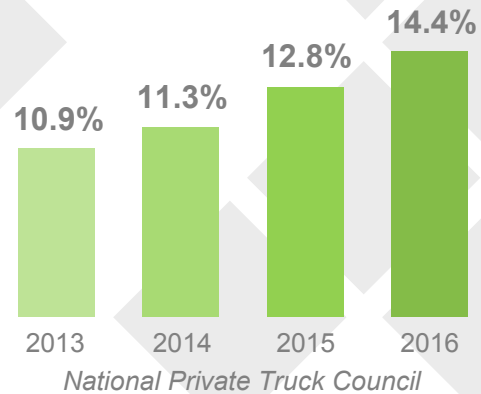


5
Critical Steps for Improving Fleet
Driver Productivity

Reduce Costs & Boost Performance through
Best Practices & Technology



Fleet Driver Turnover Rates Edge Up



Meeting Challenges to Your Productivity and Profitability

The operational costs of delivery fleets are high and the margins are often thin. Fleet operators need to be looking for ways to reduce costs by improving driver productivity.

The overall shortage of drivers is beginning to impact private fleets as turnover rates continue to edge up and salaries move higher. That's all the more reason to optimize driver performance.

While routing packages and onboard computers provide some efficiencies, fleet companies can also benefit from a labor management system that provides end-to-end visibility to non-drive time performance metrics for their fleet personnel.

Focus on the Driver and Savings Will Follow

In most fleet operations, labor costs can represent 50% or more of your transportation budget. In the Inbound Logistics 2016 Trucking Perspectives survey, 88% of companies reported that driver-related costs were their greatest challenge. To gain control of these costs, fleet operators must ask themselves:

- How do you determine how long deliveries should take?
- How much time are your drivers spending in the yard on pre and post trip activity?
- How do you identify, quantify, and eliminate the obstacles and delays incurred by your drivers?
- How easily can you track, monitor, and report these obstacles by driver, by customer, or by specific point of business?

Addressing these operational issues and realizing the full potential of your drivers and equipment can deliver significant cost savings.

Labor management for drivers requires a holistic approach – from optimizing the routes to establishing fair and accurate performance expectations to managing the driver as an employee. Maybe it is time to stop looking at how high you can set the bar and start looking into just how high the bar should be set for each customer, for each order, and for each route.

Implementing the following five steps as part of a labor management program will drive down costs, improve fleet utilization, enhance customer service, and provide true visibility to your drivers' performance.

Variable Work



Variable Orders



Variable Skills



1

Establish and Document Best Practices

The first thing to do is review your current operation and identify the most efficient way to deliver each order to each customer.

Define the best practice and train your employees so that everyone is performing the task in the safest and most productive way, while staying focused on customer service. Keep in mind that there typically many improvement opportunities around the tasks your drivers perform before they leave and after they return from their route.

You should create a best practice team that involves all levels of the organization and strives to establish a “continuous improvement” culture. While you want to look at your overall fleet program, you should also focus on the details – often small ideas lead to big savings.

As you develop best practices, document the final process in an easily understandable format and distribute the information to the entire team. Hold training sessions with both management and drivers, and reinforce best practices as you do daily or weekly observations and coaching.

2

Develop and Implement Fair, Accurate Performance Metrics

Next, use the best practices as the foundation to build dynamic labor standards that calculate the accurate amount of time to perform each delivery task, taking into account all unique order and delivery requirements. Average time per stop, or even learned standards, do not truly represent the work content.

Develop multi-determinant standards that flex with the order profile and customer to determine:

- Handling time associated with pallets vs. cases vs. totes, taking into consideration cube and weight
- Customer back room/store configuration
- Specific customer requirements to rotate, drop on dock, and pick up returns
- Dock to curb, curb to dock distances—remember your routing package only gets you to the curb
- Different time allowances for dock plate vs. scissor lift vs. lift gate deliveries

You may have heard the myth that “you’ll never be able to calculate and track all the different types of customers and deliveries types.” While that may have been true at one time, today’s technology makes tracking easy to maintain over time with little effort.

The days of manual tracking are over. An integrated labor management package will accurately apply, calculate, and report performance against the standards.

**Key Elements for
Incentive Program Success**

Strong management commitment

Employee involvement and feedback

Regular evaluation and adjustment

Continuing communications

3

Validate and “Field Test” Your Standards

Whatever performance metrics you establish and implement, they need to be fair and accurate. Drivers and managers will not buy into the program if the standards have not been “field tested” and if they have not had a chance to review them.

Perform direct observations under normal working conditions to ensure that the standards are reasonable and obtainable:

- Does the standard flex with order profile?
- Does it incorporate the specific layout and requirements for the customer point of delivery?
- Does it know the specific equipment used by the driver?
- Does it allow enough time to maintain good customer service?
- Does it provide all of the above and still allow your driver to perform their tasks safely?

Don't take someone else's word for it...they're **your** standards. Drivers and managers need to be knowledgeable, comfortable, and confident that the best practices and standards accurately represent the work performed in the field. Otherwise, the road to improvement will be long and difficult.

4

Implement an Incentive Program

Drivers Incentive programs offer fleet operators a progressive and positive way to reinforce best practices and achieve increased performance — with additional productivity gains of 8% to 12%.

Your incentive program has to be implemented properly. It's important to keep the plan simple and focused on your key objectives, but you can and should include metrics other than performance, including safety, service level, driving behavior, and quality. However, keep in mind that incentive programs are not a cure for performance issues.

Common characteristics of successful transport fleet incentive programs include:

- A strong management commitment to the program
- Employee involvement and feedback
- Regular evaluation of results with adjustments as necessary
- A communication plan that provides an ongoing flow of information

Also consider that an incentive program can be part of your strategy to recruit and retain top level drivers.

“ Regulations and a driver shortage have led companies to **shift technology strategies to focus** on the driver. ”



5

Introduce Change Management

Change management is critical to ongoing labor productivity improvement. You should review program results daily and weekly. The goal of the daily review is to capture new items and issues, and either act on them, defer them or delegate them. The goal of the weekly review is to step back and look at project metrics and goals from a higher level to make sure progress is being made.

Communicating results is important for both drivers and management, so establish a regular cycle for communication. Daily and weekly feedback allows for association of behavior to results.

Focus on the behavior, not the individual. Reinforce the positive actions you want to promote or redirect behavior to meet desired expectations.

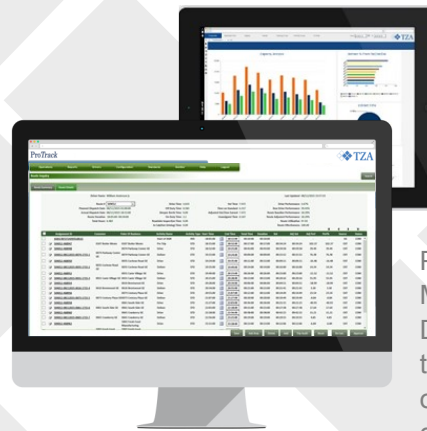
Integrate Technology to Gain End-to-End Visibility

Following these five steps will put you on the road to improved driver productivity and reduced costs, but without a tool to calculate, analyze and report the results, you will be flying blind. The annual Truck IT Report found that “regulations and a driver shortage have led companies to shift technology strategies to focus on the driver.”

Implementing a labor management software package can give you full end-to-end visibility of your drivers and your fleet to identify areas for improvement and drive additional bottom line savings. Utilizing labor management software, integrated with on-board and routing systems, can:

- Enhance routing capability by providing specific delivery times for the actual orders delivered
- Calculate accurate delivery times based upon actual orders, customer specific requirements, store layouts and equipment used
- Provide visibility to obstacles and delays encountered in the field by customer, by driver, and by specific point of business
- Enhance the routing solution by providing specific delivery times based on multiple determinants
- Improve equipment utilization
- Identify employee achievements based upon true performance

Most importantly, a fully integrated solution will allow your management team to spend more time in the field improving customer service instead of in an office crunching data.



ProTrack Labor Management Software for Delivery Drivers allows you to manage, monitor and optimize your fleet's non-drive and delivery times

The Road to Improved Driver Productivity

There's no question the fleet industry is being challenged by a range of economic and operational hurdles. These challenges should put establishing labor management best practices, backed by technology, at the forefront of every fleet operator's strategy.

Using labor management technology means that fleet managers have access to driver data they can use to make decisions that can increase efficiency, lower fuel costs, enhance service offerings and improve customer service. These solutions provide real potential to counter today's market forces and deliver improved fleet productivity and profitability.

Contact TZA to learn more about ProTrack Labor Management Software for drivers and how you can leverage it to increase the productivity and utilization of your entire fleet.

About TZA

At TZA, we focus on helping our clients improve workforce performance, reduce costs and drive continuous improvement across their supply chain. We provide them with the technology and services to achieve higher standards of productivity, utilization, quality, safety and customer service:

- **ProTrack Labor Management Software** to plan, monitor and measure labor performance
- **Labor Management Services** to educate, engage and empower managers and associates