

EMBRACE TRANSPARENCY

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New technology may leave you exposed, but increased transparency brings potential for greater rewards

Australia Post recently announced it wants to use Uber-style tracking for parcels. It's an interesting and possibly courageous move because there are few similarities between parcel delivery and ride sharing services.

But the development raises some interesting key question for logistics divisions, such as: how would our business look with Uber-style tracking? Will more transparency make us look good to our customers, or make us look silly?

Parcel tracking does not offer the same near-instant gratification available to Uber's ride-sharing customers. When Uber customers place a request, they are quickly alerted to a nearby Uber vehicle and can watch its progress to the customer's address. In urban areas this procedure takes only minutes. Can a parcel delivery provide such an instant response?

We know from experience that even experienced logistics divisions that consider themselves efficient, are often shocked by what is revealed under technology's cold gaze. They may find systems that are sound in principle, fall down in practice: this may include obvious issues such as poor communications across the business, drivers doubling up on delivery routes, or drivers backtracking due to overlooked or misplaced items. No doubt Australia Post is working hard to ensure systems and processes stack up to this increased scrutiny.

But the benefits from increased transparency easily outweigh the risks. I know auto parts companies with small delivery fleets that use telematics to provide their customers

with total transparency – essentially already using Uber-style tracking. Some of these fleets may only have three or four vehicles and use the technology to gain a competitive edge on the big guys. Their customers love this transparency, and the technology has helped make the business better.

Efficiency in delivery fleets cannot be understated, with both B2B and B2C businesses currently engaged in a 'logistics arms race' of ever-shorter delivery times – for example, retailer Cue recently launched a three-hour delivery service throughout Australia; the Iconic also offers three-hour deliveries for Sydney and same-day to Melbourne metro; JB Hi-Fi and Harvey Norman offer same-day delivery; and Amazon offers one-day deliveries.

We're also seeing tighter delivery times in B2B industries such as auto parts, catering, building materials and other sectors where there are opportunities to improve

Those who are less efficient will be left behind. Yet there is evidence many fleets are lagging on efficiency by not properly engaging with technology: Teletrac Navman research on its UK operations showed 27% of fleet organisations are interacting with the telematics technology on a daily basis – not bad, but doesn't this also

suggest 73% of organisations aren't so attentive? A 2015 ACA Research survey showed that while most large fleets use telematics, the take-up falls dramatically for fleets between six and 25 vehicles (49 per cent), and for fleets with less than six trucks the take-up was just 18 per cent.

Currently, too many delivery fleets treat their telematics systems like a gym membership – they sign up with great enthusiasm only to drop off three months' later, as interest wanes. Maybe the return on investment is not immediately apparent, or maybe they find it difficult to keep up with the data produced. Technology's many benefits are often found beyond the bottom line: customer service may not immediately show up as a ROI, yet may foster greater customer loyalty.

Responsive and efficient logistics businesses understand telematics and related technologies are what you make them. Those prepared to put in the effort and focus on efficiency – often on a daily basis – will shine under greater scrutiny, impress their customers and remain competitive.

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