How Analytics Can Revolutionize Your Last-Mile Delivery Processes

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Introduction

Last-mile delivery, and logistics as a whole, are responsible for delivering millions of packages every day. Each package has its origin, destination, content, size, weight, and location tracked. Understandably, this results in a lot of data accumulation over time. The good news? Thanks to analytics, we can obtain more profound insights from these large data sets to make last-mile delivery more efficient than ever.

So, what is in it for companies that use analytics to optimize their last-mile delivery processes? Analytics brings operational and cost-efficiency. They work together to help logistics professionals improve planning and operations, all while staying as cost-efficient and sustainable as possible without sacrificing quality.

Companies that want to delight their customers with an efficient and reliable delivery process need to understand and improve courier performance, leverage historical data for improved planning, and ultimately master the scale. Let's delve into each of these by one.

Understand and Improve Courier Performance

Couriers are a vital part of any last-mile delivery process as they are the ones getting the job done. Therefore, it is crucial to provide them with the tools, information, and coaching they need to perform well. Failing to do so can result in additional burdens placed upon couriers, and subsequently, an inefficient and unsustainable delivery process.

Transparency is particularly crucial to understand current performance and identify areas for improvement. This is where analytics comes into the picture, for it can assist in highlighting issues in real-time and recognizing patterns in historical data. Analytics can positively impact the bottom line by helping couriers have more stops per route, minimizing idle delivery times, and spreading out workload amongst couriers evenly.

Leverage Historical Data for Better Delivery Plans

A solid delivery plan is a crucial step towards delivering items to your customers on time or within the promised delivery windows. However, what does it take to create one? It is not only what needs to be delivered and when, but also finding a cost-effective way to achieve it without overloading your drivers.

Leveraging historical data can be very helpful in preventing mistakes made in the past, e.g., which routes are good to take and which are not. Indeed, failing to study past data can result in missed opportunities for "maximized revenue and operational efficiency."

The use of analytics can go a long way in letting companies design, plan and operate a distribution network that is built on a combination of various vehicle technologies, delivery models, and supporting distribution facilities. For example, delivery plans need to be structured differently based on rural or urban, as urban areas' delivery density is higher than rural areas. Finding patterns in historical data can be very insightful in figuring out the best delivery strategy for the future.

Harness Technology to Master the Scale

As your operations grow, staying on top of every task and situation can be challenging, mainly because what worked on a smaller scale may not be as effective any longer. Growing too rapidly might result in delivery delays, the inability to accept new orders, poor inventory management, overworked drivers, and dissatisfied customers.

We have seen one of the most significant occurrences of businesses struggling to rescale operations during the COVID-19 pandemic. Even Amazon struggled. What is necessary is a well-thought-out logistics strategy driven by sophisticated technology to support rapid scaling, on-the-fly modifications, and the flexibility to deal with disruptions.

Visual analytics can be a key in uncovering patterns and outliers. Shifting perspectives, from a set of bar charts to a map, for example, can help in gaining a deeper understanding of how to organize your deliveries. Additionally, predictive analytics is instrumental in identifying issues in real-time. Knowing which couriers are on track with their deliveries and which ones need assistance can alleviate stress and ensure your customers are well informed about when to expect their deliveries.

Embedding analytics into the core of all workflows and decision-making processes is not an easy task, but it is a way to master the scale in last-mile delivery ultimately.

Conclusion

To sum up, analytics is a multifunctional catalyst for smoother, more efficient last-mile delivery. It provides logistics professionals with a magnifying lens to help detect and address problems early on, saving significant amounts of time and money in the process.

However, the biggest challenges in any organization's analytics journey are not technical - they are cultural. Cultivating an environment where workers embrace analytics as a critical tool that challenges conventional thinking and enhances their judgment is necessary to master the last-mile delivery.

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