

Can Digital Freight Eliminate Back-Office Waste for Shippers and Carriers?

28 February 2023

Back-office waste has a negative impact on both shippers and carriers alike. There's a huge amount of time-consuming work involved in executing shipments which makes the process lengthy, inefficient and ultimately costly. DigiHaul CEO Martin Willmor explains why digitalisation is the ideal solution.

Any traditional logistics organisation will have mountains of paperwork. If you look at the process flow – right through from booking a shipment to allocating a carrier, the carrier transporting the goods then delivering to the warehouse and producing proof of delivery – everything commands a paper trail. All of that analogue process results in a huge amount of wasted time and resource.

One of the biggest causes of unnecessary activity is the lack of visibility, whether that's a carrier not knowing where their vehicle is, or a shipper not knowing when their goods are going to be delivered.

The current driver shortage is only compounding the problem – manual processes present little opportunity to optimise the process, and so the situation gets worse.

Issues faced by shippers

If you're in a customer organisation, often it will take seven or eight phone calls to send a single shipment. Shippers are spending a large proportion of their overheads on admin resource to manage the processes, particularly in warehouses and transport offices.

The site receiving the shipment will have paperwork that they need to receive when the driver arrives at the gatehouse. Once the shipment has been unloaded the proof of delivery (POD) has to be signed and processed. There's a lot of time-consuming activity that goes into moving a truck.

Increasing speed and reducing dwell times are also important to shippers. Following analogue processes opens up room for error – for example shipments might get mis-received and turned away from the gatehouse – and vehicles can then end up caught in a backlog. Warehouses are often unable to prioritise shipments, which slows down the speed to market and effectiveness of the goods.

Challenges for carriers

The problems are similar to shippers but in reverse. There's still a lot of paperwork and payment is slow because that paperwork can get lost and shipments are sometimes missed.

Drivers waiting in queues due to issues with booking slots ties up carrier resource so they can't rework that truck onto another delivery.

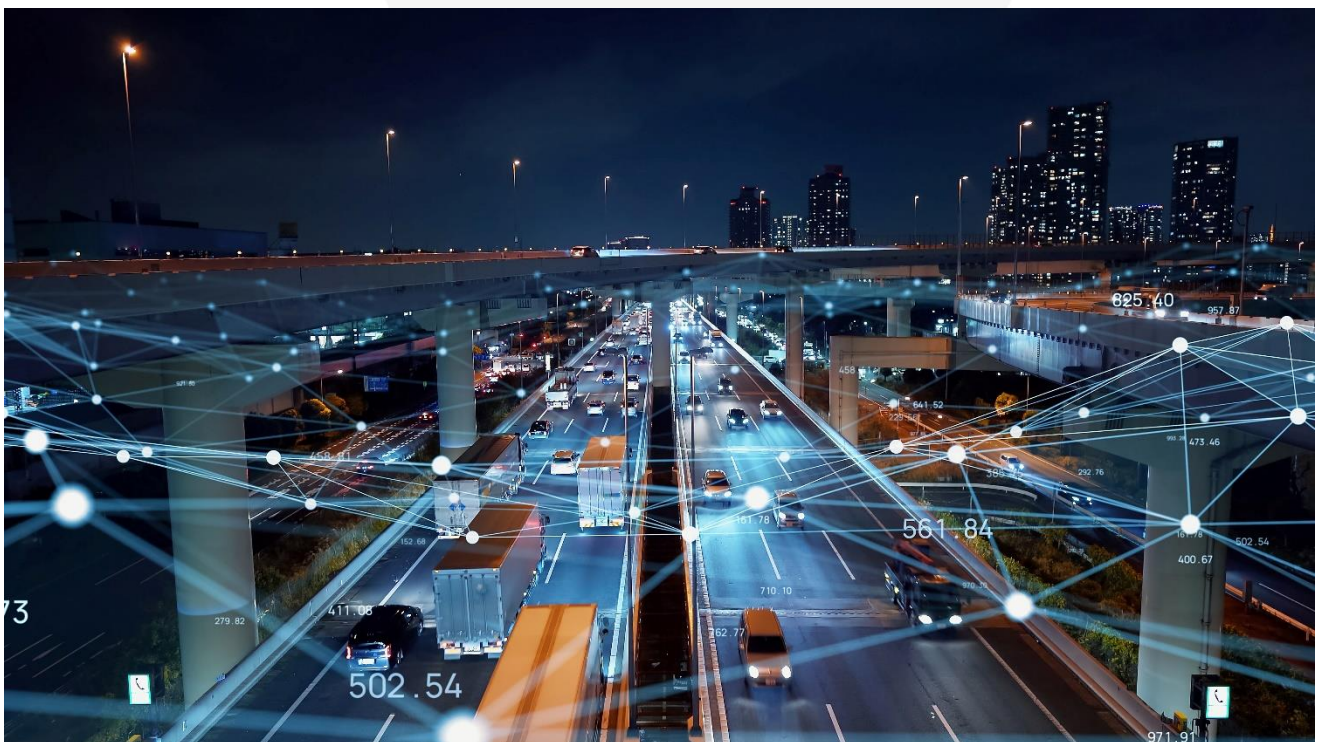
Day-to-day issues like this prevent carrier businesses from growing and reaching their full potential, which is something we knew we could change.

A digital approach to optimisation

Managing the supply chain digitally means you can streamline the process, eliminating the need for pointless paperwork and time-consuming calls completely and making it much more efficient.

One of the things we're focusing on, particularly in light of the driver shortage, is optimising return loads. Vehicles are often 75 to 80 percent utilised, meaning that 20 percent of the time, they are empty. DigiHaul's obligation is to improve that, particularly in the current environment where the UK is facing a driver shortage crisis, it's criminal to have so much capacity under used.

Optimising the return leg means that carriers are able to sweat their assets more and get valuable contribution to costs, they wouldn't have had previously. Empty running is detrimental to the environment as well so operating fuller vehicles reduces the carbon impact of shipments.



The immediate benefits of going digital

Digitalising the supply chain can be hugely beneficial for both shippers and carriers in the long term, but it can also make a big difference straightaway.

Carriers get paid much quicker (we've halved the payment terms to 30 days and plan to reduce much further over the coming months, with our fast-track payment product) and they get full visibility of all of their orders in one place which means they can rapidly optimise their fleet. We have an excellent service delivery team to guide them through the change management process and can follow up on any service issues for them.

From a shipper point of view, we have a much more proactive relationship with them, with dedicated Account Managers to support them. They have full visibility of their shipments and we also use data to give them information such as their cost per mile, the level of empty running for their business, and reporting on dwell times on site which in turn reveals issues that they might not be aware of.

Embracing the digital environment

I believe that back-office waste will virtually disappear if we really embrace digital processes and procedures.

I see no reason in the future, why a shipper cannot be set up, a shipment booked, credit checks done automatically, a load allocated and accepted by a carrier, the driver follows the App and uploads an electronic POD and payment made all within a 24-hour cycle using our system. At the moment that same process takes around three weeks.

You always need an element of human interaction to ease things through, but there's no reason why 90 percent of those manual processes can't be eliminated, which frees up resource for both shippers and carriers to do much more strategic work within their businesses and protect the planet at the same time!