

Four key logistics questions for auto delivery transport in 2017

What's going to make your delivery transport division hum? Is it telematics, QR codes, drones, driverless cars? With delivery transport one the top five costs of doing business, any discussion on efficiency needs to be grounded in reality.

BY WALTER SCREMIN

Transport divisions structured for flexibility and responsiveness will flourish yet many are not structured that way and will struggle to meet ever-growing customer demands.

Innovation becomes a big question but with change happening so fast, what is it best to concentrate on? We need one eye on the future but most important is understanding what can be achieved now.

Any automotive business running delivery fleets which wants to improve efficiency could benefit by asking the following questions for 2017:

1. Do we really understand our customers?

Customer expectations continue to grow but some automotive businesses might not have a handle on this. A recent trend is for customers to hold less inventory to reduce costs. That requires suppliers to fill the void by providing them with ever-increasing frequency of deliveries. The bar has been raised but unfortunately many businesses are falling short because of poor efficiency.

Other factors have raised customer expectations. The spread in transport innovation across various industries, from postal services to pizza delivery, has had a knock-on effect on business generally. Customers want more – and they expect to be better informed.



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Services such as delivery tracking, once a value-add, is now a minimum expectation. Interestingly, most of this technology isn't new or even expensive but businesses need to make better use of it. Understanding the customer and

what they want is the first step before investing in any innovations or new approaches – it could be their needs can be met cheaply and efficiently.

2. Forget the future: what can we do now?

Transport and logistics seem to be on the cusp of many exciting, game-changing developments such as self-driving trucks, automa-

tion and drones. But can anybody tell you if we'll see these breakthroughs next year or in five or ten years? We don't even know if drones will have permission to use airspace or if the community will accept driverless trucks on major carriageways.

Rather than get too caught up in what might be coming, business is better off focussing on the many ways it can innovate and improve efficiency now. Some of that involves technology but huge gains are possible by improving process and embedding flexibility into your operations.

3. Are we getting the most out of our technology?

Many businesses have the tools to innovate yet do not explore all the possibilities. They don't necessarily need a big upgrade in tech and could

make inroads by getting better use out of what they already have. We see many companies with telematics systems which are not properly analysed, which – that means they are letting efficiency slip.

Often it's about the appropriate technology, rather than the latest thing. For example, simple cost analysis technology can reveal total transport costs, including those potentially hidden costs. And while 2D barcodes are old technology, they are still under-utilised by many transport divisions.

QR codes aren't new but they store a lot of information in a very small space. When coupled with the appropriate technology QR codes can automatically update customers on their order status and provide real-time updated proof of deliveries.

4. Are we getting the most out of our people?

We're all expected to be more agile. Efficiency gains in this area are about working smarter, not harder. How seamless is the operation between your fixed staff and your outsourced support? Can you enlist more resources at a moment's notice?

Ideally, you are partnered with organisations that have the capacity to grow with you and the understanding to support you in good times and bad. It comes down to partnerships, trusting your suppliers to respond and knowing they have systems in place that can adapt to your business.

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