



# Five Steps to Better Route Planning

*Ideas to consider when investing in routing software  
for long-term growth and profitability*

**By Cyndi Brandt**

**I**n the textile services industry, customer satisfaction isn't always about how many trucks you have, or how much ground you cover. It's about the larger relationship you have with customers—how well you can respond to their needs and contribute to a smooth, efficient and successful operation. In many ways, the same goes for the route-

optimization solutions that textile service fleets use. Technical features and advanced capabilities are critical advantages, but knowing what qualities to look for from a potential vendor can be just as important to your operational success. We've learned this from our own customers, whose evaluation of our solutions rarely is just about what comes in the box.

### **Routing solutions rising**

In today's textile services market, route management is a fundamen-

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tal part of maintaining operational efficiency and good customer service. The economic downturn has hampered growth in this industry—as in so many others. At the same time, over the past five years, delivery costs as a percentage of sales have risen for most sectors of the textile services industry, from linen suppliers to healthcare laundry providers, according to TRSA's *2009 Strategic Analysis of the Textile Services Industry*. Energy costs have helped drive that trend, and the same TRSA analysis confirmed that they've contributed to the increasing use of GPS and route-optimization systems.

### **Choices, choices**

Today's market includes several providers of fleet-management solutions used by numerous textile services companies. Cost savings, operational efficiencies, environmental benefits and service improvements—the advantages that route-optimization and GPS tools can provide to textile services firms are well documented. The question is what should someone consider when looking for a provider? Individual features and technical advantages, such as Web-based platforms, of course are important for buyers seeking maximum functionality and minimum complexity.

But there's more to consider in making your selection. Your solution should offer an investment with long-term ROI—and there are ways to ensure that experience is positive and truly helps your business become more efficient and more successful.

Here are five key factors to include on your checklist:

#### **1. Have they put in the miles?**

Yes, you need cutting-edge technology—but you shouldn't have to sacrifice partnering with a start-up—or a newer company. An important part of your relationship with your vendor will be how well they understand your business and history and the degree to which they can guide you toward sound technology decisions. Industry-specific experience and insight will ensure that you and your vendor are on the same page.

For example, vendors who know the textile services industry understand that customer service is the key differentiator for your customers. Many aspects of textile services businesses center on commodity items: uniforms, mats, bar mops, napkins, etc. Therefore, it's the service you provide that sets you apart and secures the account. You're looking at profitability, but not at the expense of service times. A vendor with the right experience understands that relationship and will help you achieve the right balance between improving customer service, while lowering costs. But how? One example is by managing service areas so that fewer people are involved in each customer account. Routing technology can be used to plan routes, avoid construction and organize deliveries. But it also can be a way to tighten up routes and organize territories geographically. This enables service personnel to spend more

time with each customer, while giving them more consistent interaction with their service providers.

Finding the best way to balance service—while simultaneously focusing on your bottom line—is a fine art. Working with a company that has been in the game for a while can help you reach your goals. The more experience a provider has, the greater their understanding of your unique business needs.

#### **2. Is it news you can use?**

What about reporting and analytical tools? Many companies overlook and undervalue this critical step. One of the most important aspects of fleet management technology is having the ability to measure the effectiveness of your plan. In fact, it's *the* most valuable piece. Why? Reporting is the only way to accurately track costs. By combining your route plan with GPS tracking, you can measure your plan's projections vs. what's actually happening. This gives you concrete information, thus enabling you to make informed business decisions. Without access to this information, you're making best guesses—and in the process leaving money on the table.

Partner with a company that provides robust, but practical reporting tools that will allow you to access useful information to improve your route plans.

#### **3. Growing and improving?**

Have you thought about how often a given provider offers new product updates and releases? What are these updates based on? Making sure that your software provider is willing to accept customer feedback and consider this in the planning process is essential to demonstrating a long-term commitment. As a rule of thumb, you can expect about one major release annually—coupled with smaller releases throughout the year.

Technology is always moving forward, improving and refining processes—a big part of your success with software will stem from working with a company that keeps pace with customer needs and technological advances.

#### **4. Who's on call?**

Reliable customer support is a must to ensure the success of your system. You want good product, good training and the ability to get the help you need whenever you need it—especially during the wee hours when no one else is around. At any hour, dedicated customer service is essential.

You also should consider who's answering the phone. Are they highly familiar with the product? Do they know you as a customer? Are they down the hall from the product team to get answers, or are they several time zones away? Are you waiting minutes or seconds for an answer to your call?

Good technical and customer support when you need it will dramatically enhance user satisfaction, productivity and the ROI you get from your routing technology.

### 5. Here for you for the long term?

Finally, if you are going to invest in routing technology for your business—whether your fleet is 10 trucks or 110—you want a partner that will serve your needs for the long haul. And while there are no guarantees on this front, there are ways to assess whether your vendor is on solid ground.

One indicator is financial backing—who's behind your provider? Are they part of a larger organization (with sufficient assets and resources) or flying solo? How many years have they been in business?

Other questions worth asking are how large is their customer base and how many vehicles are under their scope? This isn't only a sign of whether they offer a worthwhile product; it's a signal of a company's financial health and likely longevity.

Routing technology is a science—and working with a company that's experienced in logistics, is financially sound and has years of experience, is a safer bet than most.

### Weigh issues carefully

We recommend you use this information as “fuel for thought” when you're checking into fleet-management providers. Keep in mind the

### Why the growth in routing technology?

“Routing systems provide the chance for operators to reduce the number of routes and miles traveled by their fleets. Development of improved routing systems has gained steam in the past two years as fuel prices have shot higher and operator interest has subsequently increased. ... Forward-thinking operators may use the current recessionary period to increase route efficiency to remain competitive and prepare for an economic upturn.”

*TRSA 2009 Strategic Analysis of the Textile Services Industry*

significant benefits that these factors can have for your company—such as reducing miles and fuel costs, improving fleet utilization, providing top-tier customer service and ultimately improving your profitability.

The advantages of routing and GPS software are vast, but the company behind the tools will contribute significantly to the value you get from them. Choose a vendor with experience, financial strength and excellent support—and make sure they offer solid reporting and tools for measuring performance. You also should take into account their commitment to growth and innovation. Take

this advice and you, your company and customers will be in good hands. **TR**



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*(Go Fish! continued from pg. 30)*

additional applications for mat rental, uniform, paper products, etc. that your laundry offers. These service/sales calls and discussions with decision makers usually result in multiple “quality” mat trials being placed, greatly increasing the likelihood of closing the sale.

Oftentimes, your customers are looking to your laundry as a source for products that they may already be purchasing. Closing those sales will increase revenue, help reduce the number of “split accounts” and ultimately minimize pressure to lower prices. This type of selling demonstrates that your laundry “cares” about their business and is making recommendations on how to improve its performance. That, in turn, adds value to your relationship with the customer.

Good vendor partners have a responsibility to make recommendations to laundries to help improve their profitability. A Route Building program, the newest innovative sales strategy, is designed to help your laundry generate revenue and profits by helping you work smarter, not harder.

Additional benefits from the organic growth created via Route Building programs equate to increased equity and value for your company. Both independent and publicly traded laundries will benefit from these new add-on sales. Publicly traded companies will benefit by increasing profitability that theoretically will increase their stock values. Independent laundries benefit from increased profits and in growing the equity in their businesses. It costs laundries somewhere in the 25-to-1 range to add on/sell new rental business. So if you can add new business at 25-to-1 and the value of your business is in the 40/70-to-1 range—based on weekly revenue—the numbers speak for themselves. Growing your rental/leasing business through route building programs simply makes good financial sense!

In conclusion, ask your vendors to “fish” for you and help you learn how to fish! This is the best way for vendors to help you increase your revenue and profitability. Route building programs create a triple-win environment for your customers, laundry and employees. Customers win because they utilize more of the goods and services you provide, with one-stop shopping. Making these extra service/sales calls will remind your customers why they choose to conduct business with your laundry and that you care about improving and enhancing their businesses. Laundries win because they “build” the foundation of profitable sales that meet customers' needs and expectations. Your employees win because they have better job security, gain confidence and improve their sales skills, knowledge and income. Make the commitment today to hire a “Route Sales Specialist,” and it will pay dividends for years to come. You can get started right away with a route building program. When you're ready to catch the Big Kahuna, contact

your vendors, get some bait, cast and set the hook. You just might catch the “big one” that always got away before. **TR**



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