 05 Delivery agents.
- 06 Automating repetitive tasks (like fleet scheduling) to speed up the processes.

The motive of working on these aspects is to increase the customer experience (CX). 90% of the customers are willing to pay more if they are getting a better customer experience. That's not all, 80% of the company's profits come from 20% of the existing customers. You may think that these statistics are not crucial for delivery service.

So, delivery optimisation and better customer experience are interconnected. Not to mention that ensuring better delivery will increase customer loyalty and easily become your ambassadors of success.

Optimising Delivery Operations for Better Profits

Both platform-to-customer and restaurant-to-customer delivery services need to improve their delivery systems, no doubt about that. However, improving the operations is not a one-step strategy. Instead, there is a wide array of systems and processes that you need to implement and improve to achieve optimisation.

- **Automated Fleet Scheduling**



Fleet scheduling systems help manage, control, analyse and optimise the daily delivery tasks. Data is the fodder for these systems, and they analyse the same to churn out intelligent suggestions and recommendations for the deliveries in real-time.

Since the system is automated, there is minimal human intervention reducing the error margin further. Among other purposes of using the fleet management software, identifying the bottlenecks in the field and at the backend is vital to seamless deliveries.

Managing the fleet means that you will also have to analyse the massive amount of data gathered by the delivery agents on a daily basis. For example, the delivery routes they take, fuel consumption, number of orders delivered or undelivered. A fleet delivery software also can merge driver behaviour and their working schedule to effectively allocate the order delivery according to their vehicle's condition.

How Does Fleet Scheduling Help Reduce Costs?

If you are handling a fleet of delivery agents, the rising fuel costs and inefficient delivery systems contribute to increased fleet management costs. In both cases, if you run a restaurant and deliver your food items with your own fleet of delivery agents or if you provide a third-party delivery service, the rising costs dip your profits.

Using an automated fleet scheduling system helps reduce the costs in multiple aspects.

• Optimising the Fuel Consumption:

A fleet scheduling system facilitates a three-tier mechanism to reduce the total cost. It provides insights into the running duration of the fleet and tells about the stops en route. With this information, you can reduce the unnecessary stoppages and halts that increase fuel consumption



Second, by knowing the fleet's position at all times, the software will help dispatch the closest person to the pick-up address and upload the closest route to the destination.

Lastly, the software will read and help you visualise the idle time and runtime of the vehicles giving you a better metric to adjust the delivery operations and make changes accordingly.

• Better Performance of Driver:

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By using fleet management and scheduling systems, the dispatcher's role is minimised, and an algorithm takes control of sharing the instructions included with optimised routes leading to timely arrival.

With actionable data in their hands, the fleet managers can train the drivers or formulate stopping and runtime instructions. With the drivers trained and coached to perform well, their delivery performance will automatically increase, leading to reduced costs.

• Increasing Fleet Productivity



Improving fleet productivity has a myriad of benefits, including reducing the costs, enhancing the driver performance, better control of the operations, and less maintenance work.

One of the secrets behind fleet productivity is creating an integrated delivery fulfilment network design. The purpose of creating a network design is to create a host of solutions that will contribute to the improvement of the core and auxiliary services that come under the purview of fleet managers.

Fleet managers often wear multiple hats, and while some of their tasks are repetitive, they still eat their time that should be devoted towards more important work. Tasks like registration, generating fuel cards, invoice creation, etc., do not add the actual work that a fleet manager must do.

So, where you need to give them work on the more essential tasks, the repetitive tasks can be outsourced, or you can start working with an automated fleet management system.

The motive is to streamline the manager's tasks and identify the critical areas, including driver performance, accountability, route planning, etc. Of course, these tasks will also be facilitated with software. A manager is essential to read the data, visualisations and administer the changes on the ground level.

When drivers are dealing with vehicle issues and drive cautiously to prevent a vehicle breakdown, their performance is affected. On the other hand, if a vehicle is up and running, the driver may also sit idle. Both these aspects increase the operational costs, and the driver must also be paid.

So, these things increase the cost, and until the vehicle is not working properly, the driver's performance will certainly get hurt. When you use software that takes note of the vehicle condition and notifies you about the same, the fleet manager will get time to adjust the deliveries to other drivers or allot different vehicles.

To sum it up, increasing fleet productivity starts by knowing the lags in the existing fleet and creating relevant solutions to tackle the inconsistencies. Because you have the system to mitigate the delivery risks and are able to predict the solutions, the productivity will automatically increase.

• Reducing the Fuel Consumption



Knowing how to reduce fuel consumption is one of the essential aspects of optimising delivery operations. There is a need to reduce fuel consumption because the rising fuel costs will certainly reduce profits.

Unlike the economic principle of shifting the burden on the consumer, delivery companies cannot do so, not to a great extent, because they need to survive to thrive in a competitive industry.

So, if the fuel costs are rising, the companies need to optimise fuel consumption to negate the increase in the fuel cost. The task is to strictly control the fuel costs and then focus on building a sustainable system that complements the reduction in fuel consumption.

Today, we have intelligent fleet management systems that provide enough information on the vehicles and notify about their mileage even before the delivery starts.

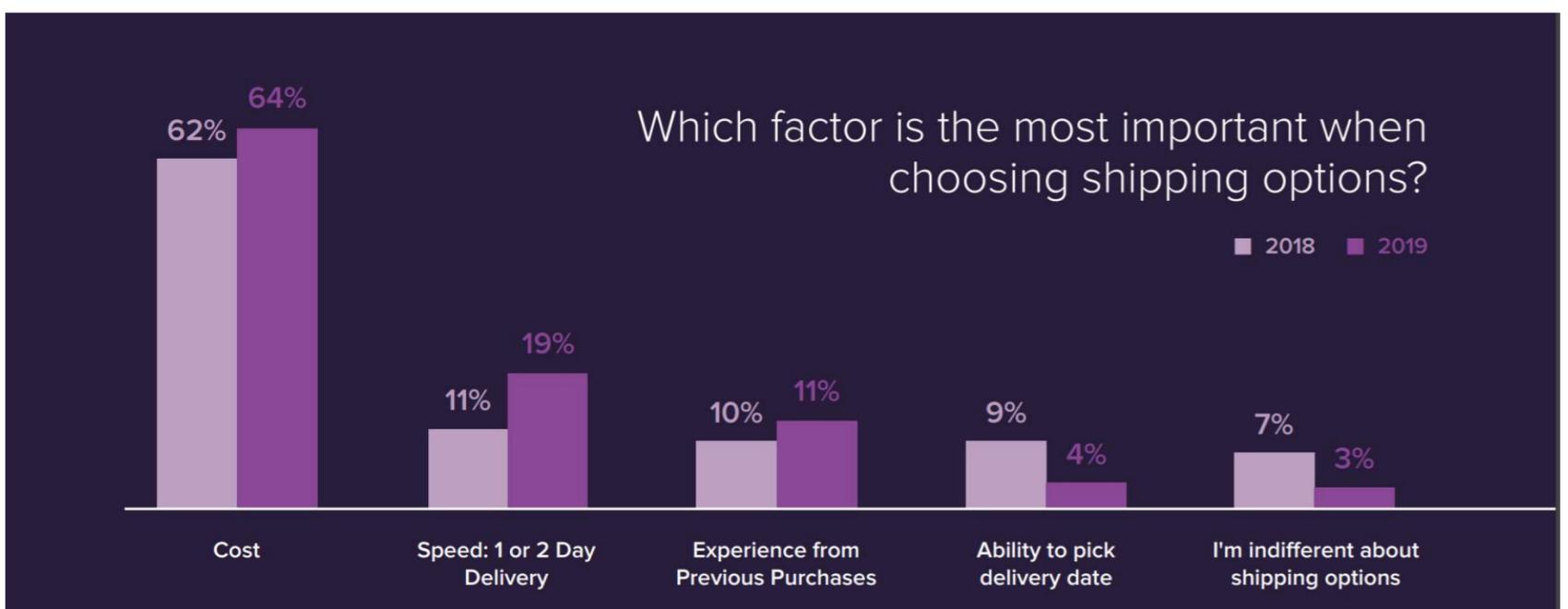
We have already covered the part where you can take the help of software to keep an eye on the vehicle's condition and driver's performance. As for the route, optimisation is concerned. Some systems provide the trio-services integrated into one, while some don't.

While working with route optimisation systems, it will be easier not just to chart out the shortest and most fuel-efficient routes but also give you insights into the driver's route via real-time tracking, which is also available to the driver.

With real-time tracking, the driver will get the route information in advance and make adjustments accordingly to ensure that the delivery time and fuel consumption do not increase.

• Shorten the Turn-around Time for Delivery

Even though all the aspects discussed above and the one we are going to understand have independent implications, they are also connected to the aspect where you need an automated fleet scheduling system.



Source: [Convey 2019 Survey](#).

The thing with deliveries is that the customers want it as soon as they order something. That is why we have seen some companies finding solutions to curate systems that ensure faster delivery. The same is reflected in the survey above. We can see that the 1 or 2-day delivery preference has increased from 2018 to 2019.

Failure to deliver right is a ruthless business killer, with 72% of the customers claiming that they won't do business with the organisation if the delivery experience is poor.

This is relevant in any case: delivering food, parcel, medicine, etc. A poor delivery experience is bad for everybody in the supply chain. For instance, if the customer has ordered directly from the restaurant and you are only delivering the item, the customer will most probably not order from the restaurant again, which means you have also lost one customer, leading to loss of profit.

Suppose a customer has ordered groceries from your platform, and you are connecting the customer to the vendor. A bad delivery experience may again lead to a loss of the customer. This will increase your woes as the customer can leave a bad review and never order from your application again. Ergo, a bad delivery experience, including higher turnaround time, can cause irreversible damage.



To reduce the delivery turn-around time, start by reviewing your initial delivery set-up. Identify the key areas where you need to work and prioritise them according to the volume of impact they can have on the delivery operations. Hence, start using technology for your benefit and create optimised routes, keep an eye on the vehicles in the fleet, reduce off-route driving, tandem driving, and idling.

Issues like idling will increase the delivery time and the fuel costs, and with the rising fuel costs, your troubles will be multiplied. Install GPS trackers in every vehicle. The common notion is to use the driver's smartphone as a tracker, but at times, these devices can be unreliable data, hurting the analytics' efficiency.

Along with working on these aspects, create a standardised delivery process filled with innovative practices, like better fleet management, vehicle tracking, dedicating the employee duties, etc. Lastly, to optimise the turnaround time and ensure the least possible time is taken for deliveries, create a flexible system.

This means that your process should be enabled with order reassignment and allot the delivery to the closest delivery agent from the pickup destination, followed by an optimised route with real-time tracking.



Everything that we have discussed above is impossible without access to fleet management software offering smart system creation possibilities. This software will work separate from your delivery management system, wherein you will receive orders, allocate them, and notify the delivery agents and the customers about the order's progress.

Working with two systems that might not be able to integrate can create inconsistency issues. However, Jungleworks has built a unified delivery management system to manage the fleet and optimise the delivery operations.



Introducing Tookan

Tookan is your one-stop solution to an uninterrupted and high-performance delivery system. Tookan gives you the ability to manage all your delivery operations from a single interface, including the aspects where you can take orders, allocate them to the vendor, notify the delivery agent, and send updates to the customers.

In addition to this, Tookan gives you access to top of the line delivery optimisation features. These are:

- **Geofencing: Chart:** out the area for respective delivery agents, ensuring that they cater to the delivery demands from a specific area to shorten the turnaround time.
- **Automated Tasks:** Tookan allows you to create rules for recurring tasks giving you more time to work on complex systems.
- **Optimised Routes:** Use Tookan to leverage pre-optimised navigation routes for on-time deliveries.
- **Capacity Management:** To reduce the delivery agent burnout, Tookan lets you allocate deliveries according to the agent's capacity, depending on the number of deliveries.
- **A Suite of Utility Applications:** Integrate the central Tookan interface with additional utility applications according to your needs.
- **Increased Productivity:** With Tookan, you can read and visualise optimised insights about delivery efficiency. These insights are built from the driver's performance, customer experience, and feedback.
- **Maintenance Alerts:** Tookan streamlines the maintenance tasks and reduces the costs by sending messages about the condition of the monitored vehicle parts and whether they need repair. In turn, it reduces the chances of sudden vehicle breakdown.

Behaviour Monitoring: By identifying the fleet behaviour in real-time for issues like idling, tandem driving, rash driving, etc., it will become easier to create mitigating solutions and create instruction manuals for the drivers according to their behaviour.

Conclusion

Optimising your delivery operations is the key to business' success. Without an efficient delivery system, it won't be easy to stay afloat, as you might lose your customers to the companies that have adept delivery management and fleet management solutions.

Hence, it is about time that you start using Tookan to build your delivery platform from scratch without coding and designing. Tookan gives you the freedom to create an interface of your choice and manage the operations single-handedly from an all-in-one platform.

In every aspect of delivery optimisation, you need to understand the existing issues and then create custom solutions for every aspect. This is further dependent on the data you gather from the field as well as the customers.

By using Tookan, you will get all the tools required to address these concerns, visualise the data, and create a bespoke delivery management system for your business in a matter of days and at a fraction of the cost. Fraction of the cost means that as opposed to the amount you will end up spending on hiring a team of developers and designs, Tookan gives you access to a ready-to-use solution without indulging in any sort of coding. This not only saves costs, but also gets you set for business quickly. Explore more about Tookan's features and capabilities to identify its potential in creating an efficient business model.

