

DESCARTES™

WHITEPAPER

DRIVER SHORTAGES

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SHORT OF DRIVERS? YOUR BUSINESS CAN STILL DELIVER

Empty shelves, cancelled services and late deliveries have become a big concern, as the shortfall of van and HGV drivers impacts on businesses and public sector services. With fewer drivers available, intelligent solutions are needed to overcome the challenge of increased demand in getting goods from A to B on time without having to recruit new drivers. If your supply chain is affected by this, the good news is, advanced route optimisation can help.

*Existing Descartes customers have increased delivery capacity by **35%***

The Road Haulage Association (RHA) has identified a shortage of up to 100,000 HGV drivers. During the height of the pandemic in 2020, some 30,000 HGV driving tests did not go ahead as planned. It is a problem so urgent, that the Federation of Wholesale Distributors have recommended the Government have the army on stand-by, in case they are needed for emergency food distribution. For time critical deliveries such as perishable goods, the outcomes of driver shortages and delays could be devastating for all those in the supply chain, resulting in vast wastage, lost revenue, and creating noticeable shortages of produce. It's a huge dilemma. With a shortage of drivers to deliver and increased demand for home delivery, logistics is shaken up and 'dragging its heels' across all industries.



THE LONG-TERM CHALLENGE OF DRIVER SHORTAGES

In July 2021, the media term 'pingdemic' was adopted by much of the press when many people were sent messages to self isolate by the Government's Covid19 app having been in close proximity to a person who was positive with Covid19 and this was blamed, as one of the causes for the driver shortage. Although testing was adopted as a plan to replace the recommended stay-at-home timeframes, the reality is, whilst the 'pingdemic' contributed to manpower shortages, there are more lasting, more long-term challenges around this situation than a temporary episode of mass quarantines. Indeed, the industry is expecting a sustained squeeze on supply chains that could last several months, making those critical periods like Black Friday and Christmas a nightmarish situation for distribution and delivery.

The pressures on haulage are well known since Brexit, where drivers have struggled with the new rules and barriers, finding themselves stuck in lorry queues, tangled in red tape and missing deadlines. Thousands of European drivers who were foreign nationals have returned to the EU, disillusioned with the UK's new demands and threats around the correct immigration paperwork required to continue working.

There is a clear risk that the shrinking pool of drivers will continue to decline as they choose to quit or take different career paths, faced with the additional pressures and workload. To compound this, the negative publicity seems to have made the job of a delivery driver less attractive for the new generation to take the wheel. The problem is hugely disruptive, and the cracks and desperate measures are already showing. Tesco put an offer out of a £1000 bonus for new HGV drivers to join their ranks prior to September, closely followed by others offering golden

handshakes of up to £5000 for new drivers.

The Government, aware of the growing disquiet and loss of drivers, has implemented a temporary, relaxed enforcement of driver's hours rules and is also looking to create more lorry parking facilities, while asking supermarkets to be more flexible with delivery times - but the problem is unlikely to be resolved with these measures. Increasing driver numbers is a big challenge and more immediate solutions are urgently needed. Likelihood of successful recruitment drives aside, although it takes only five intense days of training to drive a HGV, and up to ten weeks to finish the process of acquiring a license, it takes years of learning on the job to be an experienced HGV driver. To rely simply on mass-recruitment working, does not appear a steadfast solution to fixing this crisis, at least for the remainder of 2021 and years to come.

To exacerbate this escalating national logistics disaster, the Covid-19 pandemic has created an increase on the reliance of home delivery, which has further ramped up the pressure on truck and van drivers across the country. Whilst many stores were forced to close in the highstreet during 2020, according to the Office for National Statistics, clothing, household goods and other stores saw their proportion of online sales more than double during the pandemic period, whilst the proportion of sales for food stores saw an online increase in sales that accounts for almost 10% of all sales.

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DRIVING EFFICIENCIES TO MAKE DELIVERY FEASIBLE

On the surface this looks like a potentially overwhelming challenge that could upset the rhythm of commerce and ruin the reputation of some companies that have built their operations on their pledge to be reliable and meet delivery times without exception. Shifting the focus from searching for new drivers to managing the vehicles and drivers you already have better is one way to address the challenge, and could add efficiencies and savings ultimately beneficial for the operation and bottom line not just now but also for the long term.

For example, Descartes Reservations and Route Planner solutions with advanced route optimisation capabilities streamlined John Lewis Partnership home delivery operation, eliminating 1.5 million delivery miles per annum, saving £1 million on fuel and vehicle servicing, while critically, increasing delivery capacity by 35%. This was without adding drivers or vehicles to their existing fleet.

Comprehending these tangible advantages, you could argue, working smarter beats working harder and working more, every time. A mix of route optimisation and planning combined with real time tracking over optimal routes means having a clear overview of drivers' progress, with estimated times of arrival that have a high chance of being met and can be communicated to customers. Adopting flexible strategies based on daily data, with smart intelligent software can dramatically improve a company's logistics and delivery performance.

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An important part of optimising routes is responding to fluctuations in your distribution network, in real-time and dynamically planning deliveries as orders are taken. In a changing situation, which could be around capacity or demand, routes can be looked at in real time for more efficient planning. With new markets and new routes opening, balancing costs and capacity is a key to making the fleet and business run effectively. Many distribution-oriented companies stick to fixed or master routes which are out of step with volatile demand and can restrict growth opportunities. Fixed static routes (milkrounds) should however be viewed in the same way and optimised to create the most efficient delivery schedule possible.



To reduce operating costs and meet capacity demands, fleet operators need to challenge traditional methods and consider adopting the transformational efficiencies achievable with continuous background optimisation of delivery routes. Fixed routes or deliveries can be 'anchors' and other customers' deliveries can be dynamically inserted into route plans – creating a rewarding mix of stability and flexibility, when reactive changes are advantageous.

For true route optimisation, delivery points should be grouped to improve delivery density as much as possible. This can be done by offering incentives such as a reduced delivery fee to consumers at the point of sale to select delivery slots that maximise delivery density. A point of contention for drivers is delivering within their legal drivers' hours, something that improved route planning can incorporate. It prevents the stress for drivers, who may feel forced to break the speed limit or break rules to meet deadlines. Route optimisation therefore can be seen as part of a solution to retain valuable drivers and at least alleviate some of the pressures of the job that lead so many to quit.

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THE POWER OF INFORMATION ON THE ROAD

Vehicles using telematics coupled with mobile data communications opens up possibilities whilst driving, like corrective actions, adding jobs and having time to foresee and communicate delays or new information. This kind of oversight and management in real time enhances both driver productivity and customer experience and everyone has reduced frustration as a result. By shaving off excess miles, avoiding traffic issues and plotting optimal routes in real time, the marginal gains in combination add to substantial savings and improvements in performance.

Telematics has some interesting additional advantages, such as diagnostics for training to drive more efficiently – which in turn leads to less maintenance and servicing costs. For meeting compliance around drivers' hours, it's possible to automatically, remotely, download digital tachograph data for analysis and reporting. This is a time saver, as vehicle unit and driver card tachograph data can be downloaded whilst the vehicle is being used rather than downloading data when the vehicle is back in the depot. Operators also need a robust solution for verifying driving licences and driver CPC with DVLA as they hire new or agency drivers. The compliance management picture can then be completed with a vehicle safety check app where drivers can be

prompted to follow the daily vehicle safety checks before driving via a mobile app, ensuring the correct process is followed with an audit trail of location, duration and time of the checks conducted. The drivers can also attach photographs to highlight any maintenance issues in real time before they embark to ensure safety isn't compromised by roadworthiness. These are just some examples of how software and technology solutions empower drivers, operators and business strategies all at the same time. If drivers are in short supply and delivery demand is high, a strategy based on getting more out of the resources you already have and retaining drivers is required. Advanced route optimisation will ensure that delivery plans are fully optimised to increase delivery capacity by around 35% and are achievable within drivers' hours limits to reduce stress on drivers. Intelligent route planning will make logistics effective and powerful despite the immense industry-wide challenges present in 2021.

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Descartes has a suite of, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses. With the market challenges, shortage of drivers and logistics nightmares that are currently destabilising industries, using proven technologies to optimise delivery operations is a sound strategy. Advanced route optimisation will reduce the need to recruit new drivers, save money and keep reputations intact in these challenging times.

Contact the Descartes team at info@descartes.com to find out how to improve your operations and solve your delivery challenges or see <https://routinguk.descartes.com/>.