

# THE TOP 3

## LOGISTICS CHALLENGES — SOLVED

With a consistently tight economic climate and higher customer demands, business owners are finding it increasingly difficult to stay profitable.

Exactly where, and how, do you begin to save? Should you increase prices to customers, or reduce employee count? There must be a better way to ease bottom line pressure, and gain the competitive edge needed to be successful.

Here are today's key logistics challenges, and how to address them.

### 1 TRANSPORTATION COSTS

Start reducing transportation costs by reducing fuel consumption. According to the U.S. Department of Energy, gas mileage decreases rapidly at speeds above 60 mph. *For every 5 mph over 60 mph, you're paying an additional \$.19 per gallon for gas.<sup>1</sup>*

You can reduce fuel consumption by running fewer miles, but how do you do that? Optimizing your daily routes will help you increase how much product is on each vehicle and maximize the number of stops per route.



### 2 LOCATING VEHICLES

Have you considered how many times customers call asking where your truck or driver is? The average cost of each *"Where's my truck?" call is about \$18!<sup>2</sup>*

Given mobile technology and the availability of GPS and texting, the solution is simple and can be very cost effective. Mobile carriers are providing competitive rate plans for new features and working with mobile application and fleet management providers to get technology into fleet operations.



### 3 BOTTOM LINE VISIBILITY

Many managers know about how long a route should run or a stop should take to be serviced, but few can compare these hunches to reality. The fact that inefficiencies exist and managers are aware should be reason alone to take action and find ways to generate additional revenue.

Route optimization software could add one to two more stops per route. *If each of your routes have 10 stops and you can add two more stops to each route — that's the equivalent of growing your business by 20% without increasing spending!*



The good news is you can increase profitability, improve satisfaction, and gain a competitive advantage — even when the economy fluctuates and customer demands increase. Omnitracs provides crucial route optimization tools and GPS tracking that can solve your biggest logistics challenges.

1. <https://www.energy.gov/energysaver/saving-money-gas>  
2. RTI Research, 2013