



A new way of thinking for Service Level Agreement (SLA) in the last mile

Carriers and postal operators are called to action: positioning customer needs at the centre of the promise-to-delivery, is this the right approach?

As the world of eCommerce keeps growing, changes become unavoidable: carriers and postal operators need to act. Their priorities and the logic behind their operations are going to be revised. The promise-to-delivery defined in the Service Level Agreement (SLA) and how it is going to be managed is one of them. The SLA between carriers and retailers is traditionally based on statistical measure: the ratio of how many goods are assigned vs how many are delivered. Furthermore, it traditionally includes costs, timing and number of attempts.

Yet customers are not included in the carrier-retailers SLA: these contracts need to take the back seat and be replaced by a new agreement in which the customers' needs come first.

This shift in mentality is not only about demand shaping ([as commented in the last Milkman blog post](#)) but about creating a sustainable supply chain in which the customer has an active role, asking for a real promise-to-delivery, based on trust and reliability.

Shoppers just want to be able to select from a wide range of delivery options based on their needs. A specific set of AI-powered solutions will enable the Retailers' supply chain of synching these options with important dynamic factors: volume, density, routes and cost to serve.

Retailers always have to consider emerging environmental issues stemming from un-optimized mileage and failed delivery attempts, rising hand in hand with the cost challenges of the delivery business, that's why the customer-centric focus of this new SLA's model will project a winning scenario for

Retailer, Carrier and Customers:

- The retailer gains a forefront position in the run to customer acquisition and retainment
- The carrier gains retailers' trust and generates sales revenue by becoming the preferred service provider
- The customer gains control throughout the whole process, from checkout to the last millimeter.