

DESCARTES™

THREE BEST PRACTICES FOR Managing Peak Season Fleet Productivity



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Managing Peak Season Fleet Productivity

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Three Best Practices for Managing Peak Season Fleet Productivity

Seasonal peaks can account for most of the profit for some companies. During these critical periods, fleet operators are tasked with handling significantly greater demand with little ability to increase capacity. The need to complete exponentially more deliveries with limited resources exacerbates the already daunting challenges fleet operators face.

FLEET OPERATOR CHALLENGES



Increasing customer service expectations



The shrinking pool of good, available drivers as the acute shortage continues



Increasing costs driven by a rise in fuel prices and wages



Growing urban congestion

BEST PRACTICES



REEVALUATE YOUR PLANNING STRATEGY



PREPARE TO HANDLE THE UNEXPECTED



MEASURE, MONITOR, COMMUNICATE

An empowered team of fleet managers, route planners, dispatchers and drivers is the greatest asset for overcoming these challenges. We'll explore three best practices that can provide your team with the insight, strategies and actions to manage peak season challenges, while keeping customers happy and your fleet running as efficiently as possible.

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Reevaluate Your Planning Strategy

Peak season planning strategies are different than the rest of the year. Because resources are limited, peak planning strategies are about maximizing delivery productivity as opposed to balancing cost and service the rest of the year. If you are not able to get orders to customers during peak season, you lose the opportunity and maybe the customer. Consider these planning strategies:

1. Create peak specific optimizations

Many companies operate with the same optimized planning configuration throughout the year. Instead, they should create a peak season optimized planning strategy that is more heavily swayed to increasing delivery capacity – even at the expense of increased costs. You can still have the regular planning strategy to compare the impact but maximizing the number of orders delivered to customers is the top priority. Using historical delivery data plus adding anticipated uplift will show how many more orders can be delivered.

2. Adjust KPIs for delivery productivity

The same goes for the KPI focus. Instead of a focus on efficiency (e.g. cost per delivery) the KPIs should be directed to delivery productivity (e.g. deliveries per hour or route). Management education is key here so that the delivery operations are not punished with non-peak metrics. This is why modeling is so important because it can point to the potential impacts if there are any.

3. Analyze delivery territories

Target low volume and highly unproductive delivery areas for 3rd parties. While you may choose to serve all customers during the year, there might not be enough capacity to do it cost effectively during peak. Instead, use the planning system to determine which areas would be better served by a carrier operating in a specific service area. It doesn't take much of a shift to free up nonproductive delivery capacity.

4. Leverage real-time information beyond delivery

Leverage GPS-based, real-time delivery information beyond the delivery team. There are other departments that can impact delivery productivity such as warehouse operations. By giving real-time delivery status updates, the warehouse can stage deliveries and cut the loading cycle significantly, increasing the on-road time and delivery capacity. The same is true with customers. By sharing delivery information, they can be prepared for their deliveries, cutting stop times. Take advantage of technology to address resource constraints such as hiring more people and buying or leasing more trucks. Explore how automation can help do more with less by improving resource and asset utilization.

5. Explore dynamic order assignment

Take advantage of centralized planning and wider/no territory strategies to get to trapped capacity. Many companies operate with DC-based planning and service areas. By modeling larger regions and dynamically assigning orders, the effective net capacity is increased. This is also true if the sourcing DC can be dynamically determined.

6. Ensure training for current strategies

Retrain your planners and dispatchers. All of the great optimization planning strategies go for naught if the planner and dispatcher's mindset is not consistent with the new peak strategy. Make sure they understand the strategies, tactics and tools available to them to maximize fleet productivity.

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Prepare to Handle the Unexpected

Peak season is much more unforgiving as there is little or no slack to make up for disruptions. The objective is to stick as close as possible to the optimized plans created to handle peak delivery demand. However, plans can only go so far. Fleet-efficiency killers such as unexpected order spikes, last-minute orders, traffic delays, on-the-road exceptions and refused deliveries, etc. are prevalent during peak season. How your team handles disruptions has a significant effect on the success of your peak season performance and technology can provide significant help.



► DISRUPTIONS

When disruptions occur, making the right decision has a huge impact on fleet productivity. The goal is to provide dispatchers and drivers with the right information and direction in real-time to keep the route productive. GPS-based mobile tracking and intelligent dispatch systems track delivery progress, provide real-time ETAs and can determine whether and/or how the delivery sequence needs to be changed.



► DRIVER PERFORMANCE

If automation of the proof of delivery (POD) is included as part of the GPS-based mobile tracking solution it can reduce stop times, increase delivery capacity and help to streamline the commercial process. Because many organizations bring in extra drivers during the peak season, delivery productivity can vary greatly based upon the driver experience. Mobile applications that provide drivers with step-by-step instructions for inspecting vehicles, navigating a route, executing a stop and other required processes can raise the performance of temporary drivers during peak season.



► COMPLETE VISIBILITY

Real-time tracking also has other important byproducts. The route execution data can be used to determine if the route optimization parameters are correctly set to maximize route productivity. Information on order status, driver locations and accurate ETAs that can be supplied to customer service representatives or directly to the customer to keep them informed and manage expectations in ways that build brand trust and loyalty.

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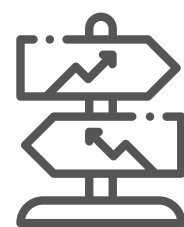
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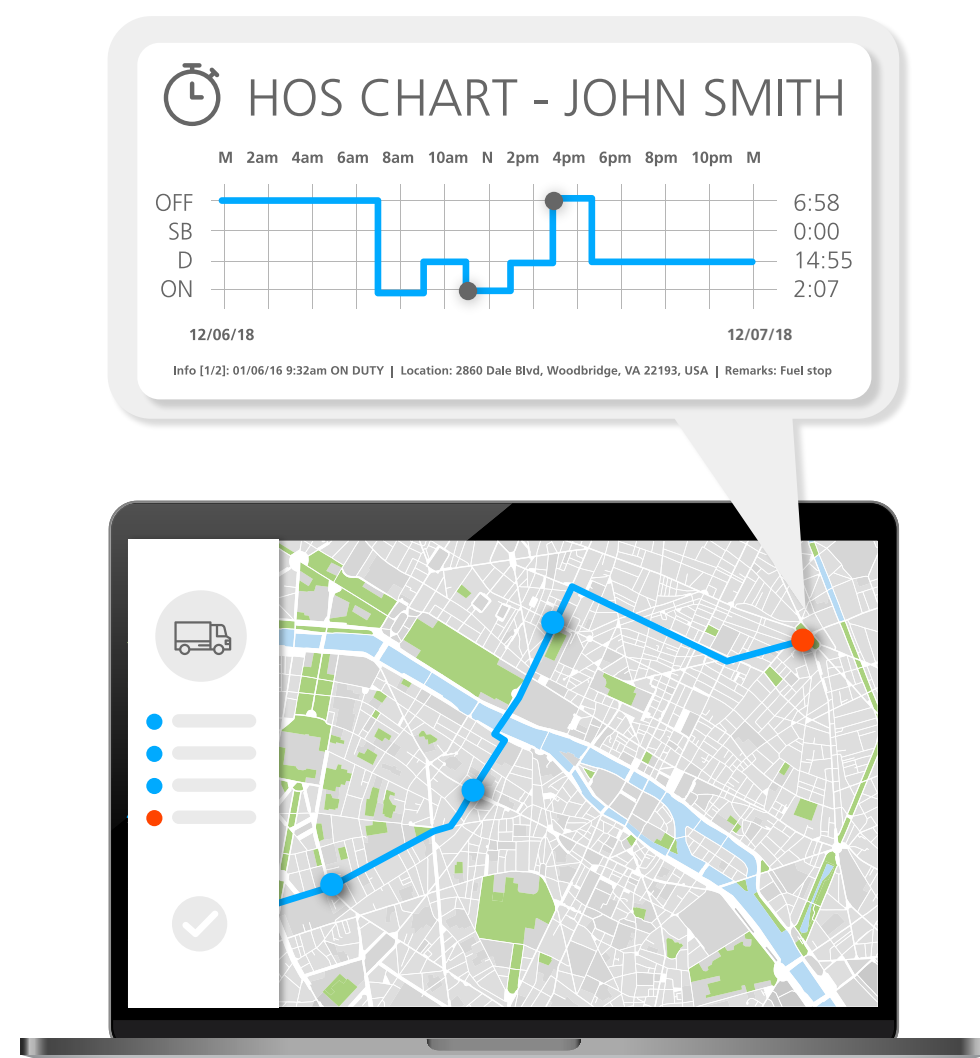
Getting the most from your fleet is critical to peak season success. Communication and performance monitoring need to be heightened as the time is short, but the success opportunity is large. Making everyone aware of their and the organization's performance reinforces the peak season goals.



Post your performance in real-time. For the KPIs you defined as critical, have electronic dashboards that show how well – or not – your organization is doing. When drivers, dispatchers, warehouse staff, etc. know how they are doing, they are more engaged and supportive. You will be amazed how the workforce will step up to beat goals. The only way they will do it is when they know where they stand.



Evaluate individual driver performance more frequently. Peak season can be stressful, stretching drivers and exposing those who are not as proficient. This can impact safety and productivity. Using real-time mobile and ELD data can help monitor driver performance, hours of service (HOS) compliance and help correct non-productive or unsafe habits that might come as a result of the heightened sense of urgency.



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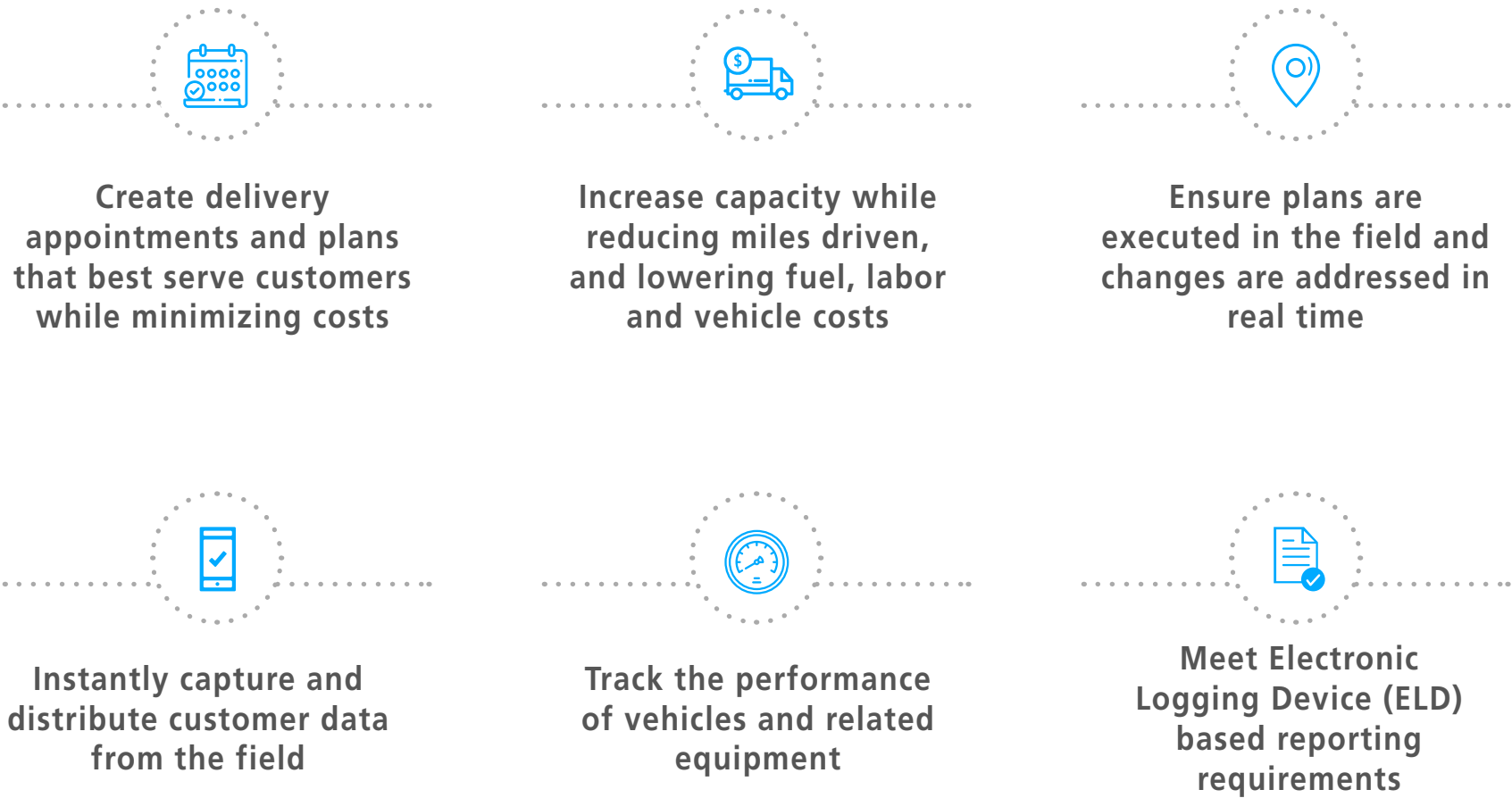
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► STRATEGIC APPROACH

Leading operators understand that the fleet’s role and value are growing in importance as more companies recognize their ability to provide a competitive advantage, enhance customer service and drive growth. However, the fleet’s ability to perform is significantly tested every peak season. Nevertheless, performing well during peak is critical to delivering on expected revenue growth, as well as for building lasting customer relationships.

This peak season, Descartes can help your fleet team effectively address planning strategies and handle the unexpected, as well as actively measure, monitor and communicate performance.

We provide the most comprehensive offering of integrated route planning, route execution, mobile applications and vehicle telematics for fleets of all sizes across multiple industries. Our proven solutions can empower your fleet team to excel by supporting end-to-end processes that:



[Click here to learn more about our fully-integrated routing, mobile & telematics capabilities for fleet operations](#)

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Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses.

Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world’s largest, collaborative multimodal logistics community.

Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

Learn more at www.descartes.com, and connect with us on [LinkedIn](#) and [Twitter](#).



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