HOW TO ELIMINATE INEFFICIENT ROUTING AND SLASH FLEET MILEAGE 10-30%

By Chris Sciora, President & Founder

Back in 1999, the average cost for gas was $1.05 per gallon. Efficiency wasn't all that important. In 2011, gas prices have tripled and inefficient routes are no longer an option. That's particularly true in today's tough economic climate. Last December, the former president of Shell Oil predicted that gas may reach $5/gallon by the end of 2012. John Hofmeister said: "I see us moving into the mid $4's up to $5/gallon during the year 2012."

Almost every industrial laundry company is driving 10 – 30% more fleet miles than needed to effectively service their customers. With gas prices already approaching $4.00 per gallon, that's a tremendous amount of money literally being driven away every day.

Fleet operating costs are one of the biggest expenses for any company with trucks on the street. Fuel, maintenance, repairs, insurance, driver wages, overtime – those all add up pretty quickly. But most companies allow drivers to determine their stop order and don't have solid management tools for evaluating route performance. When drivers leave in the morning, they effectively become independent contractors until getting back in the afternoon. No one knows how the route is actually being run. And that's the real problem.

Over $300,000 in additional profits

My latest project involved a 27 vehicle fleet servicing the hospitality and medical industry from three locations throughout Pennsylvania.

Phase 1 opened a new depot and eliminated 150,000 annual fleet miles. Phase 2 eliminated an additional 163,000 fleet miles. **At $1.00 per fleet mile, that's over $300,000 in additional annual profits.**

Over the past 18 years, I've worked with over 100+ industrial laundries – privately owned and publicly traded – to create tens of millions of dollars in additional profits by following a "secret" formula.

FREE GUIDE ENCLOSED

7 Steps for Reducing Fleet Mileage

This simple checklist has eliminated inefficiency on thousands of industrial laundry routes for well-known companies including Morgan Services, Paris Cleaners, Industrial Towel & Uniform, UniFirst, Omni Services, National Linen Service and dozens of others.

Here's my proven "secret" checklist – give it a try.

- ☑ Track fleet mileage and hours
- ☑ Use mapping software
- ☑ Assign new accounts properly
- ☑ Schedule "Will Call" deliveries

- ☑ Use online maps for driving directions
- ☑ Ditch the route books
- ☑ Balance existing routes

Signs of excessive fleet mileage

The symptoms are always noticeable. Monthly fuel costs start creeping upward. You notice two or three vehicles clustered around the same intersection. An account being serviced by different reps. The service manager runs the route and sees the stop order make no sense. Drivers are returning later and later in the day. Weekly route revenue has dropped, but drivers hours haven't budged.

Now picture things from a higher level. It's not just inefficient sequencing on a handful of route days. There's overlapping route territories, unbalanced work days, drivers getting back at lunch time and after 4:30pm. All of that guzzles profits that can certainly be put to better use.

There's nothing worse than knowing your company has inefficient routing with no easy way to address the problem. Even worse is not fully knowing the actual dollars it costs every day the trucks leave the plant.

Simplify life for the service department

In addition to significantly reducing fleet mileage, the entire service department will run more smoothly. You'll know exactly how every driver spends his time on the road, reduce payroll expenses and improve driver accountability. And internal operating procedures can be dramatically streamlined.

Portable navigation devices

Two simple examples

(a) routing new customers and (b) getting accurate driving directions.

In most companies, the sales department signs up a new account and the service department assigns a route and day. Finally, the driver assigns the correct stop number. Or is supposed to assign it. Often, it's simply left with stop number "0" at the top of the list until someone else runs the route and comes back twelve hours later. Mapping software – and route planning software is even better – quickly eliminates that problem.

Manual route books required constant maintenance and updating. When someone goes on vacation, you can use the same software to print a route itinerary with detailed driving directions for the entire route. Or export the route into a portable navigation unit like a Tom Tom or Magellan for real-time driving directions throughout the day. These systems are only a couple hundred dollars, can be moved between vehicles as needed and are a huge time-saver.

GPS: The Holy Grail of route management

Established GPS vendor like Fleetmatics, GPS Police and Geotab offer an affordable way to track vehicles in real-time. They offer inexpensive equipment that quickly plugs into the OBD (On Board Diagnostics) port available on every vehicle. It's exactly the same way mechanics plug in diagnostic equipment when making vehicle repairs.

Modern GPS units can also provide feedback on day-to-day vehicle usage. Idling time, excessive speed, minor accidents, unauthorized trips, and mileage tracking are all easily identified with online reports.

The top-end systems allow you to set rules (e.g. maximum speed limit of 65MPH) and automatically send an alert when violations occur. This is much easier than having to review tons of data every week. There are literally hundreds of uses for this information and it can be easily exported or transferred into any existing reporting system.

Planned Route vs. Actual Routes Report

Here's another fantastic idea for using GPS data. Knowing what happened has comparatively little value without knowing what was supposed to happen. How can the GPS system alert you about "out-of-territory" situations when it doesn't know about the existing routes? And it certainly won't recommend ways to address the problem.

The ideal solution combines both route planning software and GPS for real-time vehicle tracking. This combination takes fleet management to an entirely new level. Your service manager plans efficient routes and GPS tell the service department exactly what actually happened. You finally know what happens after drivers leave the premises.
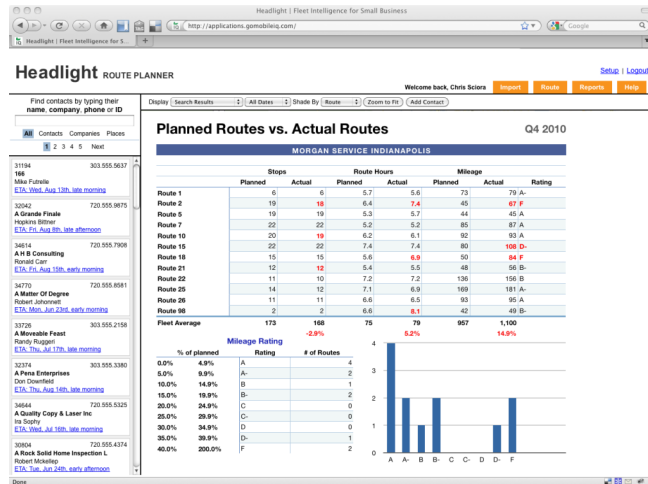
This planned routes vs. actual data can be pulled into a simple report that objectively compares route performance each month or quarter for every vehicle on the road. It's impossible to overstate the value of this report for effective route management. I've also enclosed a sample report to give you an idea of what it looks like.

Next Steps

For a limited time, I'm offering three private consultations each week exclusively for business owners. It's an opportunity to ask questions and receive unbiased information from an industry expert. There is no charge or obligation, but there are some qualification requirements.

www.gomobileiq.com

Chris Sciora, President

Visit http://www.gomobileiq.com/consultation/

Or call Pat Reynolds @ (866) 261-8600 x708

Consultation Requirements

1. You are the President, CEO or business owner. Additional people are welcome.

2. The business must service one of the following industries: industrial laundry, linen supply, mat supply, bottled water delivery, water treatment or coffee with customers located in the United States or Canada.

3. Minimum of ten vehicles in the fleet.

4. Agree to respect the scheduled meeting time and be prepared with questions.

These guidelines help maximize the value of the consultation and allow me to provide accurate information and useful advice. If you have any questions or are unsure about meeting a specific requirement, please call Pat Reynolds @ (866) 261-8600 x708 to discuss.

Valuable takeaways from past consultations

☑ Clever ways to handle will calls and missed deliveries.

☑ Balancing routes by both revenue and time.

☑ Leveraging GPS information to establish service times and route standards.

☑ Effective ways to stay in touch with customers using email.

☑ Getting route statistics needed for a weekly management report.

☑ Benefits and drawbacks of 5 day vs. 4 day weeks.

☑ How to collect customer email addresses using your website.

☑ Minimizing customer disruption and retagging when making route changes.

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100% take it to the bank guarantee

If you meet the requirements, this is what you'll get from the free consultation:

- An understanding of why the service department probably isn't doing a bad job.
- A solid estimate of cost savings for your industry through efficient routing.
- An easy way to reduce fleet mileage immediately.
- The stumbling blocks (and workarounds) for making route changes.
- At least one actionable idea than can be implemented immediately.

Route planning offers tremendous benefits for almost any company, but it requires taking action. If you're interesting in quickly reducing fleet mileage and would like unbiased information from the leading industry expert, visit the MobileIQ website or call Pat @ (866) 261-8600 x708 to request an appointment.

It's easy to stick with the status quo and believe everything is being run efficiently by the service department. The single biggest objection I've heard over the past eighteen years is "That simply isn't possible. There's no way to reduce our mileage by 10%, 20%, pick a number…"

Without the proper tools, expertise and knowledge, that's certainly true. But I've yet to speak with any company that couldn't significantly reduce fleet mileage by following some basic steps.

Cheers,

Chris Sciora, President & Founder

p.s. This isn't a sales pitch or presentation. It's simply an opportunity to have a candid discussion about reducing fleet expenses. Some companies eventually decide to hire MobileIQ, but the majority will not. And I almost always get some great ideas for future training programs or workshops.

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MobileIQ Technical Guide

How to cut fleet costs by 40%

7 STEPS FOR REDUCING FLEET MILEAGE ON DELIVERY ROUTES

These best-practice ideas will dramatically reduce your fleet operating costs. Use one or all to improve customer service, surpass competitors and grow the bottom line. Additional resources, tip and ideas are available at www.gomobileiq.com

1. Track fleet mileage and hours

Difficulty: ⭐   **Impact:** ⭐

Use daily route logs to track vehicle mileage and route hours for at least two weeks and review the results. This information tells you exactly what's happening on the street today without requiring an investment in GPS equipment. A spreadsheet or calculator can quickly summarize the data for each route and day.

This eliminates the guesswork when making route changes. By comparing different time periods, you'll know exactly how much many miles were dropped. Otherwise, it's just a guess whether the changes were effective or not. You can download sample Route Logs from the MobileIQ website.

2. Use mapping software

Difficulty: ⭐⭐   **Impact:** ⭐⭐

There are many free services that can help find customers in a flash. Some of the best are Google Maps, Microsoft Live Maps and Yahoo Maps. These are much better than desktop software for quickly finding places and getting accurate driving directions.

The major drawback is you can't easily import a file containing customer or route data. There are two

affordable ways of handling this: desktop mapping software or an online service such as Headlight™.

Microsoft's Streets & Trips and MapPoint products are two popular desktop packages. Both will import Excel spreadsheets, map deliveries and provide basic mapping and routing functionality. However, you can only work with one route day at a time and it's sometimes frustrating to get simple things done.

MobileIQ's Headlight subscription service is a customer service tool for managing unlimited routes and days. The online application uses Google Maps to quickly spot routing problems, evaluate changes and simplify common tasks.

3. Assign new accounts properly

Difficulty: ⭐   **Impact:** ⭐

Most companies route new accounts something like this: customer service or sales rep receives an order, service manager assigns the route and/or route day and sequencing is done by the driver. It seems like a good process, but relies heavily on expertise from the service manager and drivers.

There are typically hundreds and often thousands of accounts in the delivery area. Without detailed maps, it's impossible for anyone to consistently get it right.

Schedule a free route analysis and savings estimate for your company
Contact Pat Reynolds @ (866) 261-8600 x708 or email: pat@gomobileiq.com

Mapping software makes the process easy, quick and much more accurate. Start by importing your current routes into Streets & Trips, MapPoint or Headlight and shade by route or route day.

Next, look up the new customer address in Streets & Trips or MapPoint and zoom into street level. You'll see all the nearby deliveries. Click on several of them to identify possible route day candidates. The driver is usually still needed to assign the stop number.

Headlight makes the process even easier. After finding an address or current customer, use the Suggest Routes tool to instantly see the best route-day-stop recommendation(s) for the account. These can be filtered by date / product, so it also works well for "will call" deliveries. Just select the desired date range: today, tomorrow, next 3 days, etc.

4. Schedule "Will Call" deliveries

Difficulty: ★   Impact: ★★

There's a big difference between making occasional deliveries on an emergency basis and having them built into the delivery system. A customer who runs out of product or has a missed delivery probably deserves special consideration. But allowing customers to call for service at any time is an expensive proposition.

Such deliveries cost much more to fulfill than pre-scheduled deliveries and don't generate additional revenue. It's premium service at standard prices. Try asking the will call accounts about switching to a regular schedule. Our experience has been that many will readily switch (over 75%) and some actually prefer having specific delivery dates.

When you're ready to assign a permanent schedule, use the same process described earlier for assigning new accounts.

5. Use Google Maps for directions

Difficulty: ★   Impact: ★

This is a terrific way to quickly get detailed driving directions. Go to http://maps.google.com/, enter two or more addresses and click "Get Directions". It instantly creates printable maps with turn-by-turn instructions that include exact street mileage and estimated drive times. And there are two little known features which make Google Maps even better.

> #1. The suggested route can be easily modified. Don't want to take Main Street? No problem - just drag the route line to a different street.

> #2. My Maps will store unlimited locations and annotations for future use. These can also be published for other people to view and print.

6. Ditch the route books

Difficulty: ★★   Impact: ★★★

Most route books hurt efficiency. They aren't properly maintained, don't include maps and new accounts are stuffed up front with no stop number. That might work for the regular driver, but what happens during vacations and sick days? Extra mileage, long work days and late deliveries - it happens all the time.

Instead, buy a portable navigation system like Tom Tom. These systems are low cost, provide audio/visual driving directions and will properly sequence an entire delivery route. Upload tomorrow's stops, push a button to route everything and start driving.

7. Balance existing routes

Difficulty: ★/★★★   Impact: ★★★

This step will make the single biggest impact for most companies. It often reduces route mileage and hours by over 40%. Download a free copy of the Route Balancing Project Guide from MobileIQ's website. It provides step-by-step instructions for planning your next project.

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