

Closing warehouse fulfillment gaps with crowdsourced delivery





warehouses and distribution centers thrive on predictable, repeatable actions. That includes how they ship: e-commerce orders here for scheduled parcel shipping; pallets and cases there for carrier transport

to stores. But some transportation needs don't fit neatly into those categories. Maybe a store requires a rush replenishment of goods to support an unexpectedly successful sale. Or a pair of bulky tires is needed today at a repair shop 10 miles away. It could be that a customer wants a product the same day, but the order missed the regular delivery truck.

Crowdsourced delivery has emerged as a cost-effective way to satisfy customers and keep inventory — and revenue — moving. Just as restaurants and grocers have turned to the gig economy to get take-out orders to customers, warehouses and DCs are taking the same approach to time-sensitive, bulky goods and other transport needs that don't fit typical lanes and schedules. It can also scale up and down as needs change.

With the right planning, crowdsourced delivery networks slips easily into most supply chain ecosystems networks. Solutions like RoadieXD, for example, enable distribution centers to deliver oversized or same-day shipments up to 100 miles beyond traditional service areas.

Follow this playbook to spot gaps in your transportation network, learn how crowdsourcing can help and get best practices for making crowdsourced delivery work for your warehouses — and your customers.



Crowdsourced delivery networks have helped **reduce delivery windows by up to 75%**, turning 12- to 24-hour turnarounds into same-day success.



Identifying **hard-to-fill** transportation needs

Warehouses and DCs typically meet most transportation needs through a mix of services, including truckload, less-than-truckload, parcel delivery, couriers and their own fleet. But most transportation managers can quickly rattle off use cases that don't fit neatly into those modes because of issues like timing, cost, distance and item size. Common scenarios include:

- The need to make urgent or same-day deliveries **outside of normal routes or schedules**.
- A same-day order that **missed the daily truck** or can't be fulfilled from a store.
- Keeping up with demand during **driver shortages**.
- A **bulky item** like a fender that **costs a lot** to ship via courier and is **hard to package**.
- A **sudden spike in demand** that requires immediate replenishment to a store.

According to Gartner research, the top issues warehouses experience with final-mile delivery include packaging products the right way, accessing infrastructure in urban markets and changing customer/consumer demands.¹

Cost and availability of last-mile delivery services are also common challenges. The extra fees regular carriers charge to complete deliveries that don't fit scheduled services can make these moves cost-prohibitive — if they are even possible. The gap between what today's time-pressed customers need and what typical transportation modes can actually do puts revenue and customer satisfaction at risk. Solutions like RoadieXD help fill these gaps by tapping into flexible networks that extend reach while maintaining cost-effective efficiency.



RoadieXD™ can travel
up to 100 miles for
same-day delivery

Understanding crowdsourced delivery

Smart warehouse operators turn to crowdsourced delivery to overcome these hurdles, tapping a ready pool of drivers and vehicles ranging from compact sedans to cargo vans. The crowdsourced delivery provider uses a mobile app to post delivery needs to independent drivers.

Those drivers opt in to claim the order, pick up the item and make the delivery, all while staying connected to the app for reporting, communication and visibility. According to Gartner, the combination of technology and delivery manpower “allows crowdsourcing to become a scalable, agile and deployable solution for almost any type of product and distribution network.”²



The combination of technology and delivery manpower “allows **crowdsourcing to become a scalable, agile and deployable solution** for almost any type of product and distribution network.”²



“If their customer needs that tire by the end of the day, **they can underpromise and overdeliver** by using us to get the delivery there in under two hours. That really makes them look good and makes their customer happier.”

RACHEL ZARACH

*Business development manager
at Roadie*

Crowdsourced delivery from the warehouse is a great fit for delivery needs like:

- **Time-critical shipments** that would be costly using other methods.
- Deliveries **beyond the mileage limits** of regular routes.
- When volume needs are uncertain or **demand is volatile**.
- Shipments with **high DIM weights**.
- **Bulky items** or items difficult to package.
- Shipments that fall **outside normal schedules, weight limits, distance limits**, etc.

“Our customers are trying to be ahead of the game,” said Rachel Zarach, business development manager at Roadie. “If their customer needs that tire by the end of the day, they can underpromise and overdeliver by using us to get the delivery there in under two hours. That really makes them look good and makes their customer happier.”

Integrating crowdsourced delivery is generally fast and straightforward. Steps include defining how you want to use it, coming up with processes and setting up metrics to measure success. Most users run a pilot test in one of their larger markets before expanding across their supply chain.

Warehouses already using crowdsourced delivery report a range of benefits, including:

- **Faster delivery times.**
- **Greater time/cost efficiency**, particularly for big or bulky items.
- The ability to **skip packaging**.
- **High on-time rates** vs. traditional couriers.
- Capacity to **scale up and down as needed**.





When an item is selling better than expected or demand is greater in a different location, **operators can use crowdsourcing to quickly shift inventory across warehouses or stores.**



Best practices for **making crowdsourcing work for warehouses**

Making the most of crowdsourced delivery requires ensuring basic building blocks are in place. That includes the right data, processes and metrics. It also means taking care when picking a service provider. Consider these best practices based on the experiences of other warehouse operators.

BEST PRACTICE 1: OFFER INSIGHT INTO INVENTORY

As with any warehouse and transportation process, success with crowdsourced delivery starts with accurate and visible inventory data, ideally from an inventory- or warehouse-management system. The greater the accuracy, the better the decisions about best-fit fulfillment location and transportation mode. Accurate inventory also makes it possible to promise customers that an item and a delivery window are available.

For many warehouses, being able to move inventory on demand is a key hedge against forecast error. When an item is selling better than expected or demand is greater in a different location, operators can use crowdsourcing to quickly shift inventory across warehouses or stores. They can even use it to fulfill demand directly from the warehouse to the customer.

BEST PRACTICE 2: SET UP PROCESSES FOR CROWDSOURCED DELIVERIES

To successfully hand off orders to a crowdsourced delivery driver, warehouses may need to modify or add new processes. These steps include:

- 1. Packaging and labeling shipments into parcels or bins.** QR or bar codes help drivers easily identify the correct shipment(s) with a quick scan. This is especially key if multiple items are going to one address. With crowdsourced delivery, extra packaging is often unnecessary, saving time and money.
- 2. Staging orders in a dedicated, easy-to-access pickup spot.** Crowdsourced drivers typically arrive at warehouses in passenger vehicles. They need clear, specific instructions for where to report and whether they should ask for a specific person. Some warehouses give drivers the contact person's mobile number. Pickup areas should be well marked and include parking. Make sure security procedures don't prevent crowdsourced drivers from entering. And if the same details are available about customers' drop-off locations, those should be provided to drivers as well.
- 3. Consider integrating shipment data.** Web portals allow deliveries to be set up manually for quick and easy shipments. But some warehouses find it more efficient to integrate the crowdsourced delivery platform with their transportation-management, warehouse-management or ERP systems. A well-designed API makes this a straightforward process.

"At Roadie, we can template this information, so it will automatically pop up for every single one of that customer's deliveries," Zarach said. "One of the benefits of Roadie is that we have a ton of visibility around our deliveries."



A good provider will make this easy by sharing key data via dashboards as well as in weekly reporting that can be **customized to individual companies' needs.**



BEST PRACTICE 3: **ESTABLISH KPIS TO MEASURE SUCCESS**

Customer satisfaction and cost efficiency are often top priorities for warehouses. So it's important to track how crowdsourced delivery performance measures up against goals.

In setting metrics, start with the deadlines and promises made to the end customer about delivery windows. Consider what measurements support that commitment. Some frequently used metrics include:

- On-time delivery.
- Customer satisfaction.
- Cancellation rates/reasons.
- Average cost per delivery.
- Average distance/total mileage.
- Damage claims.
- Cost per mile.
- Cost per stop.
- Order accuracy.
- Route optimization.
- Stoppages.

A good provider will make this easy by sharing key data via dashboards as well as in weekly reporting that can be customized to individual companies' needs.

BEST PRACTICE 4: **PROVIDE CUSTOMER SHIPMENT VISIBILITY**

Another best practice in adopting crowdsourced delivery is to loop customers receiving those shipments into the process. A great crowdsourcing delivery platform provides end-to-end visibility in real time, so customers always know where their order is. This data can be provided via SMS messaging to an end customer cell phone, as well as through the portal and data provided to the shipper's warehouse- or transportation-management system.

Alerting the customer to the delivery window and mode — in this case, a nonuniformed crowdsourced driver in an unmarked vehicle — helps manage expectations and ensure a smooth drop-off.





Crowdsourced delivery solutions like RoadieXD™ help distribution centers quickly extend their reach up to 100 miles — **without adding new infrastructure or overhead.**



BEST PRACTICE 5: THOROUGHLY VET THE CROWDSOURCED DELIVERY PARTNER

Delivery is a critical part of the customer experience. It's the last touch your brand has with a customer. So it's essential to make sure deliveries are on time, accurate and reliable no matter the mode. To determine if a crowdsourced delivery provider can meet goals around the customer experience, speed, accuracy and other critical KPIs, it's important to review their capabilities in several key areas.

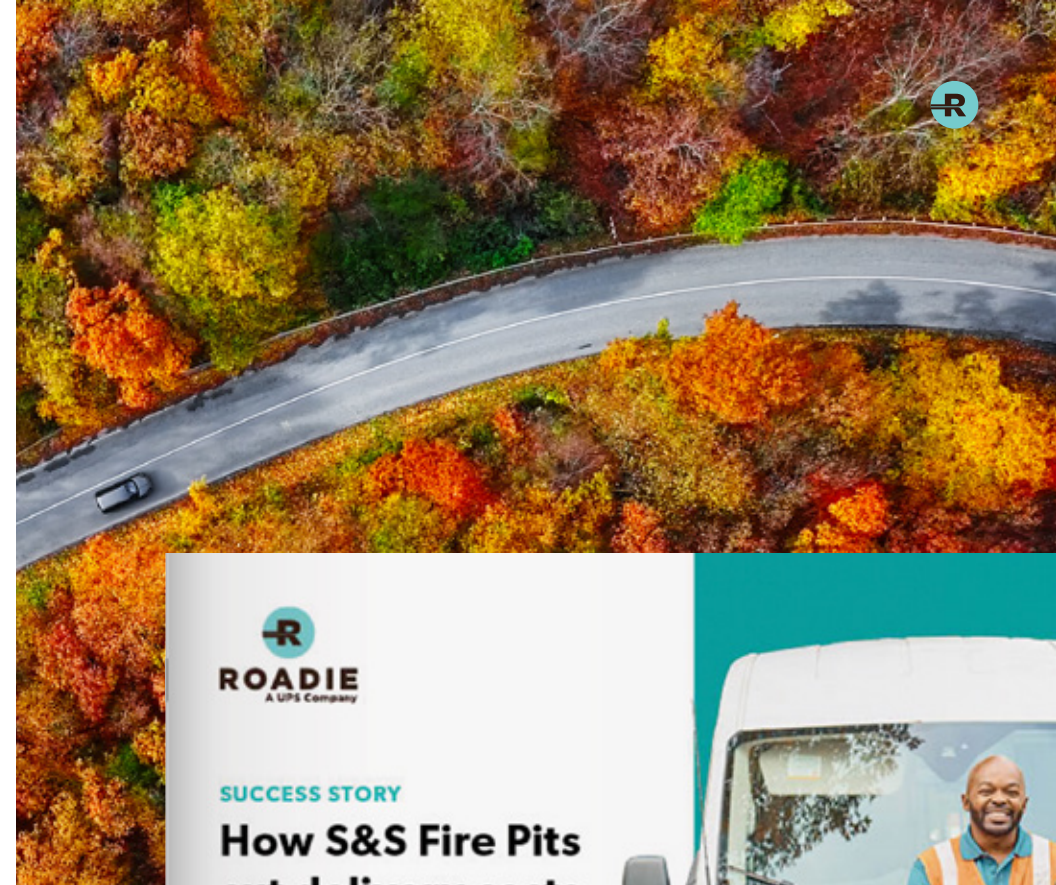
One is robust technology. It takes a big investment in back-end technical infrastructure to make a complex series of events like end-to-end delivery flow effortlessly for the user. Look for a well-built API, real-time tracking and strong data security. Make sure portals, apps, reports and templates are simple to use and customizable to your needs.

Hand-in-hand with a solid tech platform are seamless processes refined to get deliveries where they need to go. This means that every party in the transaction — those arranging for a delivery, the drivers and the receiving customer — has access to the resources they need. This includes guidelines for the different scenarios they may encounter, live responsive support and information about the order.

What crowdsourced delivery can do

Crowdsourced delivery can be the smart, cost-effective solution for filling gaps in fulfillment. By quickly and efficiently shifting products to where demand is strongest, it's also a great option for optimizing inventory movement. One of the biggest opportunities it creates, however, is helping warehouses meet — and often exceed — customers' increasing expectations to get the things they need, where and when they need them.

Get ahead of the competition by using the power of on-demand, crowdsourced delivery to keep your inventory moving and in balance. [Read more](#) about how Roadie helped take a load off one business by bringing big and bulky orders from the warehouse right to customers, or visit [Roadie.com](#).



SUCCESS STORY

How S&S Fire Pits cut delivery costs 30% with Roadie



[READ MORE](#) >

[VISIT ROADIE.COM](#) >



Sources

1. Kina, Chris. "Adopt Crowdsourcing Last-Mile Platforms as a Key Component of Your Logistics Strategy." Gartner, November 8, 2021, https://www.gartner.com/doc/reprints?id=1-28FV1S6W&ct=211215&st=sb&__hstc=193804210.a03af9f2fb0359ddf4830a58acf2b4d8.1641585854905.1641585854905.1641585854905.1&__hssc=193804210.1.1641585854905&__hsfp=2767568653&hsCtaTracking=9f88c9b4-ceba-4232-a989-e137cb704014%7C4933d313-9943-48e8-8e85-eb992flad0fe
2. Ibid.



Roadie, a UPS company, is a leading logistics and delivery platform that helps businesses tackle the complexities of modern retail with unmatched delivery coverage, flexibility and visibility. Reaching 97% of U.S. households across more than 30,000 zip codes — from urban hubs to rural communities — Roadie provides seamless, scalable solutions that meet a variety of delivery needs.

With a network of more than 310,000 independent drivers nationwide, Roadie offers flexible delivery solutions that make complex logistics challenges easy, including solutions for local same-day delivery, delivery of big and bulky items, ship-from-store and DC-to-door. For more information, visit www.roadie.com.

[LEARN MORE >](#)

