



# 13 Ways to Improve Order-to-Delivery

October 2016, by Mike Antich - [Also by this author](#)

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We asked subject-matter experts at FMCs what still needs to be done to improve OTD for future model-years. Here's what they told us:

## **1. More Supply Chain Collaboration is Needed Among All Parties**

“Manufacturers collaboratively working together and with transportation companies, particularly rail, to secure additional railcars and equipment to meet the increasing industry volume,” said Mark Donahue, manager, fleet analytics for EMKAY.

## **2. Better Communication Between Logistics Providers and FMCs**

“Communication still needs to be improved between the logistics and the FMC contacts to ensure better visibility of all units. We are looking forward to manufacturers providing more proactive data through telematics, scanning, or other sources,” said Nick Erculiani, VP of acquisition for Element Fleet Management

## **3. OEMs Must Do a Better Job on Supply and Demand Issues**

“With the main driving issue being the growing difference between supply and demand, any actions or strategies that OEMs can take to mitigate that difference will result in better OTD. Continuing the focus on improving quality control, developing contingencies for various scenarios, and improving execution are all various solutions or strategies either in play or ones to consider. Strengthening collaboration, coordination, and communication with the various supply-chain partners (e.g., parts suppliers, logistics service providers, upfitters, dealers, etc.) will, over the long term, result in better OTD. In the short-term, recognizing the realities of the current and near-term landscape and having the most viable contingencies to deploy when needed is the key to effectively dealing with unpredictability,” said Partha Ghosh, director, supply chain management for ARI.

### **At A Glance**

More supply chain collaboration is needed among all parties.  
Better communication between logistics providers and FMCs.

- Better forecasting and evaluation of alternative transportation.
- Fleets need to place new-vehicle orders earlier.
- FMCs need to be consultative with clients about OTD.

## **4. Better Forecasting & Evaluation of Alternative Transportation**

“Better forecasting by OEMs, rail, and upfit suppliers should help ease the delays and long lead times. All players, including the end customers, should evaluate alternative transportation to help get vehicles in the hands of drivers faster,” said Elizabeth Kelly, director, vehicle acquisition for LeasePlan USA.

## **5. OEMs Need to Stay Focused on the Original Order Date**

“The OEMs need to stay focused on the original order date. When a vehicle is held up for quality repairs, the focus tends to shift to that specific piece of the process, and the overall impact on the

customer is no longer factored in as it should be,” said Jessica Krams, manager - vehicle order management for Wheels.

## **6. Better OEM Inventory Management System**

“OEMs need a better inventory management system. Due to all of the obstacles that can occur throughout the order-to-delivery process, OEMs need to have visibility to where vehicles are located and provide ETAs as to when issues will be resolved. OEMs need to understand that our customer(s) are looking to their FMC to provide them with an expected resolution time and they do not understand that some of these circumstances are out of our control,” said Cindy Gomez, VP vehicle acquisitions for Donlen.

“OEMs need to provide alternative solutions when delivery delays occur and assist customer(s) of any monetary expenses that they may incur due to these delays, such as rental expenses, difference between factory and out of stock pricing, etc.

“It is in the best interest of our customers to work closely with their FMC and provide expected delivery date(s). This will allow FMCs to proactively work with OEMs, upfitters, and dealers to understand their production/capacity, and provide our customer with the appropriate acquisition and shipping method to ensure delivery expectations are being met.”

## **7. Increase Plant Capacity and Parts Volume**

“From an OEM perspective, increased attention to forecasting, increased plant capacity, and working with vendors to determine parts volume would help significantly,” said James Crocker, director of fleet operations for Merchants Fleet Management.

## **8. OEMs Need to Improve Forecast of Supplier Constraints**

“OEMs need to improve the forecasting of supplier constraints, as well as implement a more robust reporting system that will catch exceptions and minimize delays,” said Donahue of EMKAY. “Manufacturers need to continuously improve all areas of forecasting, scheduling, production, upfitter communication, logistics, and provide better status and exception reporting tools.”

## **9. Improvement in Rail Infrastructure in Mexico**

“The biggest OTD concern as we head into the 2017-MY is the shipping time for vehicles produced in Mexico. The current rail infrastructure in Mexico simply cannot support the volume of vehicles shipping to the U.S. Some manufacturers use alternatives, such as truck haulers and sea vessels to alleviate congestion, but the impact of these alternative methods so far has been minimal,” said Krams of Wheels.

## **10. FMCs Need to be Consultative With Clients About OTD**

“For fleet management companies, we need to continue to have a consultative approach with our clients to provide insight on the needs for coming years,” said Crocker of Merchants Fleet Management.

### **11. Ongoing Investments to Improve Transportation Infrastructure**

“From a transportation perspective, investments in the transportation infrastructure to increase volume would be the most beneficial improvement,” said Crocker of Merchants Fleet Management.

### **12. Placing Orders Earlier**

“We can all do a better job of communicating to our clients to get their orders in much earlier, plan to allow more time to ensure the product can be scheduled, built, shipped, upfitted, and delivered in the timeline required by the customers’ business needs,” said Donahue of EMKAY.

### **13. Improve the Driver Delivery Experience**

“The driver delivery experience is a critical piece of the entire process. The manufacturers need to work more closely with the dealers to help ensure timely and quality driver deliveries. Some OEMs recognize this and have been working to educate the dealers and encourage them to participate in fleet deliveries; we’d like to see this happen more often,” said Krams of Wheels.

“We need the OEMs support for instances where delays are occurring due to dealer cooperation. OEMs need to hold their dealer network accountable when the dealer is responsible for delays,” said Gomez of Donlen.

*Editor's note: This article first appeared in the October 2016 issue of Automotive Fleet.*

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