

Transport & storage sector

➤ Top 5 tips to reduce costs, improve efficiency and increase revenues

Factsheet

How can you improve the profitability of your business? Here are some top tips on ways in which you can reduce your costs, improve your efficiency, and increase your revenues. Some of the suggestions are quick and easy to implement and some are more costly and time-consuming. If these suggestions have inspired you to make some changes, please contact us to see where we may be able to support you at bgh@growthco.uk

Reduce costs

1. Maintain your vehicle fleet

Through careful preventive maintenance, you can reduce unplanned downtime for your trucks, cars, and other vehicles. Be consistent in carrying out inspections and equipment checks.

2. Reduce the loading and unloading time

This can be achieved by using an automatic container loading system which will reduce the time needed per job and therefore the associated labour cost.

3. Drive efficiently

Train your drivers to understand fuel efficient driving.

4. Focus on missed deliveries

Record and analyse data on missed deliveries. Avoid the driver having to make a return visit by working with the customer to ensure good planning.

5. Reduce your energy bills

Consider your energy sources including electricity, steam, and fuel. Check your facilities and equipment such as boards, transformers, generators, motors, compressors, and pipelines and repair every leakage and source of energy loss.

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Improve efficiency

1. Invest in the latest equipment

Automate your business processes for more efficient storage and loading.

Train warehouse staff and supervisors to required standards to help meet common productivity goals.

Consider wearable technology for better staff communication and tracking.

2. Digitise the back office

Use an Enterprise Resource Planning (ERP) system that integrates with your different departments, such as HR, finance, orders, supply chain, and marketing.

3. Look after your team

Put efforts into recruiting and training more drivers so you are never short. To reduce employee turnover, consider developing a retention strategy.

4. Optimise your transport routes to avoid delays

Use a GPS and your expertise with traffic patterns to take the quickest and most efficient route.

5. Optimise your data collection and administration

Reduce paper form filling and consider digitising where possible. This will lead to fewer mistakes and better-quality data for decision making.

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Increase revenues

1. Explore shipping consolidation opportunities

If you can try to consolidate large shipments of different products or shipments for all buyers into one shipment, you would save cash using full load shipping (FTL).

For smaller weights, the Less-than-truckload (LTL) shipment is an economical option.

2. Consider warehousing services

If you are shipping numerous goods from point A to point B, especially over a long distance, you can store products closer to your customers and thus drastically reduce transport costs.

3. Communicate with your customers

Keep your customers updated especially if their delivery is going to be delayed – this will improve customer service and retention.

4. Build customer loyalty

Encourage and build repeat customers. You can incentivise repeat business by offering discounts and offers and keeping in contact e.g. through social media and newsletters.

5. Add value to the customer

Allow your customers to choose their preferred delivery windows. This will ensure that someone will be available at the location when the driver arrives and will improve customer satisfaction.

