

**Meta Title:** What is Route Optimization and How Does It Work?

**Keywords:** ✓

what is route optimization, V 40

Route Optimization, V 1,400

**Meta Description:** Learn how route optimization technology works and how it can benefit your fleet business by helping drivers get to their destination quicker.

**Suggested URL:** /what-is-route-optimization

# What is Route Optimization?

Route optimization is the technology that helps fleets get to their destination in the most efficient way possible. It is one of the most valuable features of fleet management software every day. This technology creates routes that reduce fuel costs and miles driven while allowing fleets to optimize how many vehicles they have on the road. It does this by harnessing the power of algorithms, GPS, and traffic data. If fleets can't move efficiently, then the fleet business is not in a good place. That's why route optimization software is so important. But how does route optimization software work, and how can fleets use it to their advantage?

## How Does Route Optimization Software Work?

There are three types of routing methods that are involved in route optimization. Each method has benefits for different fleets.

- Static Routing: When using this method, planners only change routes on an annual or semi-annual basis. This is best for fleets with consistent delivery locations at similar times.
- Dynamic Routing: Planners change routes daily utilizing traffic patterns and historical data. This is better for businesses whose stops change every day.
- Real-Time Dynamic Routing: The route changes as new orders add stops. This is the most popular method of route planning that we will discuss.

Real-time dynamic routing is the best route planning method, and it is the one that most modern fleets seek out in their route optimization software. This software includes three features that offer the best route optimization experience for fleets.

## Real-Time Updates

In real-time dynamic routing, your software will update whenever a new order comes in, a customer cancels an order, or a new stop is changed or added. Changing course in the middle

of a trip is a critical feature of real-time dynamic routing. There are many reasons a route can change; the system can consider traffic data, construction hazards, weather events, or anything else that may cause delays that you will want your fleet to avoid. Your software will automatically update to get your driver to the next location as efficiently as possible. Without real-time updates, your drivers may end up stuck in traffic jams or visiting customers who no longer need them.

## Historical Data

Historical data is instrumental in route planning software. This data can be derived from customers' and drivers' past experiences and helps the software develop a more accurate idea for how long a route should take. For example, it can use this data to estimate traffic at a particular time of day, planning for rush hour or school zones. It can also store data such as customers' preferential time slots and availability to plan routes around customers' schedules. [Using historical data to your advantage](#) helps you build a foundation to create the best routes going forward.

## Sharing Routes

This is not a feature in all route optimization software, but it is useful to have. Drivers cannot update their managers every step of the way. Not only does it waste time, but it's highly unsafe and can result in an accident. Managers need to view routes to see at any time where their drivers are. Not to mention, it can also improve customer service. The best route optimization software alerts customers when their drivers are nearby. This way, customers don't have to spend their days waiting for your drivers.

## Fleet Management Software Integration

You'll need your route optimization software to integrate with your fleet management software to get all of its benefits. Otherwise, when orders come in, the software may not be able to update automatically. Fleet management software also allows you to gather customer information and use it for route optimization. There is a lot of crossover between the two, so it is vital to have both.

## Get Started with Route Optimization Software Today!

Azuga has some of the best route optimization software on the market today! Our software has all the features mentioned here and integrates seamlessly with our fleet management software to give you a comprehensive experience. See for yourself the benefits of route optimization with a [fleet demo](#)!