



Elevating Customer Service with Route Optimization for Beverage Distribution



The Route to Satisfied Customers — and Successful Operations

The most basic philosophy of any successful beverage distribution business is this: Make the customer happy.

It feels so intuitive and obvious that it often goes unsaid. Just like no one ever really thinks to themselves, 'I need air to breathe.'

Simply put, happy, satisfied customers are the air your business needs to not only survive, but to grow and thrive.

Just as clear to most of us is that today's customers have higher expectations than ever. In today's marketplace, scheduling is tighter, delivery windows are shorter, and customers require much more flexibility than many fleets are accustomed to providing.

The challenge is meeting — and then exceeding — those client demands, while still operating a profitable fleet. Certainly, the customer is always right, but you also need to maintain profitable business operations. So, creating the most optimized routes possible for your customers, drivers, and fleet is an absolute must.

Customer Demands and Beverage Distribution

If your company didn't need to make a profit, customer satisfaction would be easy. You would just keep adding trucks and drivers until every stop had its own dedicated service. The reality is that customer expectations are rising as technology advances — but your bottom line hasn't changed.

Let's say that one customer's delivery window may only be a few minutes long one day, or you're on a seasonal schedule that calls for extra deliveries on a day's notice and additional weekend routes. Customers want real-time order tracking, immediate delivery confirmations, and complete flexibility to meet their constantly changing needs — whether it's delivering to a different location or adjusting your schedule to match a change in theirs.

This is a lot to achieve — especially paired with the fact that successful companies must not only satisfy the customer, but must do so while delivering on their own expectations and managing daily operational costs.

Your fleet's primary objective is to achieve high customer retention while realizing the highest possible profitability. These two goals work together since creating and maintaining excellent customer retention is one of the best ways to increase profitability — but you must also keep operating costs to a minimum. Fuel, equipment, and employee and operational expenses quickly add up, so you must be as efficient as possible.

The overall costs of beverage distribution need to be factored in as well. There are almost daily issues involving customer delivery costs — which may exceed profit margins — including:

- Meeting a customer's off-day delivery need without losing money
- Deciphering if low-volume orders are worth accepting
- Understanding how a customer's restrictive service window fits into your bottom line
- Deciding on how to best handle a transition when a customer's needs greatly increase through a merger or an acquisition



The good news is that these challenges can all be met while still making, and even increasing, your fleet's profits.

And, the way to do it? Route optimization.

The Benefits of Improved Route Optimization

Improving route optimization is about increasing your fleet's overall efficiency. Increasing efficiency — even by a small percentage — can dramatically improve any fleet's profitability.

Sometimes it can be as simple as shaving minutes from your already established routes, consequently reducing time in traffic and fuel consumption while getting more out of your drivers.

With enough data and the right tools, routes can often be combined, re-assigned, and even eliminated in favor of more efficient options that better service both you and your customers' needs.

Technology-driven route optimization saves the fleet manager valuable time in the shop each day — providing the best options and updated strategies for meeting that day's specific customer needs.

Unshakeable Solutions for Beverage Distributors

Creating the most highly optimized routes requires a robust solution which incorporates long-term planning, daily routing, and real-time tracking.

Route solutions should look at your last three to six months-worth of historical data, including sales and service schedules, delivery routes, and more.

Based on factors such as resource cost, geography, and customer expectations, these solutions should assess how your fleet can improve efficiency while still satisfying your customers. Often, this leads to sales territory re-alignment, delivery route balancing, and new service plans.

Your long-term plans should be updated as your market needs change, but we recommend re-evaluating your long-term planning every three to six months to ensure your operations are efficient and up to date.

Optimal routing solutions help you create the best routes by factoring in each day's specific customer priorities, updated service windows, and unexpected requests. They provide the fleet manager with dynamically updated data, ultimate flexibility, and easy resource management.

Mobile dispatching provides your drivers, back-office personnel, and customers with real-time updates. It allows you to see if drivers are following the optimal routes that have been created. Mobile dispatching also tracks driver stop locations and times which gives you better visibility into your overall fleet performance. Additionally, you can re-route your drivers "on-the-fly" in response to customer needs, weather, traffic, and breakdowns.

Exceptions can be created in mobile dispatching solutions, as well, alerting you anytime a driver goes off-route, makes an unplanned stop, or is running behind. This means you can keep your customers current on any developments that may affect their delivery time and give them the most accurate scheduling updates possible.



Performance Analysis and Improvement

After implementing your strategic planning, routing, and dispatching solutions, you'll want to be certain your fleet is getting the best possible return on its investment by checking your results with web-based analytics.

Essentially, web-based analytics take all the data generated by planning and routing solutions to help you answer the following: "Was the plan followed?" and "Can it be improved?"

If it discovers that the optimum plan wasn't followed, it then helps you determine why it wasn't followed. Was it a driver error? Was it an uncontrolled variable, such as weather, road closure, or inclement weather? Were traffic conditions different than originally expected?

Analytic-centric solutions also try to create a better plan for your beverage distribution business by using the most recent data your fleet generates. Drivers can only do as well as the route you've planned for them, so accommodating driver preferences leads to happier drivers and happier drivers often lead to improved customer service.

The Proof is in the Pudding

During the implementation phase, we supported the beverage distribution companies we worked with by conducting customer interviews. Conclusively, we've seen strategic planning, routing, and dispatching solutions improve both fleet efficiency and customer satisfaction, regardless of fleet size.

The results are impressive:

- 50% reduction in routing and load time
- 8% reduction in driver hours
- 50% cut in missed time windows
- 75% reduction in re-route time

Omnitracs route optimization solutions can help your beverage distribution business build efficient, cost-saving, timely routes that will also benefit driver and customer satisfaction.

These improvements will help you care for your customers in a timely and efficient manner — which is what excellent customer service is all about — in the beverage industry and beyond.

Learn more at omnitracs.com



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Omnitracs, LLC is a global pioneer of trucking solutions for all business models. Omnitracs' more than 1,000 employees deliver software-as-a-service-based solutions to help over 14,000 customers manage nearly 1,100,000 assets in more than 70 countries. The company pioneered the use of commercial vehicle telematics 30 years ago and serves today as a powerhouse of innovative, intuitive technologies. Omnitracs transforms the transportation industry through technology and insight, featuring best-in-class solutions for compliance, safety and security, productivity, telematics and tracking, transportation management (TMS), planning and delivery, data and analytics, and professional services.