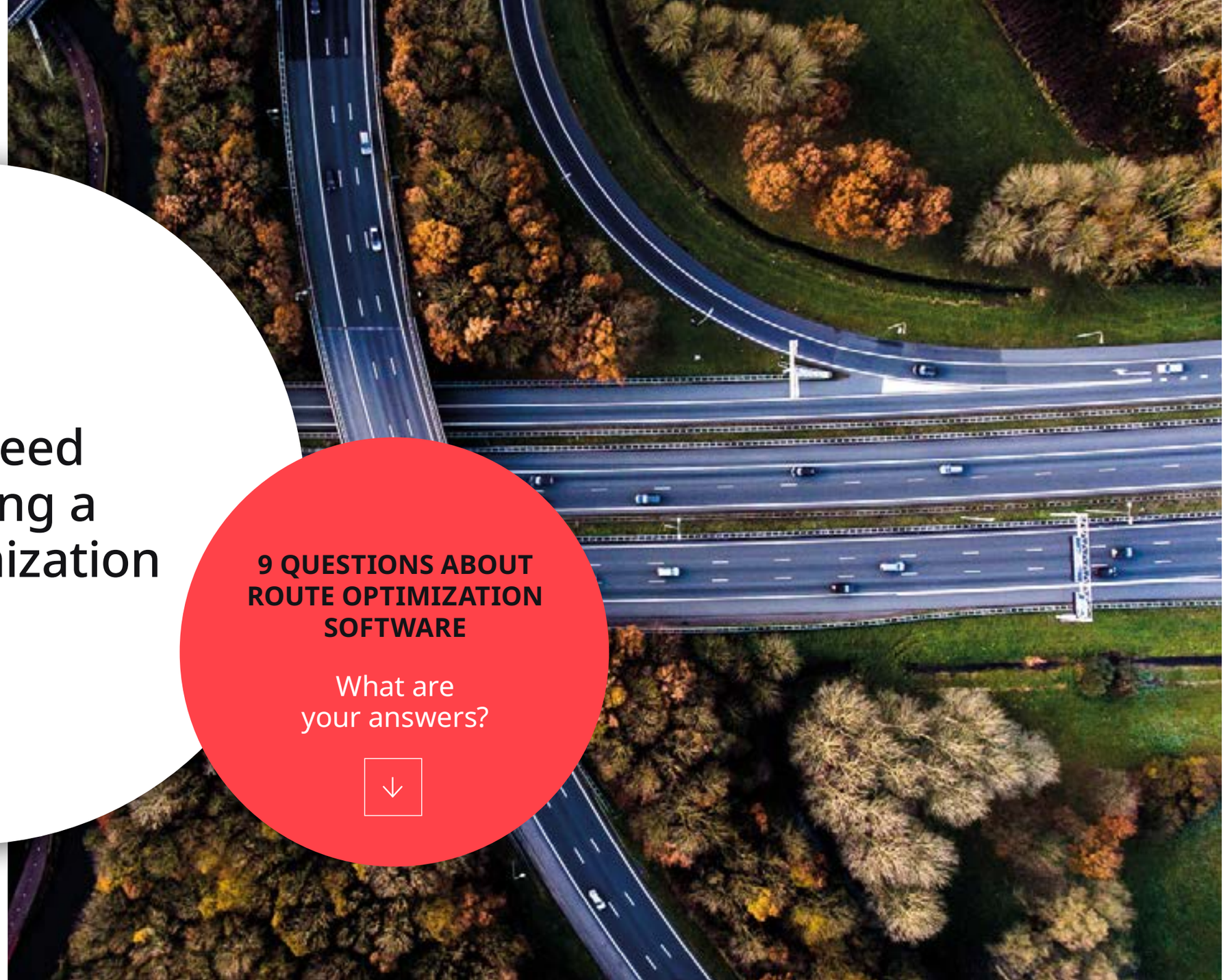
PTV LOGISTICS

White Paper

What do I need before buying a route optimization software?

9 QUESTIONS ABOUT ROUTE OPTIMIZATION SOFTWARE

What are your answers?



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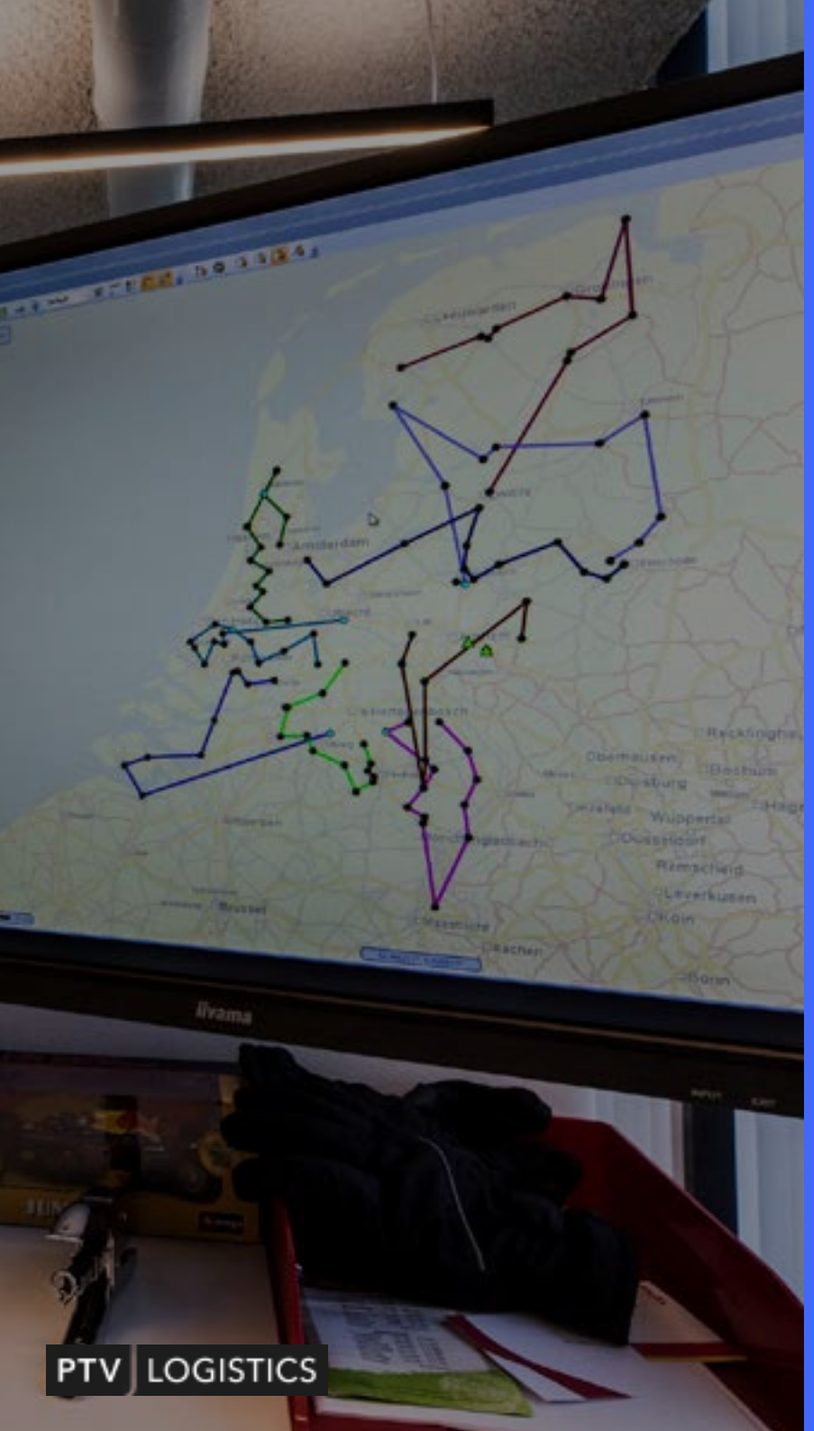

BENEFIT EARLY FROM THE ADVANTAGES

A route planning software automatically distributes your orders across the fleet. The orders indicate at which locations a truck must stop, and then the system calculates the optimal routes between those locations. This way, you are assured to get the most efficient transport planning – and save valuable kilometers and hours. Thanks to the system's planning accuracy, you serve your customers better.

CAN YOU ANSWER THESE QUESTIONS? →

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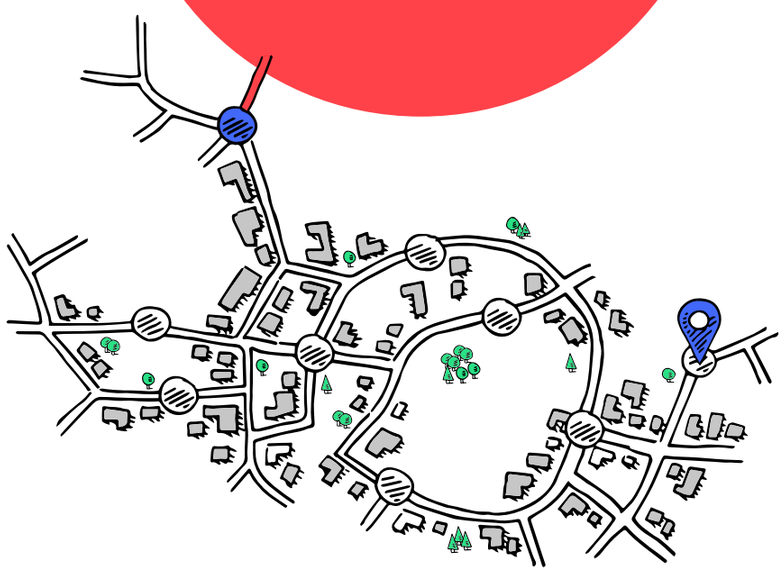
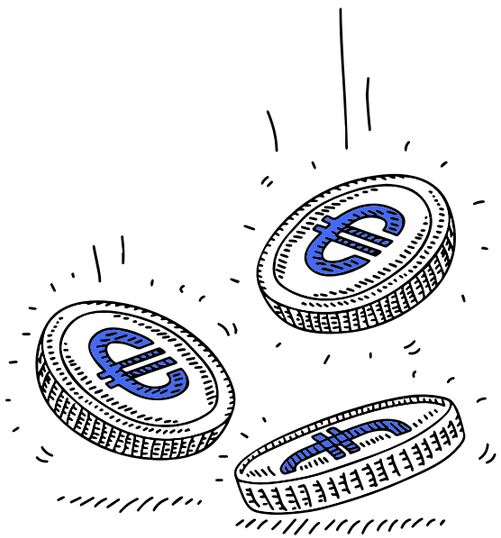
QUESTION 1

Do you have the necessary budget?



A route optimization software saves costs. But first, you will have to invest in it. This requires a budget – for purchasing licenses and possibly for hardware.

In addition, there are costs for setting up the system and for its integration with a transport management system (TMS) and on-board computers. Do some product research – speak to different software suppliers, to understand the costs and differences between them.



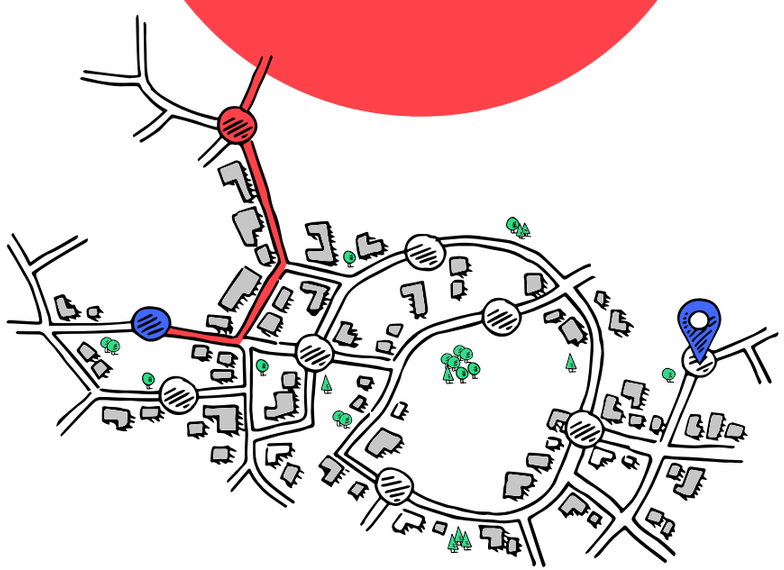
Finally, don't forget about the internal costs. The supplier of the route optimization software doesn't know how your planners work. You or one of the planners will have to brief the supplier on it. Next, the software must be set up and fed with vehicle specifications, drivers' details, and planning restrictions. Then, the software must be tested, and the users be trained.

In other words, for implementation of the software you will need employes, that will be diverted from other tasks for some time.

NEXT QUESTION →

QUESTION 2

Why are you buying the software?



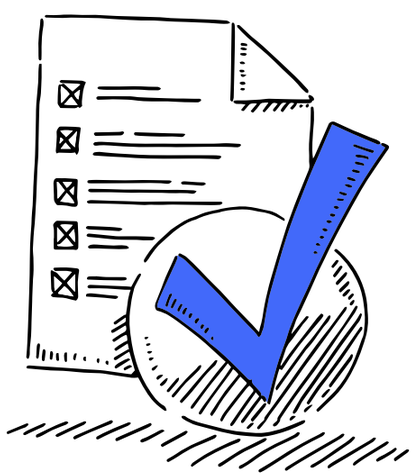
It seems like a needless question, but often companies do not have a clear answer to it. If you want this deployment project to succeed, first define what ‘success’ means. What are the objectives of the project?

There are many possible answers:

- Reduce transport costs
- Save planning time
- Keep a grip on a growing number of restrictions
- Improve delivery times offers
- Reduce fuel consumption and CO_2 emissions
- Deploy drivers more efficiently

Formulate the objectives as accurately as possible. For example, “Improving customer satisfaction” is too vague, because what does it mean in practice? That you have reliable ETAs (estimated time of arrival)? That you agreed on delivery times? That you charge less for transport costs?

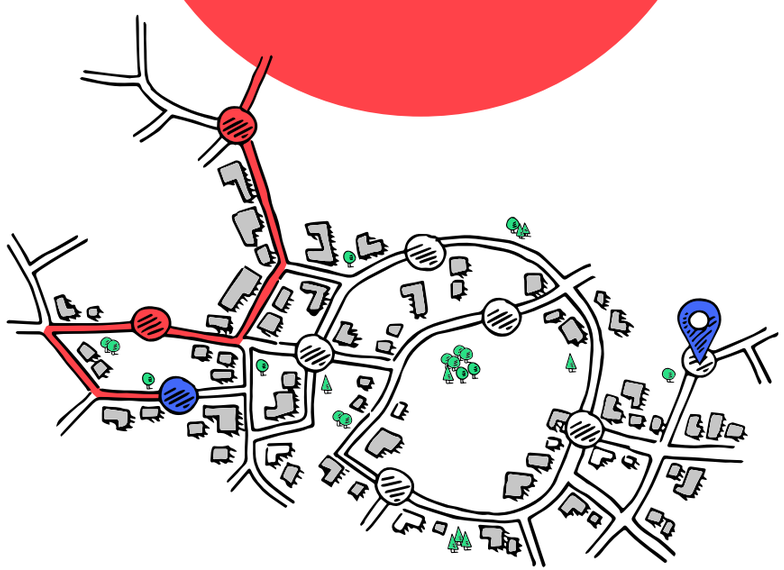
The sharper the objectives are, the better the implementation consultants know how to adjust the software to your needs.



NEXT QUESTION →

QUESTION 3

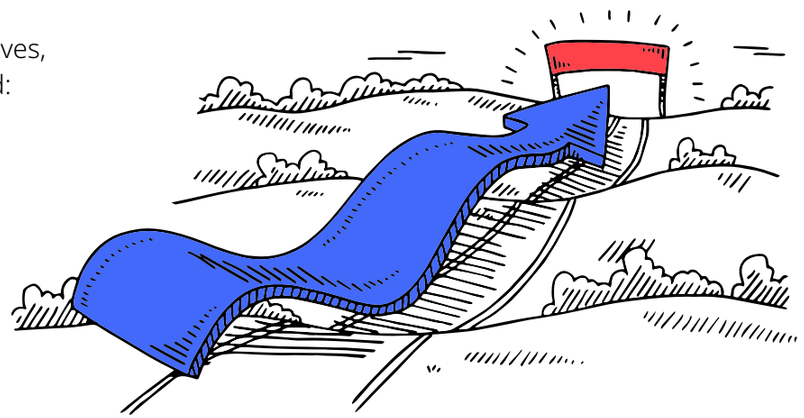
What do you really want to achieve?



How will you know if the implementation is successful? The answer is closely related to that of the previous question. Try to formulate the objectives in a measurable way. How much time should the planners save? What is the desired increase in the load factor?

When formulating objectives, follow the SMART method:

- **S**pecific
- **M**easurable
- **A**chievable
- **R**ealistic
- **T**imely



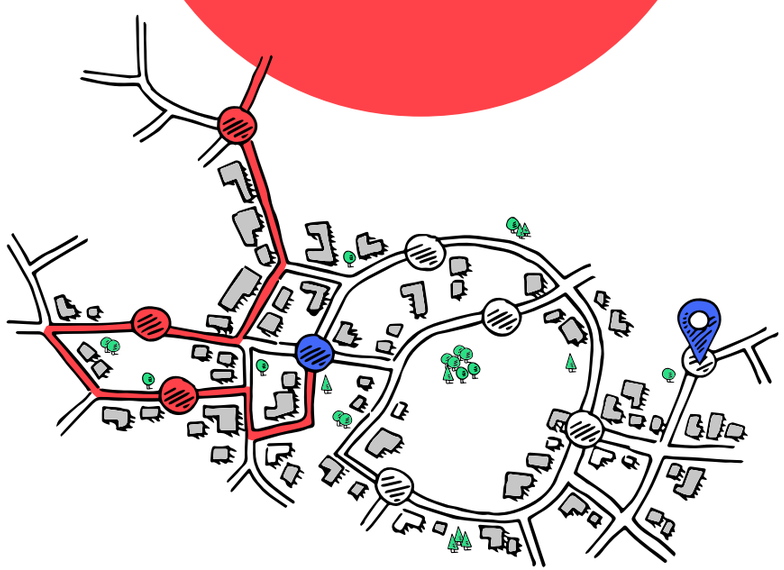
If the objectives are defined in this way, you can later check if they have been achieved. Can't do that? Then try to understand why.

SMART objectives also help to estimate the returns. What are the expected savings on transport costs? Are there other positive impacts on costs and turnover?

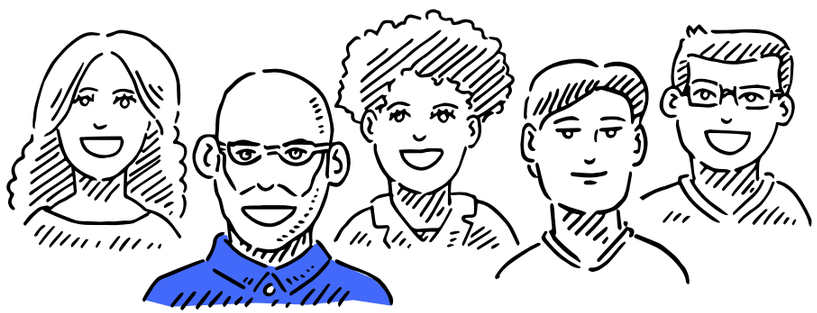
NEXT QUESTION →

QUESTION 4

Who’s going to work on the project?



A project requires a project team, designated from the employes of the company. But who would fit? Maybe people from the IT department, and for sure people with experience in planning.



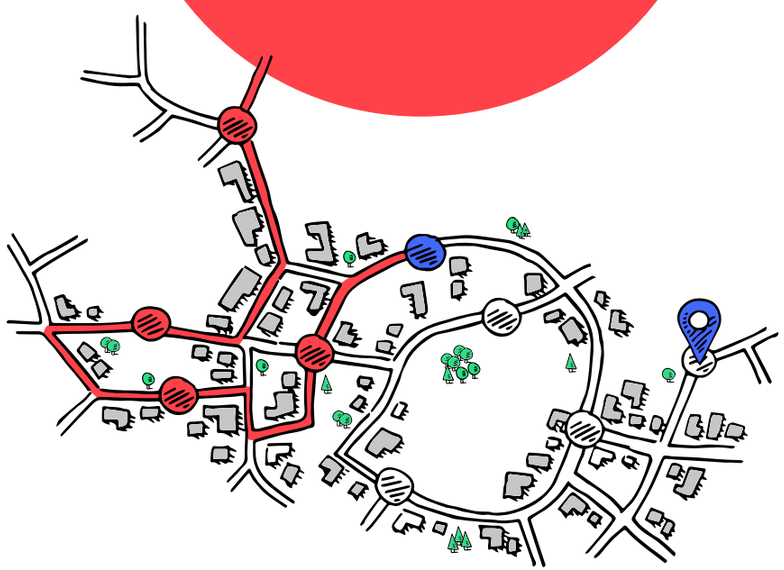
Choose the team members carefully. Do they all support the objectives of the project? Are they willing to dedicate time to its success? Are they able to be critical and think about long-term objectives? And what is the chemistry between them? A good composition of the project team is a crucial for a smooth and successful project.

Also remember that team members are the connection between the project and the rest of the company. A planner in the project team has the task of bringing the ideas of their colleagues in the discussions. Conversely, they should be able to clarify decisions within the project team, and to explain them to the other planners in the company. In other words, the planner is the “ambassador” of the route optimization software in the planning department.

NEXT QUESTION →

QUESTION 5

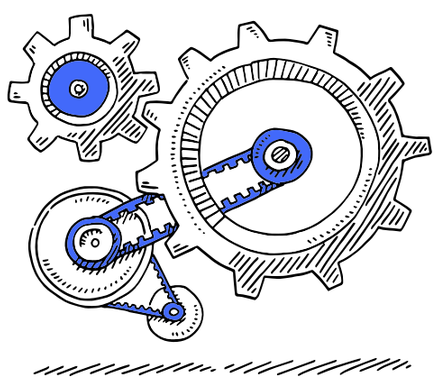
What other systems need to be linked?



A stand-alone route optimization software already offers a lot of advantages. But the benefits increase dramatically when the software is linked to other systems in the company. We're talking about the ERP or transport management system (TMS) from which the transport orders come from, and the on-board computers of the trucks which perform the trips.

An interface with a TMS allows you to automatically send transport orders, which are then fed into the route optimization software. This saves time and prevents errors. In addition, it's possible to restore the planning results in the TMS.

An interface with the on-board computers makes it possible to immediately send the trip plan to the right trucks. In return, data from the trucks allows the planners to know their geographical positions, follow their journeys closely, and reschedule them when needed to.

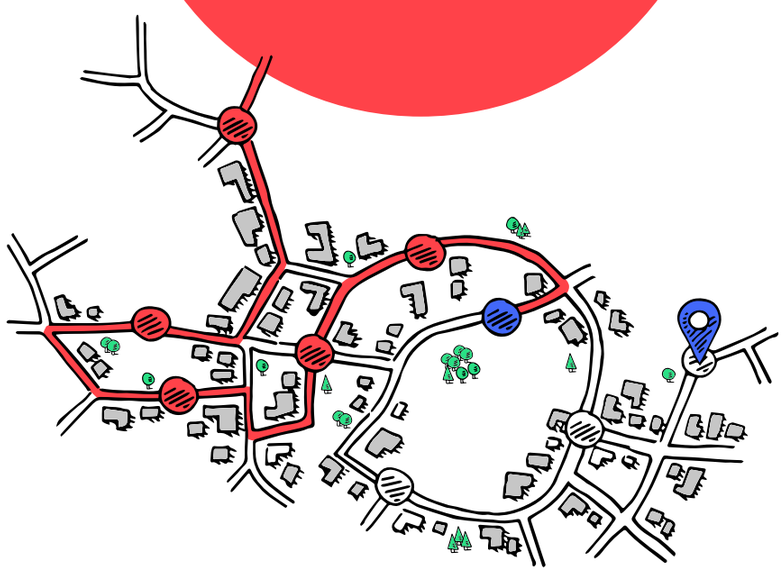


Creating interfaces can sometimes cause lengthy delays in the project. That's why there needs to be clarity about the timetable: To what other systems should the route optimization software be linked to? Are these standard systems or are they custom-made? Can a link with APIs be established, or is it necessary to work with import and export files?

NEXT QUESTION →

QUESTION 6

Is your IT department ready for the project?



The initiative to purchase a route optimization software often comes from the department that wants to use it. But the IT department, or the IT manager, are not less important in this process. How do they feel about the implementation? In many companies, this cooperation is a pre-condition for launching the project.

The question is what the IT department needs. What requirements do they set? What about management and maintenance of the new software? Do existing servers have sufficient storage capacity? Is it necessary to invest in new hardware? What are the cyber security needs? And does the IT department have time for this project?

Some companies prefer a cloud strategy, so the route planning is stored there. This means that no investment in new hardware is needed. If this is the case in your company, ask the software supplier about the best options for you.

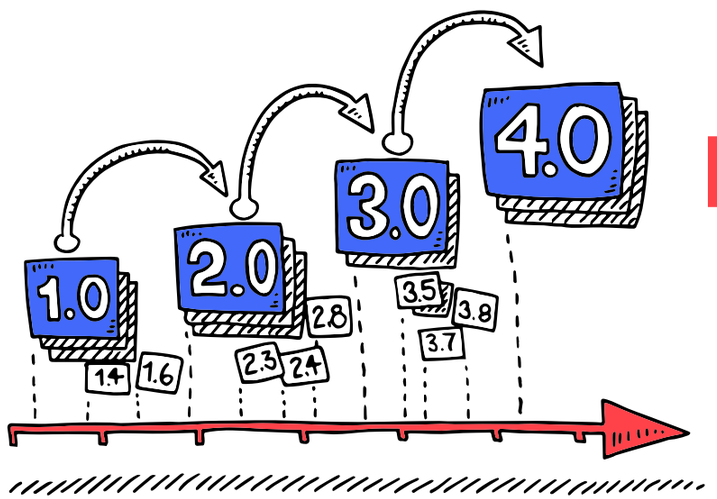
NEXT QUESTION →

QUESTION 7

When is the best time to start the project?

When does the project team have time to start the implementation? Are team members completely free to do the project, or do they have other tasks in the company? When can the relevant IT support team get started? And how long will the implementation take?

The last thing you want, is to cause inconvenience for your customers. Therefore, pay attention when setting the deadline of the project. Does it overlap the high season? When do you need to start preparations for it? Note that your planners have to get used to the new software and the new way of working. Plan the timetable with a bit of extra margin.

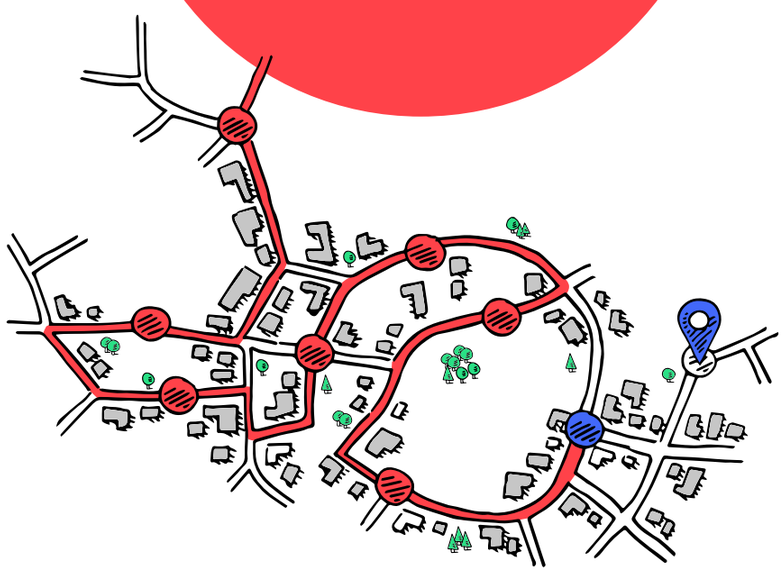


You can also decide to do the implementation in phases. Do you have several transport operations or planning teams? Then start using the route optimization software gradually – team after team, or activity after activity – to limit the impact on the organization. In addition, when the system is rolled out in phases, you can learn from feedback of the first implementation.

NEXT QUESTION →

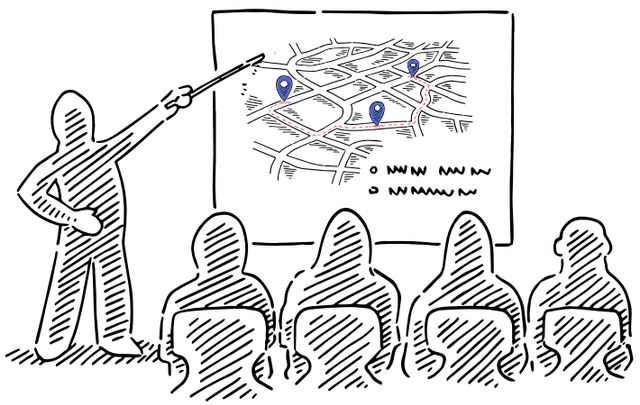
QUESTION 8

Who is responsible for the software?



Training the planners is crucial for a successful implementation. After all, a route optimization software is worth nothing if the planners don't know how to use it. The question is who needs to be trained – only the planners, or are there more users within the company?

Another question is whether the current transport planners have the right skills. We often hear that the planners of the future would need good IT capabilities: They should not just use the software for daily planning, but also monitor and re-program it if necessary.



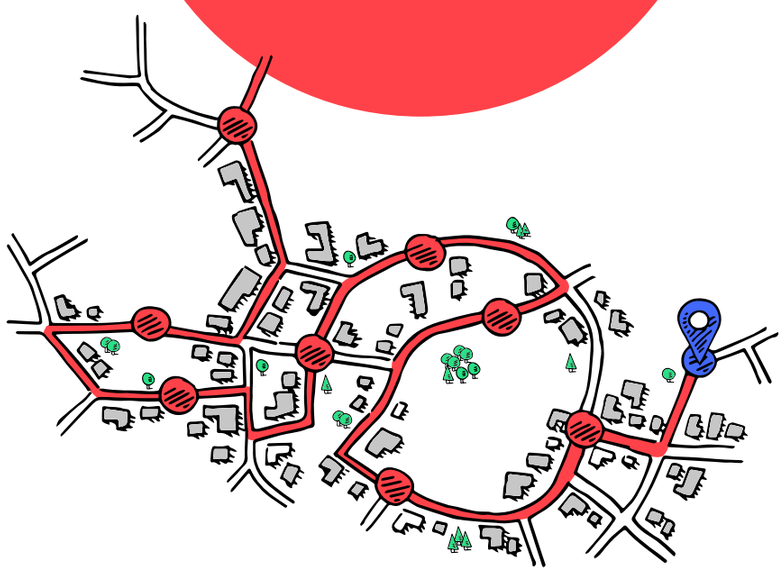
In addition, a route optimization software is used to create and analyze scenarios. What happens if the fleet expands? How will an extra depot affect our operations? And how will a new customer affect the planning process? Are there planners who can answer these questions?

The last question is who is responsible for ensuring that the knowledge is maintained and transferred. The quality of planning often decreases when planners leave the company, taking with them the knowledge of the software.

NEXT QUESTION →

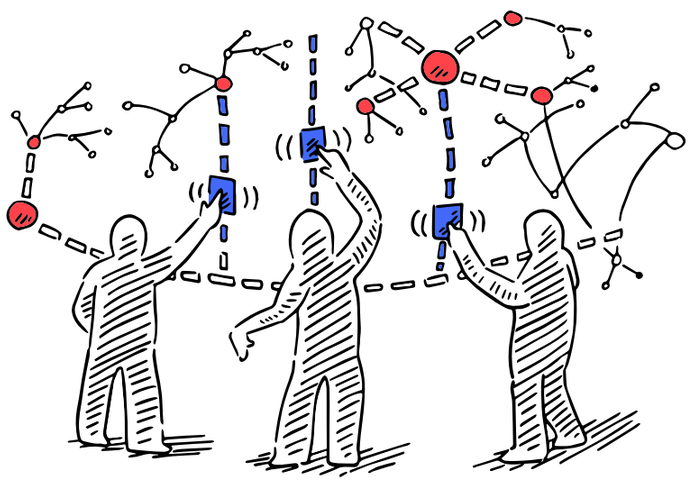
QUESTION 9

When is the project successful?



Most companies are already satisfied when a project is completed in time and within budget. But that's not enough for a project to be a success. For that, it's necessary to verify that the objectives and expected returns have been achieved (see question 3).

Of course, this cannot happen on the first day of commissioning, but maybe after three to six months. Therefore, keep on measuring the performance. And what if you observe that there is no improvement? Then it is useful to find out why, by discussing it with the software supplier and/or with the project team. Find out the reason for the lagging performance, and what can be done to improve it.

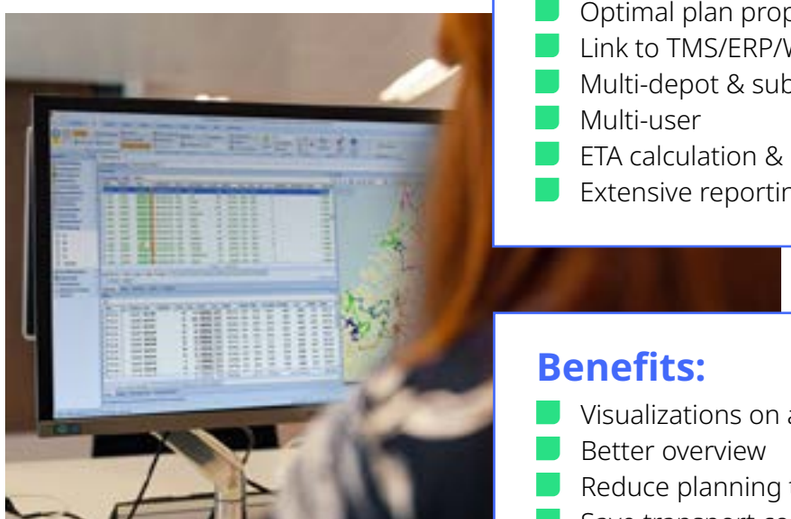


Sometimes it's necessary to adjust the system after commissioning or to fine-tune it. So that the costs incurred are recouped within the agreed time.

FEATURES AND BENEFITS →

PTV Route Optimizer

SAVE TIME AND MONEY WITH THE ROUTE OPTIMIZATION SOFTWARE



Functions:

- Automatically assign orders to resources
- Optimize the order of trip stops
- Consider restrictions
- Optimal plan proposal
- Link to TMS/ERP/WMS & Telematics
- Multi-depot & sub-depot planning
- Multi-user
- ETA calculation & communication
- Extensive reporting capabilities

Benefits:

- Visualizations on a map
- Better overview
- Reduce planning time
- Save transport costs
- Increase load factor
- Improve customer service

For whom is this software?

Transport & Logistics | Wholesalers | Food & Retail
Kitchens & Furniture | Field Service
Passenger transport | Manufacturers | Catering
Rental companies | Building & Construction Materials
and many more industries

PTV Route Optimizer customers

CONCLUSION →

THE ROAD TO SUCCESS

A route optimization software saves you kilometers, hours, fuel, and planning time, to name a few. But a smart software by itself is not enough. Your knowledge and experience of daily operations is necessary to optimize the software use. It's this combination – your skills and our software – that leads to a successful adaptation of a route optimization software.

PTV Logistics has over 40 years of experience in implementing route optimization software. We strive for close cooperation with our customers. Not only during the implementation period, but also afterwards – until your route optimization software functions optimally.

The principals of our approach:

- Short lines of communication
- Fast implementation
- Solution-oriented
- Pragmatic attitude
- Identifying planning bottlenecks
- Know-how

By choosing PTV Logistics as the supplier of your route optimization software, you've taken the first important step. But just as important is the implementation project – with your employes, project manager, and the PTV Logistics consultant. Together we will make it a success.

WANT TO KNOW MORE?

REQUEST A FREE DEMO →

WONDERING IF A ROUTE PLANNING SOFTWARE FITS YOUR COMPANY?

Please contact us directly for a free consultation. It's always possible for us to visit you on-site, view the current situation and discuss all possibilities. We have offices and experts all over the world.

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76131 Karlsruhe
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Contact us!

REQUEST A FREE DEMO →