

# How Small And Medium-Sized Businesses Can Build Lasting Relationships In The Last Mile

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Khaled Naim Forbes Councils Member

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*Co-Founder and CEO of [Onfleet](#).*



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Looking back over 2021, we've seen three major shifts in the world of retail that will continue to leave their indelible mark in 2022:

1. Record-breaking growth in startups, especially in food, retail and logistics.

2. Growing consumer expectations of rapid door-to-door delivery for purchases.
3. Technology making it easier to build a direct relationship with customers.

## **Instead of the Great Resignation, maybe it is the Great Liberation.**

U.S. Census data shows that 2020 was one of the biggest years ever for new business filings. More than [4.4 million businesses](#) were created in the U.S. during 2020 — the highest total on record.

Many of these new businesses are making, selling or delivering products to consumers. New business applications for food service jumped [75% between 2019 and 2021](#), as new restaurants opened for delivery to keep revenue flowing until they could reopen the dining room, while entrepreneurs created new meal-kit delivery companies.

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According to the same article from *The Guardian*, retail trade is also booming with new businesses growing 62%, as entrepreneurs turned what, for example, was a side Etsy business into a full-time operation. We also saw growth in the transportation businesses with the demand for delivery up 74% over three years.

## **Delivery isn't slowing, even with recent reopenings.**

Initially, many smaller companies relied exclusively on large app-based marketplaces like DoorDash and UberEats to reach their customers. But

when you hand the delivery over to a third party, you can lose touch with the customer experience while having to pay exorbitant fees for the service. I have seen how when small companies start growing, they often take delivery in-house to regain control of the entire customer experience — from online order to doorstep delivery.

You've likely noticed the number of delivery vans in your neighborhood now that consumers are getting more of their purchases from online orders. Since 2019, liquor, restaurant, prepared meals and cannabis delivery have all **boomed in popularity**, and you've seen the success of companies like **Drizly**. By offering one-to-two-hour delivery, contactless signatures and the ability to upload proof of age online, delivery drivers from companies like Saucey and Minibar can provide fast, convenient liquor delivery to your door.

### **Delivery brings you closer to your customers.**

If you're a new business selling anything from handcrafted furniture to healthy salads, you want your customers to have a positive experience when receiving your product. The packaging, accompanying materials, even the color of the bag can make a lasting impression.

Owning your own customer relationships and delivery data is especially useful when it's time for an expansion. For example, there's a 41-year-old roast duck restaurant in San Francisco's Chinatown that in 2020 noticed they were getting many orders from the Peninsula, an area roughly 25 miles south of San Francisco, even though delivery times were much longer. Families that were stuck at home still wanted the familiar taste of the restaurant's famed roast duck, even if they had to wait.

When the restaurant planned a new location, they didn't target a trendy SF area like the Mission or SoMa. Instead, they put it in sleepy Bernal Heights, on the south end of the city. They may not get the same walk-in traffic, but the new restaurant can provide a better experience for those remote customers. The restaurant was able to expand its reach by analyzing orders and discovering new opportunities; they used the data to prioritize online orders and gain new customers quickly.

There's another benefit of removing the middleman from the last mile of delivery — the ability to respond quickly to customers when they have a question. Customers want real-time updates, and businesses need the behind-the-scenes information to answer customer questions.

## **Consumers have become used to quick delivery, despite logistical hurdles.**

My company completed a survey of 2,038 adults with Harris Poll in December 2021 and found that [71% of Americans](#) expect timely delivery of online purchases from retailers, despite any supply chain issues and delays. This figure jumped to 82% for respondents aged 35-44 years old.

Getting a better handle on order fulfillment can really pay off for smaller retailers in any busy time.

## **Where to start?**

For new businesses growing at a fast pace, I have a few tips on how to build relationships and strengthen customer service with deliveries over the last mile.

**1. Automate as much as possible.** Running a small business is a juggling act with constant interruptions. When one of your regular customers calls with a last-minute change, dropping everything to alert your shipping and logistics team is a major distraction. Start with routing and dispatching software so the software can make decisions about delivery orders, real-time routes to take and other smart business rules.

**2. Coordinate and synchronize all data sources.** When that regular customer changes their order, make sure the information is updated in the delivery system instantly so that the driver picks up the correct item. Coordinating your systems will reduce the chance of a driver having to wait for the package to be ready to go out the door. It can also enable you to tap into inventory at local brick-and-mortar locations so you can get a package to the customer faster and at a lower cost.

**3. Update your customers regularly.** Failed deliveries can easily upset any customer. But if they can track the location of their package in real time, people are much more likely to be waiting to accept the package, expediting the delivery so drivers can get to the next stop. At the same time, if a traffic jam slows down a driver, automated notifications are a helpful way to soothe an anxious customer and reassure them their order is on the way.

As a startup founder, I love to see this growth in new businesses. As these businesses grow, I hope they can capitalize on modern technology to run efficiently while building a personal connection to customers by making sure that last-mile delivery arrives on time.

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