



# Is your logistics operation determining the fate of the haulage industry?

The driver shortage is being described as the biggest issue facing the road haulage industry today, due to the total driver numbers decreasing each year. The Road Haulage Association (RHA) has quite rightly focused on how the industry can be made more attractive to newcomers by suggesting Government funding for vocational training to ease the cost to the individual of obtaining an LGV licence. Gideon Hillman FCILT assesses the frustrations of drivers and how these can be eased.



Many transport fleet operators are thinking of how to retain existing drivers, as well as attract new ones; but is anyone asking why the number of drivers is declining so rapidly? Is the industry really that unattractive?

Some believe that vocational training should lead to a professional qualification, which with periodic updates should supersede the Driver CPC process. Vocational training (and a subsequent professional qualification) is a good way forward, but only if the industry is made more attractive to encourage people first to take the course, second to use the qualification to join the industry and third, and most important, to stay in the industry.

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## SECTOR HIGHLIGHTS

Supply  
Chain

Freight  
Forwarding



Above: Transport resources and the infrastructure supporting them need to be periodically reviewed

Left: Drivers are being put under increasing pressure to deliver on time, thanks to the demand of distribution centres



Whilst not all of the issues above can be solved instantly, there are things that businesses can do at an operational logistics level to relieve pressure on the drivers and, in fact, the entire logistics operation. What I observe regularly with many of the companies that I visit is that lack of planning and process for order picking, consolidation, despatch and transport planning. Far worse than a lack of any process or procedures is the lack of compliance with the existing processes and procedures that are supposedly in place, and worse still the non-compliance is neither monitored nor managed.

Lack of process at the loading/unloading point directly delays drivers, the very people who then receive the complaint at the point of delivery or collection for either being late or with the wrong order. It is not surprising that the job as a driver, which is impacted by so many other parts of the logistics and transport operations, all of which are out of the driver's control, is perhaps not as popular as we want it to be.

It is down to companies to put it right through improved transport and logistics operations process, planning and management. Most of the operational issues have evolved and not perhaps had

frustration due to the inefficiency and hassle at the loading and unloading points – that is, warehouse and depot operations.

### The way we do business has changed

In recent years, the routes to market available to retailers and wholesalers have expanded and evolved beyond all recognition compared to, say, 10 years ago, with the internet being the biggest single contributor to change. Consumers can now place orders 24/7 from a far greater range of sellers for the same or similar product, all competing on price and delivery lead-times.

In turn, sellers place greater demands on suppliers and logistics operations throughout the supply chain. Whether they are in-house and/or third-party logistics does not matter. As distribution centres are put under increasing pressure to meet customer demands in shorter delivery windows, drivers are put under increasing pressure to deliver on time. As vehicles wait to be loaded and unloaded, with frequent delays, drivers are put under further pressure. Even the announcement by Transport Minister Claire Perry that the Government plans to raise the speed limit for lorries travelling on dual carriageways from 50 to 60mph will not alleviate pressure on the drivers. It might even increase pressure, as they could potentially do more delivery drops on a route.



Some may say that pay rates vs hours, driver rest facilities, road congestion all contribute to driver dissatisfaction, which they probably do to some degree. However, I do not believe that pay is the key problem, providing the rates are fair and competitive. There are HGV Class 1 vacancies being advertised at between £16 and £20 an hour.

Having spoken to a number of drivers, the most common complaint seems to be not the actual driving and hours (both of which they were aware of when on entering the job), but the downtime and



Above: Gideon Hillman believes that plans to raise the speed limit for lorries will not alleviate the pressures on drivers



Above: The inefficiency at loading and unloading points is one of the most common complaints of drivers

the attention they need, as the sole focus has been to satisfy the consumer whatever the cost. I keep hearing: 'Our business isn't broken. We get our product out the door and delivered to the customer, but we feel we could probably do it better.' In most cases this is true and the doing it better is exactly the point.

**Do not plan to fail**

If the order cut-off time for same day despatch is 17.00hrs, then that is the order cut-off time, because that determines the order picking routines, consolidation, marshalling, vehicle loading and departure times and subsequent delivery times in the current logistics operation. If orders are frequently taken later than the current cut-off time, then change the cut-off time to reflect that. This will then be the point in time from which the rest of the logistics and distribution operations can be planned accordingly. Once the logistics network is planned against different criteria, the pick, pack and despatch operations and processes need to be changed to ensure they meet the distribution requirements.

Any plan needs to have some flexibility built into it, so make allowances for admin/paperwork and vehicle checks at the beginning and end of shift times for drivers, and be realistic on travel, rest and load/unload times.

Transport resources and the infrastructure that supports them, including the warehouse and distribution centre processes, need to be periodically reviewed to reflect customer service levels, sales volumes and product portfolio changes. If you are using transport and operations planning and modelling tools (either for daily planning or strategic transport network design), then allow for a lower efficiency percentage, as if you base your plans on calculations at 100% efficiency you will be planning to fail.

Correctly planning your logistics network operations, implementing the right processes to meet your plans, managing the compliance to those processes and showing appreciation to the job your drivers do will all play a part in determining the fate of the transport and haulage industry.

**About the author**

Gideon Hillman FCILT is a logistics professional with 24 years' experience. He is Managing Director, Gideon Hillman Consulting, and a member of the Supervisory Board for the United Kingdom Warehousing Association (UKWA).