

# How Market Volatility Impacts the Food Distribution and Grocery Industry

During periods of extreme market volatility, fleet operators in the food distribution and grocery industry are under extreme pressure to ensure people have access to food and consumer staples. This can require pivoting from business as usual to explore new inventory strategies and distribution channels.

Whether you're fighting to keep grocery products on the shelves or scrambling to drum up new sales to offload inventory, logistics technology can help your fleet stay afloat and actually thrive.

## Two Impacts of a Volatile Market



### Increased Demand

- Surge in orders to keep food on grocery shelves
- More deliveries, service delays
- Inability to fulfill orders
- Asset/resource shortage
- Focus on replenishment, productivity and meeting customer expectations



### Reduced Volume

- Significant drop in orders due to food service closures
- Fewer deliveries
- Excess inventory
- Assets under utilized
- Focus on cost reduction, profitability and finding new lines of business

## Guidelines for Success

	<b>Rebalance the fleet</b>
	Restructure operations with a new strategic plan to right size resources, e.g. hire more drivers, send more trucks to warehouses
	Leverage routing optimization data to perform strategic modelling
	Execute a delivery network re-route to adjust policies and practices, e.g. carry heavier loads, prioritize rapidly-selling/perishable goods, bypass distribution centers when possible
	<b>Optimize delivery service routes</b>
	Use continuous, dynamic route optimization to maximize efficiency and extend cut-off times
	Re-optimize daily routes for changes in volume, number of drivers, and type of products being delivered
	Take advantage of reduced traffic by increasing road speeds in your route planning system to quickly scale capacity and make more deliveries
	<b>Streamline processes</b>
	Digitize driver workflows to eliminate paper and reduce time-per-stop
	Transmit electronic invoices from delivery site to reduce order-to-cash
	<b>Be responsive</b>
	Use mobile photo capture to enable no-contact proof of delivery
	Use real-time visibility to quickly respond to delivery exceptions and assign new work
	Proactively update customers of delivery changes with automated, proactive notifications
	Keep customers informed of policy changes, operating hours, promotions, etc. to retain and grow business
	<b>Get creative</b>
	Explore new distribution channels, e.g. home delivery, direct to store from manufacturer
Shift underutilized resources to supply areas of need such as supermarkets	
Offer bulk food deliveries via e-commerce direct to consumers to sell excess inventory	
Donate unsold perishable foods to local food banks and charities to reduce potential waste	

*Increasing route planning road speeds can increase deliveries by up to 37% \**

Average Descartes route planning results:

**10-12 %**  
fewer miles driven

**8-10%**  
reduction in routes

**80-100%**  
on-time performance