



White Paper

Frustrated by Your Delivery Processes?

Delivery Management plays a crucial role in reducing your freight costs and maintaining high customer satisfaction. This paper examines the technology tools that nurseries use to successfully meet their delivery challenges.

Managing the delivery process can be overwhelming and frustrating for many nurseries. For those with a relatively small number of local deliveries, managing deliveries may not be a major issue, particularly where they own their own equipment and can rent additional, as needed. On the other hand, for nurseries with a large number of deliveries spread across a wide distribution area, particularly at the height of the spring season, managing deliveries can be a serious headache and can negatively affect customer relations.

While the delivery function can be completely outsourced to a logistics company based on scheduled pickups, deliveries and the space/weight of each shipment, this is seldom the course taken. Nurseries want more control over their delivery process and are continually looking for ways to minimize freight costs. This being the case, then delivery management represents a significant challenge and requires significant management effort. The cost of failure can be high and is to be avoided.

Some of the Challenges:

- Most deliveries are partial loads so that the deliveries must be grouped and routed to create a full truckload, whenever possible;
- Often, more than one loading site is involved because of production locations;
- While many customers give the nursery some flexibility in scheduling, there are limits to this flexibility;
- Hiring trucks, particularly in a busy season, can be a challenge with brokers having to deal with the specific supply-demand situation at that instant. This results in rates and availability being unpredictable;
- Freight charges are either built into the price of product so that a loss can easily result or they are separately billed, often leading to concerns by the customer;
- Determining space requirements for each load is often a challenge because of the specific size of the product at the time of shipment. Meshing multiple deliveries into one truck load requires certainly that it will all fit in the trailer provided;
- Customers want to know when to expect delivery. While this is often passed to the trucking company, it still comes back to the nursery for responsibility;
- Deliveries coming to the nursery are often “just in time” deliveries for inclusion in shipments about to be made. These often have the same problems, although these tend to be more from local sources.

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Delivery Management. The sales order typically has a scheduled ship date based on the timing of product availability and customer requirements. This date tends to have very limited flexibility because of these requirements. In meeting this schedule, product has to be picked, staged and checked ready for each truckload. This means that the carrier has to be lined up ready and be able to keep to the schedule. This is particularly important because of limited staging space and resources at most nurseries.

Freight costs for a nursery are relatively high because of the low value to space/weight of product. This means that optimizing each truckload is important. Routes need to be logical with trucks being loaded as fully as possible. Or, arranging for LTL deliveries when this makes more sense than including a load into a truckload delivery.

The approach to scheduling orders for delivery can have a dramatic effect on cost and performance. Regardless, it is demanding, requires knowledge and an attention to detail. Even the information available on the delivery locations can affect the outcome. Are delivery locations broken down into logical routing groups or is this left to the dispatcher on an as needed basis? Generally, a state grouping is inadequate, although it may be a starting point. Certainly geo- coordinates are the most accurate, if the tools exist to use this information, even if only for mapping the scheduled deliveries. Deliveries can be grouped into truckloads manually or automatically.

Manually Building Truckloads. This covers a spectrum from simply looking at a list of delivery information and selecting a grouping based on what appears to be the “best” truckload combinations. This includes doing the routing and the arithmetic on trailer capacity and requirements. A particularly skilled and experienced dispatcher can often do quite well with this approach most of the time. However, errors can be expensive!

Better is to convert the list of required deliveries into a Dispatching tool that allows the loads to be more visible allowing them to be more readily grouped and assigned to truckloads. Ideally, this information automatically flows from the sales orders into the Delivery Management tool, including best estimates of space/weight requirements. In using this approach, if a Route Code has been assigned to each delivery, then it becomes easy to build loads based on a single Route Code or combinations of Route Codes. Where a consistent delivery routing is known, a “stop number” might be added to sequence deliveries in Route-Stop sequence. Once a truckload (or trip) is built, then it can be viewed on a map to confirm that it is logical.

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Better still is to put all planned trips for a period on the same map to look for overlaps and where the assignments might be changed to provide more logical routing. This might also have to take into account the expected end point of the trip by the carrier.

Automated Routing. This allows all pickups and deliveries to be scheduled to meet time requirements and delivery windows. By feeding all addresses with relevant delivery information into a routing program, the addresses can be converted to geo-coordinates, and then used to find optimal truckload combinations. This provides a starting point for confirming that the selected routes will work both for your customers and for the truck broker/carrier. What takes minutes in such a program can save hours of manual routing with the potential of fewer errors.

Conclusion. Delivery management can be a real challenge. Having an organized and structured approach can not only lead to better decisions, it can prevent costly errors. Optimizing your deliveries into truckload combinations is the typical goal. This can be done manually through a Delivery Management system or automatically through a load-route planning system. The method depends on the number of deliveries that must be managed, the cost of freight and the savings that result from using an automated optimization tool.

Argos Software provides Payroll software as a component of its nursery management system. The system is modular with the “full” enterprise system including Sales Order Processing, Inventory Management, Purchase Order Processing, Production Management, and Accounting. Various other modules are available including Contact Management, Equipment and Facilities Management, Handheld Systems, EDI, Business Intelligence through Dashboards, and Automated Processing through our Task Agent. To find out more about this system, email us or call **1-888-253-5353 Ext 2**.

Alan Thodey holds a Doctorate in Agricultural Economics and has been working as a consultant with leading agri-business companies, including nurseries, for 40 years. This includes planning as well as developing the underlying data on which to do the planning. Alan has provided assistance to agri-business organizations from small privately owned operations and government entities through to Global 500 companies.



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