



Routing as a Service: Fleet or outside truck assignment

An exploration of when to use common carrier over your own private fleet

[JUMP TO THE RESULTS](#)





The Situation

You have a private fleet but you also use OTR -- when demand and price dictate it. How do use your fleet to the maximum efficiency and when should you look to a common carrier to help carry the load?

In the following example, NT Logistics was provided a data set for an international beverage company for two facilities over a period of three weeks. We were tasked with identifying when and where to use fleet versus common carrier.

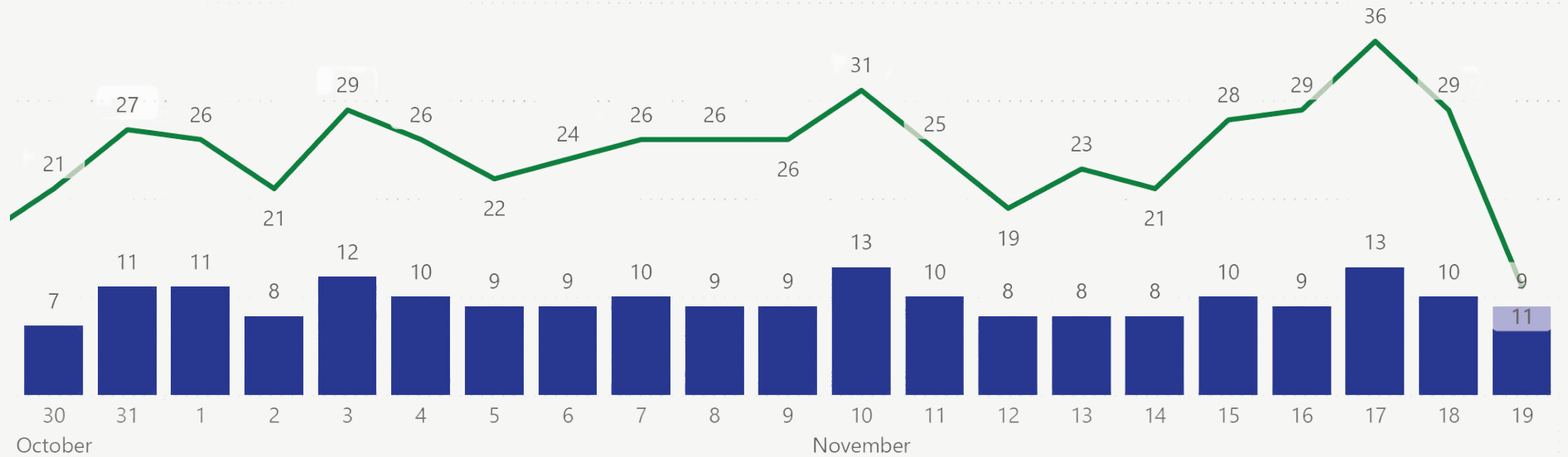
The breakdown that follows shows the results of this analysis.

Fleet vs. Outside Truck

Location One

- Fleet size: 13
- Drivers: 15

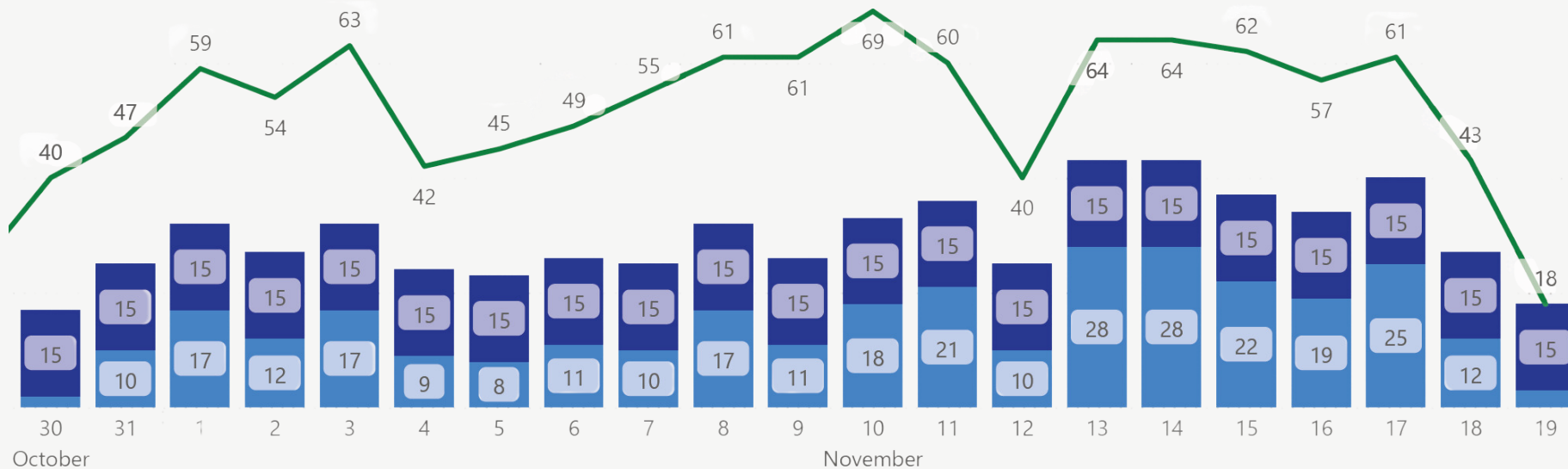
Based on scheduling parameters, we concluded that the private fleet could handle all loads.



Location Two

- Fleet size: 15
- Drivers: 18

In this instance, there was more demand than fleet truck volume. Taking scheduling, hours or service, delivery windows, etc. into account, we were able to identify which loads should be hauled by private fleet versus common carrier.



The Results

Strategic Load Transportation

In summary, the company had enough trucks in their private fleet to serve all of the customers in the first location. In the second location, there were times when the demand exceeded the number of trucks in their fleet.

A further analysis of the delivery deadlines, transit times, and service hours helped us to determine which loads could be handled by the private fleet and which were better served by a common carrier.

Identifying this information aided in the following for this client:

Resource Optimization:

Allowed for effective resourcing both for trucks and drivers, including identifying when slip seats could be taken advantage of.

Cost Management:

Enabled them to optimize transportation costs when evaluating private fleet versus common carrier.

Service Level Agreement Compliance:

Maintained customer satisfaction by ensuring that their transportation decisions aligned with their service level agreements.

Risk Mitigation:

By understanding the limits of their private fleet capacity, they were able to mitigate any risk of delays.

Strategic Planning:

Aided in long-term strategic planning for fleet management, allowing them to adjust fleet sizes, negotiate contracts with common carriers, and optimize operational procedures.

About NT Logistics

Arranging transportation is our core competency, but it's just the beginning. Our team is dedicated to continuously improving processes, leveraging technology, and developing strategies to save you time and money while enhancing service quality. We collaborate closely with your organization, providing tailored solutions, maintaining open communication, and sharing our expertise to optimize your supply chain operations.

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