


without a doubt

Digitalize to stay relevant.

The top 5 challenges for logistics companies + the solution.





In logistics, timing is crucial. So are transparency and digitalization.

The transportation industry is under tremendous pressure. Moving goods from A to B – while dealing with unpredictable circumstances. Congestion on the road, poor weather predictions, the rising cost of fuel, and a labor market pushed to its limits. All while handling higher expectations of delivery times and service quality. There is no time for slacking.

New business models require a new approach

Supporting the changing needs of your customers, while boosting efficiency and profitability requires new business models. And supporting these new models with manual processes isn't financially or strategically viable. Although, the media writes about autonomous trucks. Most companies are not ready for this transition – yet. Let alone the infrastructure. To remain competitive in a demanding market, total transparency is indispensable. An impossible task without the right tools. Research shows that holding on to legacy systems is holding back your growth.

“According to 70% of the companies that participated in the survey, speed and accurate estimated times of delivery (ETD) are currently their main challenges. The most precious commodity in the transportation industry is time, so it makes sense that automation tools addressing issues related to time on the road will show the most promise in helping companies achieve their logistics goals.”

Transportation & Logistics (T&L) Insights by Levvel Survey

The top 5 challenges in the transportation industry

1. Efficiency is under pressure
2. Shortage of drivers
3. Cutting down costs of transportation
4. Government & environmental regulations
5. New advances in business procedures

Technology: a hands-on approach to tackle the top 5 challenges

The top 5 probably did not take you by surprise. More challenging is how to tackle them. Implementing new technology can offer an answer to the industry's most common challenges. Minimizing the chance, it will impact your business. That's why we're offering you insight into the possible solutions.

1. Efficiency is under pressure

You continuously deal with the demands of many different customers and ensure the quality of your service while you're at it. It's no longer only about transporting goods from door to door. Customers demand real-time updates, and reliable, up-to-date ETAs. Traceability is no longer a nice to have. It has become a must-have.

At the same time, making delivery times is becoming more challenging. After a period in which fewer traffic jams had a beneficial effect, the time lost due to traffic jams will increase again. Efficiency in road transport is under pressure for several reasons. In the short term, congestion and unpredictability in supply chains will play a role. In the long term, developments such as smaller shipments and Brexit are structurally putting efficiency under pressure.

Solution: Adopt technology that automates the delivery of information. Research found that using legacy methods, like phone calls, is more likely to cause operational issues. Implementing new technology removes the need for manual updates. In doing so, it can accurately predict ETAs, even bearing in mind traffic and weather concerns. Next, let the (automated) communication run through your transportation companies via [status updates](#) or even [EDI](#). Working with the latest innovations helps you see how to handle smaller shipments without compromising on margin.

2. Shortage of drivers

The growing economy – with a flourishing e-commerce market in the driver's seat – has increased the demand for truck drivers. It's no longer limited to a few countries. The driver shortage is a global problem. From Australia to Europe and from Asia to the USA. It has become a structural problem and is limiting road freight growth. Increasing wages haven't offered the desired outcome. The low intake of younger truck drivers is not helping either. Forcing logistics companies to set their sights on alternatives. At the same time, European research has shown that drivers spent 50% of their time waiting to load/unload freight.

Solution: Analyzing your data opens doors to optimizing routes. Maximize the effectiveness of the existing fleet and drivers within your organization. It helps to create more realistic routing and arrival times. Drivers are more likely to make their ETAs – lowering their stress levels and improving their work satisfaction. Moreover, you foster reliability towards customers. Win-win.

3. Cutting down costs of transportation

The surge in prices is hard to miss. Presenting transportation companies a significant challenge as wages and fuel are the largest operating cost. Trucks still need to transport goods from A to B. Imposing additional surcharges on customers. This cost pressure is expected to continue for the time being. Urging planners even more to plan routes as efficiently planned as possible. Getting capacity deployment right is vitally important. Because an increase in expenses means in the long run losses for your business.

Solution: We've mentioned the importance of data before. And again, to get a grip on your expenses: [data is king](#). Analyzing incoming orders, cutting back waiting times, and relying on up-to-date traffic information form the key to cutting costs. And let's not forget optimized routes.

At EU level, a fifth of road freight journeys was performed by empty vehicles in 2019 and 2020. [Eurostat - Statistics Explained](#)

By consolidating orders, optimizing the order of delivery, and preventing empty runs, you can bring back the mileage. And therefore, reduce fuel consumption and additional staff. Simply by embracing data. Insights that help indicate the possibilities for route optimizations.

Prevent overcapacity to sustain profitability

With higher fuel prices, the marginal cost of operating increases. In many cases leading to more disciplined capacity deployment. Better discipline restores profitability.

"With the increased push to be environmentally friendly and reduce emissions, route optimization equals more than cost reduction."

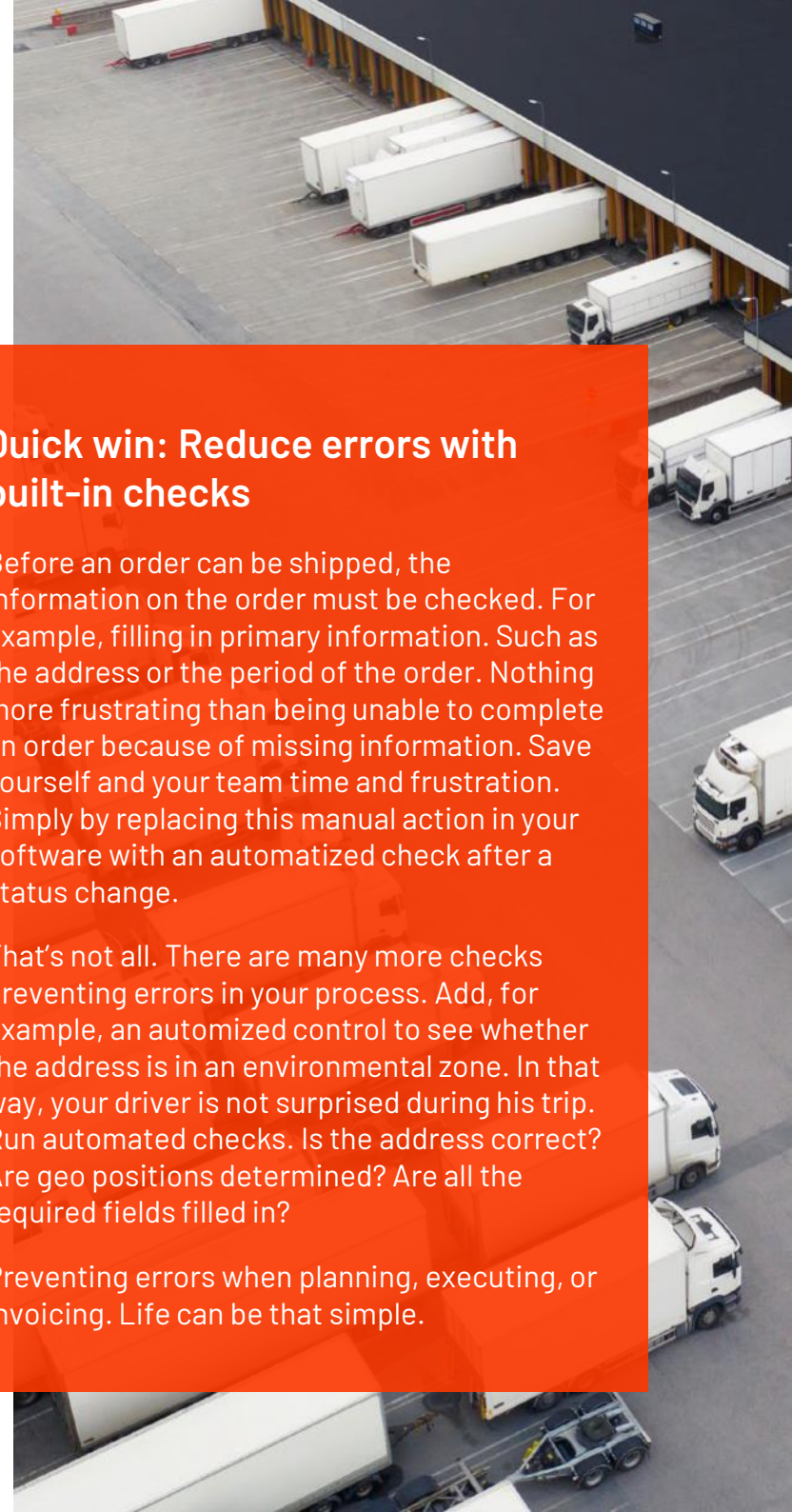
Higher marginal costs force transportation companies to re-assess route profitability. In some instances, choosing to serve certain customers or driving certain routes would be more expensive than deciding not to. Leading to more rationalized capacity behavior. For an industry where overcapacity is one of the key challenges to sustaining profitability, a beneficial reaction.

Quick win: Reduce errors with built-in checks

Before an order can be shipped, the information on the order must be checked. For example, filling in primary information. Such as the address or the period of the order. Nothing more frustrating than being unable to complete an order because of missing information. Save yourself and your team time and frustration. Simply by replacing this manual action in your software with an automatized check after a status change.

That's not all. There are many more checks preventing errors in your process. Add, for example, an automatized control to see whether the address is in an environmental zone. In that way, your driver is not surprised during his trip. Run automated checks. Is the address correct? Are geo positions determined? Are all the required fields filled in?

Preventing errors when planning, executing, or invoicing. Life can be that simple.





Quick win: Proactive communication reduces docking time

If a warehouse does not prepare for a delivery until they receive a phone call from a driver to get an estimated time of arrival (ETA), there's little chance they will be fully prepared to unload and move the cargo into storage efficiently once it arrives. This holds up the driver and any subsequent shipments that need to go out through the same cargo bay, in addition to causing confusion on the warehouse floor.

4. Governmental & environmental regulations

Brexit, Covid-19, environmental regulations, reduction in permissible maximum mass. The need for governments to regulate and digitally transform has a major impact on how logistics companies must run their administration too. With long processes and bureaucratic regulations, it can feel like rocket science to put processes and corresponding solutions in place to receive approval from authorities.

Yet, no matter how you go about it, the pandemic made one thing crystal clear. To survive, leveraging technology is a hard requirement to stay in business.

Solution: While forwarding goods, there should be no doubt about the completeness and accuracy of the required documents. Replacing outdated systems with automated solutions enhances a smooth exchange of documents. Allowing you, for example, to perform automated declarations. Generate requisite documentation automatically. Providing you with continuous insight into the customs process. At the same time, an efficient route layout in which drivers are better deployed can help reduce the carbon footprint.

5. New advances in business procedures

Trends such as machine learning, artificial intelligence, the internet of things, and supply chain integration are transforming how the world does business. As a result, so does the logistics industry. Where the big guys out there seem to have limitless budgets to adopt and implement new technologies, the SMB market struggles to keep up with advances in business procedures. It is pushing companies to their (technology) boundaries. Knowing that many logistics companies hold on to their outdated software solution in the spirit of 'why change something when it's not broken' does not help either to put new

advances into use.

Solution: New advances in technology do not have to feel like a threat. On the contrary, adapting and adopting new advances (changes) can help improve service and operational efficiency. It is changing business operations for the better. Think of shipment tracking systems or tools for route optimization which we discussed earlier. Yet then again, transportation software should support or even embrace new technologies. Regular updates and adjustments keep the software healthy in the long term.

'The logistics industry is changing. What these changes will look like, no one knows. However, you must make sure you can keep up. Otherwise, you will quickly be sidelined.' Hudig & Veder

Integration with on-board computers or scanners

95% of the orders enter your software digitally. That means your employees don't physically see the orders. In that case, you do not want your employees to do manual action(s) to complete the order. Therefore, many orders can be completed automatically once all the requirements are matched. In that way, you only must give attention to orders that truly need your attention.

Status changes can also be triggered by an action on an on-board computer. Or by cross-dock employees. For example, does the driver confirm the order is delivered via his on-board computer? The status is automatically changed to 'delivered' and the POV is directly sent. Or your software immediately sends an invoice to your customer. Without the interference of your employees.

Summary

6 steps to undertake to stay relevant.



Communication

Adopt technology that automates the delivery of information.



Data analysis

Analyze data to indicate bottlenecks and re-assess route profitability.



Route optimization

Maximize the effectiveness of the existing fleet and create more realistic routings.



Automate steps

Perform automated steps and generate requisite documentation automatically.



Integration

Connect external applications to eliminate manual data entry and foster transparency.



Up-to-date

Keep applications healthy and perform regular updates.

Your partner for success

Boltrics is an expert in the logistics sector with a proven track record of helping small and midsize businesses transform using the right technology solutions. We specialize in 3PL- and cold logistics and are ready to help you take the next steps on your path to success. We take the hassle out of implementation, upgrades, and routine maintenance of your business solutions so you can focus on what matters most.

Get started today

- Learn more about business solutions powered by Microsoft and customized by Boltrics on www.boltrics.com.
- Work with Boltrics to explore the options and components that best fit your business and take a test drive of the solutions.



Ocean freight



Air freight



Road freight



Warehousing



Customs



Cold logistics



Groupage



Forwarding