

Buyer's Guide

Courier & Logistics Guide: How to Buy Last-mile Delivery Technology

Create cost efficiencies and satisfied customers



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About This Guide

Like many professionals in the courier and logistics industries, you have likely experienced volatile supply chains driven by growth in e-commerce amid inflationary pressures, geopolitical complexity and economic uncertainty. This has undoubtedly created challenges in your logistics network, as you help your customers navigate last-mile delivery hurdles.

As we'll explore, the last mile is one of the most critical legs of the supply chain. Not only is it the most important leg, but it is also dynamic, costly, and complicated. The ever-increasing volume of shipments, the pressure to deliver more quickly and the need to be more cost-efficient are forcing courier and logistics companies to shed their legacy practices and rethink their last-mile delivery processes to fulfill the demands of their customers.

Perfect deliveries cannot be accomplished without the strategic use of last-mile delivery technology. Software platforms today can untangle the web of variables that every last-mile delivery accounts for, optimizing shipping, tracking, executing and routing, and ensuring the delivery experience exceeds consumer expectations. Manual and outdated processes are inefficient and are no recipe for competitive advantage.

This guide will help you understand how last-mile delivery technology can address your challenges and meet the needs and goals of your business. We'll examine whether buying or building last-mile delivery solutions in-house works best for your company and uncover what to look for when purchasing last-mile delivery technology.

Let's ensure all of your deliveries reach their destinations every time, on-time, accurately, efficiently, and as sustainably as possible.

And let's make it simple.



Last-mile Delivery

Products move by the millions daily across supply chains, often moving thousands of miles between the manufacturer and the final destination. The last mile is crucial as it's where the end consumer and product finally meet.

Last-mile operations for courier and logistics companies differ across geographies and product segments. Delivery costs for same-day deliveries in high-density cities will be low in comparison to low-density cities or rural areas but in high-density cities, logistics companies might face stiff competition with big retailers trying to build their own last-mile delivery networks.

The last mile is the most complicated leg of the supply chain because of its unpredictability and inherent requirement to cover large footprints quickly. Unlike the first and mid miles - which move products between a few known locations on a cadenced basis with a few stops - the last mile involves loading vehicles across multiple nodes quickly and efficiently routing them to multiple destinations. This makes the last mile inefficient, unsustainable and prone to risk. For companies to achieve superior delivery experiences, they must build adaptability and resilience into their delivery networks.

Superior Delivery Experience Defined



Accurate

Ensure every shipment is delivered on-time and at the correct location



Visible

Give shippers full visibility into their last-mile operations



Flexible

Offer multiple SLAs, delivery windows and payment options, and the ability to change enroute



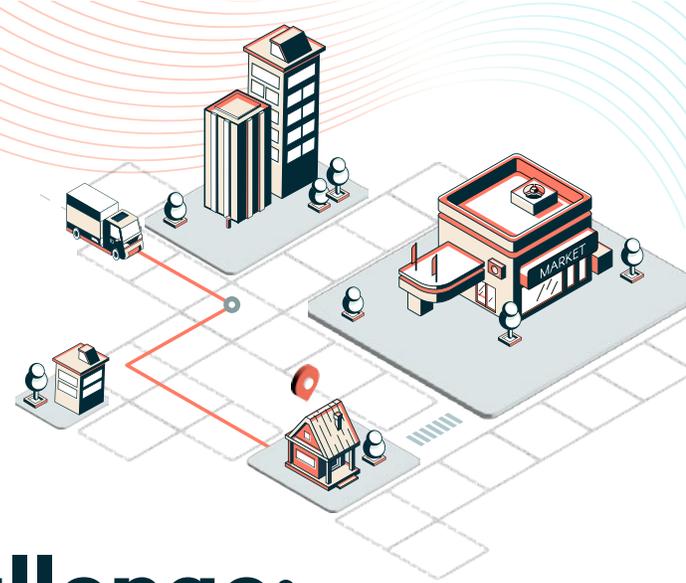
Low Cost

Reduce the cost of your customers' deliveries with more efficient and productive assets, drivers and processes



Sustainable

Increase efficiency and offer reduced-emissions delivery options to customers



The Last-mile Challenge: Barriers to Superior Deliveries

Lack of Visibility and Transparency

Complete order visibility is generally lacking for many courier and logistics providers. In many deliveries, there is a blind spot once a truck leaves a dock, with no accurate visibility of where the product is and when the customer can expect their order.

Poor Route Optimization

Courier and logistics companies struggle to create optimal routes for their drivers and vehicles. This creates inefficiency which costs carriers and customers both time and money, and increases carbon emissions impacting the environment and organizational ESG goals.

SLA Adherence

Logistics companies are always under pressure to comply with the SLAs laid down by the retailers. Several large retailers have imposed severe penalties on companies that fail to comply with the SLAs.

Outdated Technology

Courier and logistics companies not using a cloud-based software solution may face challenges creating new offerings to enhance customer experiences, expanding service offerings, updating new routes, tracking product status, and communicating with drivers and customers. Advanced technology increases efficiency and communication, which improves the last-mile delivery experience.

Slow and Costly Returns Process

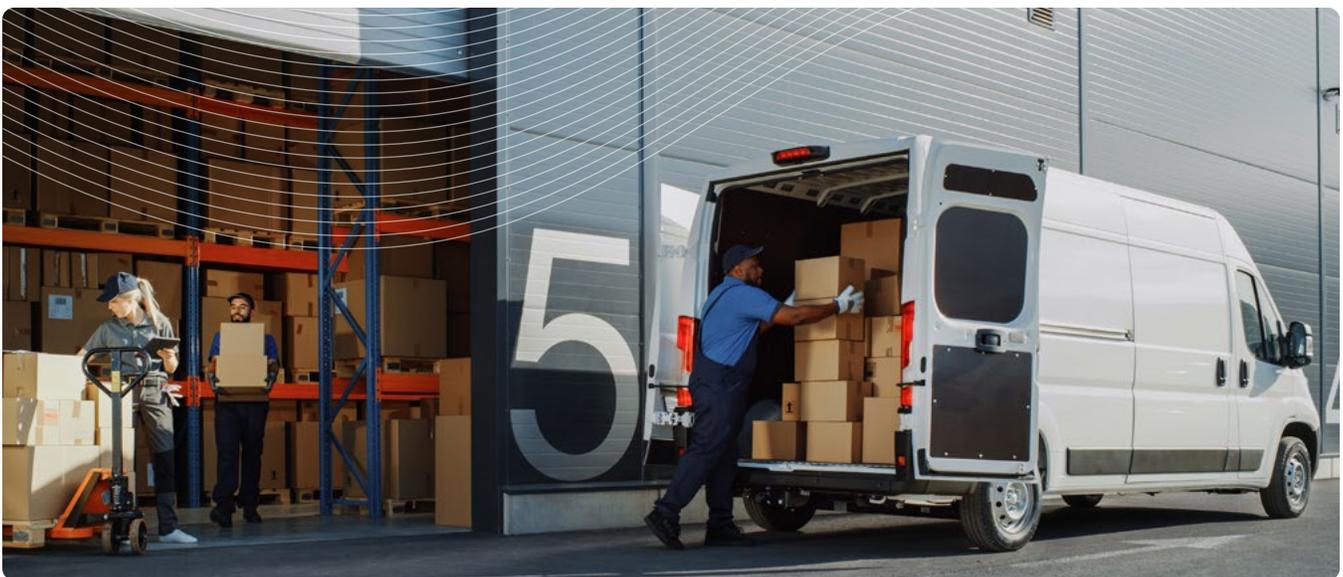
Customers today demand free, easy online returns. For courier companies, orchestrating reverse logistics can be costly, inefficient and unsustainable.

Why Every Company Needs Last-mile Delivery Technology

The rise of e-commerce giants have convinced consumers they can have any product delivered to them instantly. Courier and logistics companies must ensure they deliver superior consumer experiences, picking up orders from anywhere and having them delivered everywhere - to homes, stores or any variety of pick-up points.

Technology allows any company to automate and perfect last-mile deliveries, and that can yield increased customer loyalty and future sales. Today's last-mile software tackles complex problems with artificial intelligence, machine learning and automation with easy-to-use, low-code interfaces that can integrate easily with existing processes.

To remain competitive, courier and logistics companies must enhance their last-mile deliveries. Today's last-mile delivery technology has come a long way, and makes simplifying the last mile possible.



Solutions



Manage Peak Volumes

Optimize delivery orchestration and expand capacity across internal, external, and gig fleets to offer customers better, faster delivery options every time.



Expand Flexibility

Offer your customers more flexible delivery options and give them real-time visibility from order-to-delivery.



Maximize Asset Utilization

Reduce costs by maximizing asset utilization, optimizing routing efficiency and increasing workforce productivity to make more deliveries for less.



Configure Workflows On-Demand

Adapt to dynamic conditions to maintain an agile delivery experience by rapidly implementing process workflows without disruption or downtime and create superior returns experiences.



Benefits

Increased:

- ✓ Asset utilization
- ✓ Volume and available capacity
- ✓ On-time delivery rate
- ✓ Customer satisfaction
- ✓ Driver productivity
- ✓ Operational efficiency

Enhanced:

- ✓ Delivery tracking, visibility and ETA transparency
- ✓ Scheduling flexibility
- ✓ Demand forecasting and planning
- ✓ Carrier integrations

Reduced:

- ✓ Carbon emissions
- ✓ Lost or failed deliveries
- ✓ Customer service calls due to failed / missing delivery
- ✓ Loading and transit time
- ✓ Fuel usage
- ✓ Last-mile cost

Who this impacts

- ✓ Customers
- ✓ End-consumers
- ✓ Drivers
- ✓ Dispatchers
- ✓ Managers
- ✓ Executives

With the ongoing integration and enhancement of automation across the courier and logistics industries, technology will continue to be a disruptor in how products move within the last mile, further separating those who deliver superior consumer experiences and those who do not.



The Big Question: Buy vs. Build

We have identified the key challenges companies have in achieving superior last-mile deliveries and uncovered how technology platforms can solve them. Now for the big question - do you build the platform in-house or buy an existing platform from a vendor?

Some key questions to examine as you make your decision:

- ▶ Does the platform exist? Is it easy - and fast - to deploy?
- ▶ Do I have the resources to build and maintain a platform in-house?
- ▶ How much does it cost to build and maintain versus buy?

Existing Platform Available to Buy	In-house Resources Available to Build	Cheaper to Buy	Decision
⊖ No	⊖ No	N/A	Outsource
⊖ No	✓ Yes	N/A	Build
✓ Yes	⊖ No	✓ Yes	Buy
✓ Yes	⊖ No	⊖ No	Buy
✓ Yes	✓ Yes	✓ Yes	Buy
✓ Yes	✓ Yes	⊖ No	Buy*

*Long-term cost analysis favors buy over the lifetime of platform use. See below for more detail.

Every company involved in last-mile delivery has nuanced challenges. This alone may drive companies to consider creating their own custom solution. There may be enough internal resources to create a solution in-house and the cost may at first seem lower than purchasing off the shelf. However, the benefits fall apart long-term.

Digging Deeper: Why Buying May be the Right Choice Over the Long Term

1 Speed of Deployment

Creating in-house solutions can take a long time, whereas existing solutions can be implemented and deployed rapidly. Companies want to realize competitive advantages quickly, and superior technology solutions can fast-track success.

2 Pace of Innovation

Building an in-house solution requires time and effort, as does keeping it updated with current technology. Although you may be able to build a solution, keeping your solution on pace with changes in your company, industry and technology can be a long-term hassle. Free-up your company's resources to focus on operational development, agile configurability and creative problem-solving, not software development.

3 Customization

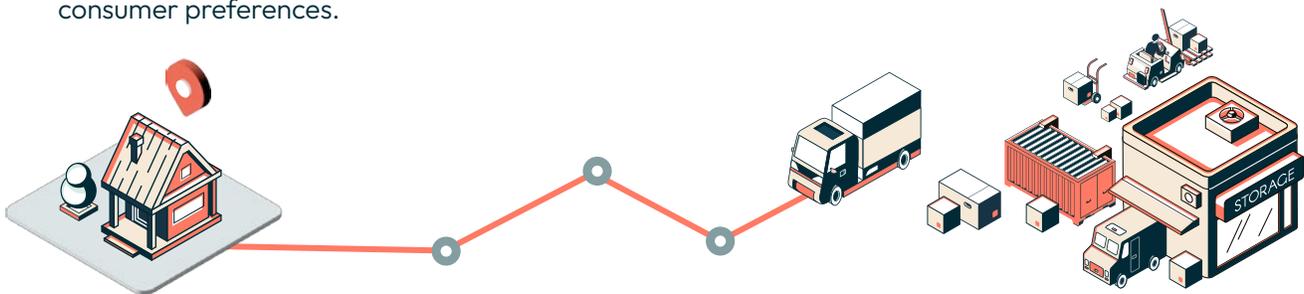
An in-house platform offers the chance to better tailor solutions. However, if poorly designed for the long term, an in-house solution can quickly become a burden that cripples an organization's ability to scale and adapt. Current last-mile technology vendors have the scope and flexibility to customize existing solutions to the needs of your business - and adjust to dynamic, evolving consumer preferences.

4 Cost

Using a software provider helps you spread out and control the development and maintenance costs of the technology over time and across business units as an operating expense (OPEX) rather than a large up-front capital expense (CAPEX) that adds risk and uncertainty. Sometimes, the cost of purchase may seem high initially, but the added benefits, scalability and efficiencies that an existing platform provides can ensure lower costs over the long term and higher lifetime value.

5 Carrier Network Access

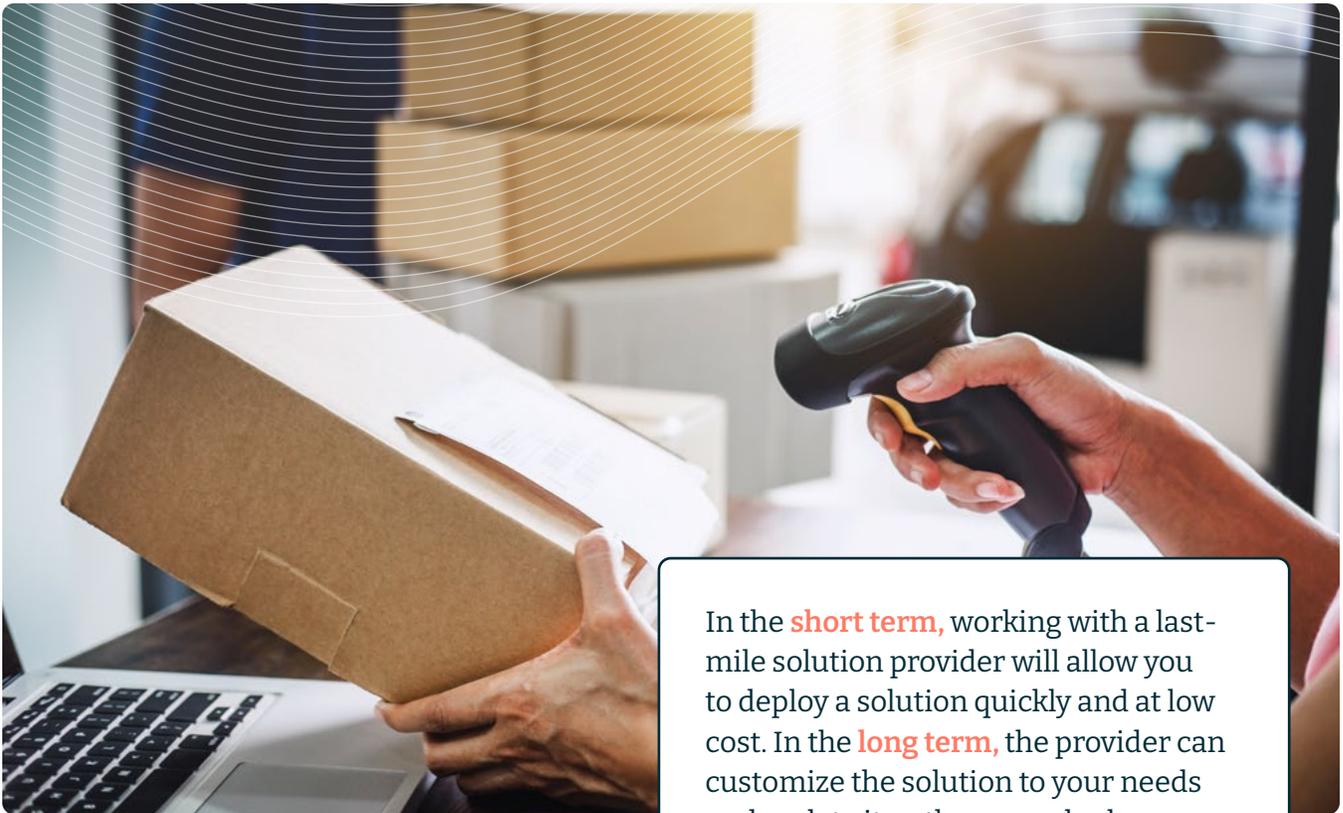
Existing last-mile software solutions typically include access to large carrier networks. If you build a solution and you plan to outsource some of your deliveries, you will need to contact multiple carriers individually and then integrate with them in order to create your own carrier network. Instead, grow your global delivery footprint by working with a leading last-mile software provider that offers a large, built-in delivery network to extend your reach and serve new customers in new locations. This approach will enable you to create a more scalable and resilient last-mile delivery network much more quickly and cost effectively.



Typically, companies that purchase last-mile delivery solutions agree with the below criteria:

- ▶ Building software is not a core part of its business
- ▶ There are solutions in the market that address relevant business challenges
- ▶ Internal resources are limited, and they need to focus on core competencies, not software development
- ▶ Fast deployment is a higher priority than a fully customized product

In the short term, working with a last-mile solution provider will allow you to deploy a solution quickly and at low cost. In the long term, the provider can customize the solution to your needs and update it as those needs change. With today's low/no-code last-mile delivery platforms, integrating with existing processes and APIs has never been easier.



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What to Look For and How to Choose?

Purchasing last-mile delivery software can seem daunting, with many technology providers to choose from. Here, we'll break down the key solutions to common last-mile delivery challenges and provide a list of capabilities you should look for when making a purchase decision.

Evaluating potential solutions

As emerging technologies continue to transform logistics, last-mile solutions are critical to success. Here are some pointers to look for while evaluating potential solutions:

- ▶ Does the software solve for pain points of each key stakeholder?
- ▶ Will the software be able to solve any potential pain points?
- ▶ Are IT data standards met?
- ▶ Does this software have all essential integration points with existing systems?
- ▶ Is it a robust all-in-one solution which can take care of any expansion I might have in future?
- ▶ What are the upfront investment and onboarding costs?
- ▶ Does the solution provider already have experience working with companies with similar needs and business models as yours?
- ▶ Does the software provide ongoing operating efficiencies and margin enhancement?



Evaluating Features and Capabilities

Each of the below key last-mile delivery platform capabilities currently exist in the market. Which do you currently have and which do you have a need for that potential vendors can provide?

Capability	Description	Have	Need
Cloud-Based	SaaS-based product hosted on a multi-tenant cloud, that is highly scalable	<input type="checkbox"/>	<input type="checkbox"/>
Platform Accessibility	Low-code development environment with customizable UI/UX	<input type="checkbox"/>	<input type="checkbox"/>
Visibility & Tracking	Tracking deliveries from order-to-door and ETA visibility for customers and end- consumers: <ul style="list-style-type: none"> ✓ Intelligent ETA predictability ✓ Logistics control tower ✓ Multi-modal visibility ✓ Pickup and delivery visibility ✓ Order-to-door visibility ✓ Intelligent Alerts, Notifications, and Exception Management ✓ Visibility dashboards 	<input type="checkbox"/>	<input type="checkbox"/>
Driver Crowdsourcing	Easy driver onboarding regardless of demand fluctuation: <ul style="list-style-type: none"> ✓ Driver onboarding & management ✓ Driver mobile application ✓ Shift planning 	<input type="checkbox"/>	<input type="checkbox"/>
Routing	Loop optimization with hybrid routing capabilities that reduce manual route planning: <ul style="list-style-type: none"> ✓ Address geocoding ✓ Loop optimisation ✓ Hyperlocal routing ✓ Real-time automated routing 	<input type="checkbox"/>	<input type="checkbox"/>

Capability	Description	Have	Need
Returns Management	<p>Simplify the reverse logistic operation with reduced costs and faster returns:</p> <ul style="list-style-type: none"> ✓ Refund payment processing ✓ Returns scheduling ✓ Returns tracking and visibility 	<input type="checkbox"/>	<input type="checkbox"/>
Workflow Creation	Business Process Management (BPM) engine enables you to create a workflow that maps to their operational strategy via a drag/drop interface	<input type="checkbox"/>	<input type="checkbox"/>
Platform Optimization	AI/ML optimization that leverages pre-built templates with the no-code engine to reduce go-live times	<input type="checkbox"/>	<input type="checkbox"/>
Integrations	<p>Enable fast integrations using pre-built integrations and connectors:</p> <ul style="list-style-type: none"> ✓ API-based ✓ File-based 	<input type="checkbox"/>	<input type="checkbox"/>
Access Management & Security	<p>Ensure safe, secure access with tools like:</p> <ul style="list-style-type: none"> ✓ Single sign on (SSO) ✓ Role-based access control (RBAC) ✓ Log Retention 	<input type="checkbox"/>	<input type="checkbox"/>
KPI Dashboards and Reporting	Customisable dashboards that showcase data that helps management analyze and make better decisions	<input type="checkbox"/>	<input type="checkbox"/>
Project Implementation	Implementation activities such as configurations & development, internal testing, demos, and customer feedback	<input type="checkbox"/>	<input type="checkbox"/>

Capability	Description	Have	Need
Address Geo-Coding	Increase the accuracy of deliveries with quick and easy address checking and correction	<input type="checkbox"/>	<input type="checkbox"/>
Digital Proof of Receipt	Get Real-time ePODs, e-signature and customer feedback	<input type="checkbox"/>	<input type="checkbox"/>
Machine Learning Intelligence	Machine learning (ML) intelligence learns from previous data and builds logic to enhance efficiency and overall experience	<input type="checkbox"/>	<input type="checkbox"/>
Global Solution	Highly scalable solution that can be implemented within any geographical location	<input type="checkbox"/>	<input type="checkbox"/>
Label Generation and Printing	Support label generation(generic as well as custom), Bluetooth printers and “ring scanners” for a hands-free printing experience to supervisor	<input type="checkbox"/>	<input type="checkbox"/>
Dynamic Fleet Management	Minimizing transportation costs by dynamically managing internal, external, and outsourced gig-fleets	<input type="checkbox"/>	<input type="checkbox"/>
Support Policies	24x7 support available across time zones with priority-level incident resolution	<input type="checkbox"/>	<input type="checkbox"/>
Sustainability Measures	Carbon emissions dashboards to measure and act upon environmental impact. Create sustainable routes and implement carbon-free delivery modes	<input type="checkbox"/>	<input type="checkbox"/>

Pricing

When purchasing any technology from a vendor, it can be difficult to estimate costs. Industry, region, transaction amount, current delivery model, customization, level of support required and specific modules purchased all play a role in determining the cost to your business. You should consider the costs associated with implementing the technology, the short-term cost using the technology in your current business model and the long-term costs that may change as your business evolves.

Typical Pricing Models

Flat Rate

- + Easy to budget for
- + Easy to communicate internally
- Not proportional to services consumption
- No financial incentives for increased consumption
- Higher financial commitment irrespective of usage

Price per Transaction (all modules)

- + Higher commitment offers financial incentives
- + Better for cost and bill of material (BoM) Analysis
- Difficult to budget and plan for
- No transparency of module-based pricing

Price per Module with Transaction Volumes

- + Easy to budget for
- + Easy to communicate internally
- + Not proportional to services consumption
- + No financial incentives for increased consumption
- + Higher financial commitment irrespective of usage

Look for few specific terms that are favorable to your business:

Commitments

Start with lower commitment in first year and move to higher commitment in future years to get better pricing

Price Bands

Check for tier-based pricing to get incentives for higher consumption

Contract Durations

Long-term contracts offer financial incentives

Billing

Advance billing offers additional financial incentives and some freebies

The Integration Process

When purchasing last-mile delivery technology, you need to integrate your processes and technology with the vendor’s platform. This requires connections, or APIs, between both parties to allow them to communicate with each other. Personnel and resources will need to work together to write the necessary scripts to the requisite APIs. And then they must be tested and validated.

This can take time, especially for smaller companies with limited resources. Although quality integrations are more important than integrating quickly, you don’t want to spend months waiting to be up and running. Speed is crucial here, and fast integration processes can ensure greater speed-to-market and allow you to realize competitive advantages more quickly. Typically, integration timelines range from a few days to a few months.

Understanding the integration process and timelines needed are key considerations you should ask potential vendors, as are your own processes and capabilities.

Common Causes of Delay During the Integration Process:

Be sure to discuss these with vendors and internal stakeholders



Data Integrity

- ▶ Poor data
- ▶ Inconsistent data
- ▶ Failure to map data to correct fields



Internal Resources

- ▶ Improper tools
- ▶ Lack of capabilities
- ▶ Poor resource bandwidth

Integrations connect your business with a technology provider and/or third-party provider technology (such as one of your carriers) across various aspects of last-mile delivery. Below are just a few examples of specific API connections that allow the two parties to communicate:

Fields	Data Type	Field Description	Example
carrier_code	String	Carrier code to be shared if the shipment is pre-assigned to a carrier	DHL, FEDEX
shipper_code*	String	Unique code of shipper system	FLK(Flipkart), AMZ
shipper_tax_number	String	Tax Identification Number is the unique business identity necessary for billing	254618662342879
type_of_order*	String	Type of order	Forward, Reverse, Exchange, Dropoff
main_modality	String	Mode of transport	Road, Air, Ocean

Checklist for Success

Mapping Your Future

Here is a brief checklist to help you outline your company's future last-mile delivery goals, as well as your current processes and KPIs. When working with a last-mile delivery technology vendor, you can expect to provide similar information to help find a solution tailored to your challenges that works best for you.

Goals

Which last-mile delivery goals are you looking to achieve?

- Increase delivery volume and available capacity
- Increase on-time delivery rate
- Increase delivery success rate
- Increase driver productivity
- Increase the number of delivery scheduling options
- Increase service level agreements (SLA) and scheduling options
- Increase vehicle capacity utilization
- Increase delivery address accuracy
- Improve chain of custody for shipments
- Improve reverse logistics
- Improve delivery tracking, visibility and ETA accuracy
- Improve consumer experience with multiple communication options
- Improve sorting and consolidation of shipments for fleet
- Improve lane performance Bi/Metrics
- Improve alert frequency on different modes of transportation
- Improve efficiency in label generation and e-billing
- Reduce carbon emissions
- Reduce manual workflow through automated processes
- Reduce high operational costs during peak-season
- Reduce calls to customer-service centers due to failed/missing delivery
- Reduce planning hours at DC by station managers
- Reduce loading and transit time
- Reduce last-mile cost
- Reduce errors and leakage in your last-mile
- Other(s) _____

Metrics and Key Performance Indicators (KPIs)

How do you currently measure last-mile performance and success? How do your current metrics compare to your target metrics?

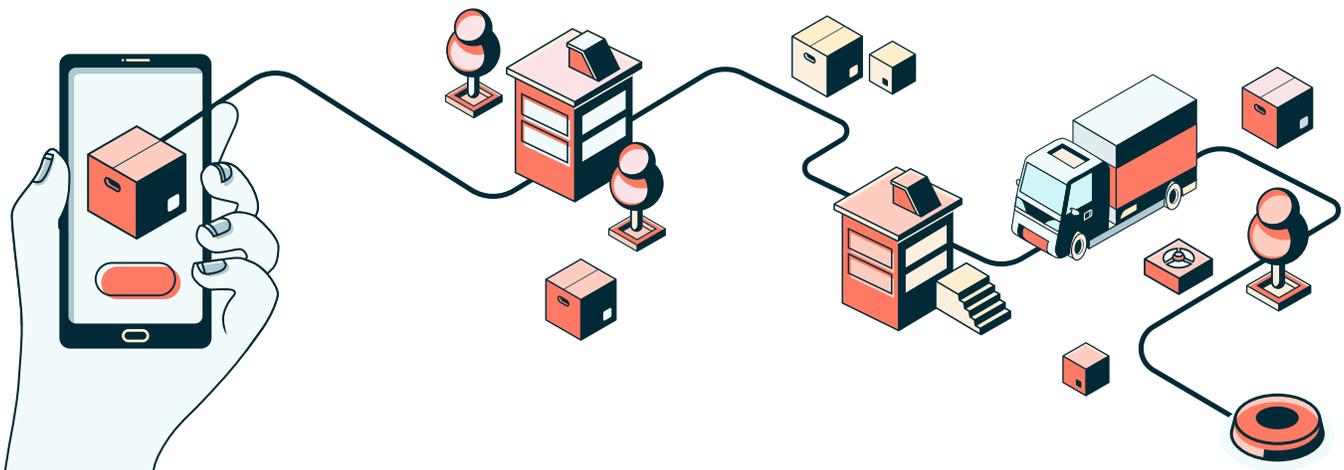
KPI	Currently Measured	Current Value	Target Value
% On time in full (OTIF)	<input type="checkbox"/>		
Tracking Consistency of Shipments	<input type="checkbox"/>		
Driver Performance	<input type="checkbox"/>		
% Deliveries Made First Attempt	<input type="checkbox"/>		
Capacity Utilization	<input type="checkbox"/>		
Cost per Delivery	<input type="checkbox"/>		
Cost per Trip	<input type="checkbox"/>		
Delivery Lead Time (average)	<input type="checkbox"/>		
Total Number of Stops	<input type="checkbox"/>		
Total Km or Miles Driven Daily	<input type="checkbox"/>		
Cost per Mode	<input type="checkbox"/>		
Carbon Emissions (Tons)	<input type="checkbox"/>		
Stops per Hour	<input type="checkbox"/>		
Planned vs Actual Mileage	<input type="checkbox"/>		
Cost per Returned Order	<input type="checkbox"/>		
Other(s)	<input type="checkbox"/>		

First Choice for Last Mile

FarEye's Delivery Management platform turns deliveries into a competitive advantage. Retail, e-commerce and logistics companies use FarEye's unique combination of orchestration, real-time visibility and branded customer experiences to simplify complex last-mile delivery logistics. The FarEye platform allows businesses to increase consumer loyalty and satisfaction, reduce costs and improve operational efficiencies. FarEye has 150+ customers across 30 countries and five offices globally.

FarEye's Delivery Management Platform

- ▶ Access real-time visibility, ML-driven insights, and decisioning for shippers, carrier networks, and consumers
- ▶ Optimize dynamic routing, delivery scheduling, order tracking and delivery accuracy
- ▶ Provide flexible and frictionless order tracking and fulfillment controls in a branded consumer experience
- ▶ Create opportunities to upsell and strengthen brand and consumer relationships
- ▶ Map business process management workflows to current operational strategies
- ▶ Manage green fleets, reduce CO2 emissions and achieve sustainability goals



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