Optimizing Profits

How the Driver&Load and Drop&Swap Modules from Manhattan Associates Work with McLeod's LoadMaster Solution to Improve Your Bottom Line

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No one in business likes to leave money on the table. In almost every business setting, there are ways to tighten up here, become more efficient there, and streamline over here to improve profit margins. The first challenge is finding where the improvements can be made and the next task is figuring out which changes are needed in order to become more efficient.

If you're a truckload carrier and your fleet has grown to over two hundred trucks, it's a safe bet that you've got some low hanging opportunities for improvement. This doesn't mean that you're not running a tight shop. It simply means that juggling loads for that many trucks is remarkably complex. All throughout the day, load-planning decisions must be made that will affect deadhead miles, tractor utilization, on-time pickup and delivery, and the overall efficiency of your operation. You may have some load coordinators who are extremely talented at managing this challenge, but in the end, there are just too many factors to consider. When fleets get this large, it becomes humanly impossible to calculate all of the options quickly and accurately. The result is that money is being left on the table, and it's not small change. That's why the combination of software tools from McLeod Software and Manhattan Associates is so vital. One of

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the advantages of this software technology is its ability to sort through an overwhelming amount of data and to identify the most cost-effective options for matching all of the drivers to all of the loads. Many of today's most successful trucking companies are already using McLeod's industry-leading LoadMaster Dispatch Software, the most advanced enterprise-wide software solution available for asset-based trucking companies. LoadMaster delivers a fully integrated trucking and dispatch operations management system and a complete native accounting software solution.

By starting with LoadMaster's robust and broad set of functional capabilities, and then adding the Driver&Load and Drop&Swap modules from Manhattan Associates, companies gain the ability to take operational optimization to impressive new levels. You become much more adept at managing the complexity of matching loads to drivers and ensuring that loads get delivered on time. Empty miles go down, equipment utilization goes up, and customer satisfaction improves. You'll also discover that your drivers are happier, because you're able to do a much better job of giving them the miles they need and getting them home for the weekends.

Delivering a One-Two Punch

The two fundamental tasks that carriers face every day are assigning the loads to drivers and making sure the loads under dispatch get delivered on-time. Driver&Load and Drop&Swap work seamlessly together as a one-two punch that optimizes operational efficiency from beginning to end. Driver&Load is designed to tackle the complexities of assigning drivers to loads for a large fleet of trucks. Once the loads are assigned, Drop&Swap takes over and helps to ensure that every load is delivered on time.

When a carrier gradually increases the number of tractors it operates, the complexity of managing the fleet grows exponentially. Many large carriers respond by mapping out geographic regions so that no single dispatcher has an overwhelming number of trucks and loads to juggle. This breaks down the challenge of assigning loads to a level that can be handled manually, but it means that decisions are made from a very limited perspective, and not from the viewpoint of the entire network.

When dispatchers work from a limited perspective, they can't make the best choices, because they don't have all of the information they need to evaluate all of the options. The problem is that there is simply too much information for any single individual to process. At some point all carriers hit a threshold where the challenge of handling all of the load assignments exceeds the intuitive abilities of their personnel, regardless of how talented they may be. There are hundreds of factors to consider, and the most obvious choice is not always the right choice.

For example, say you need to assign a load and you have one empty truck less than fifty miles away, plus four other trucks that are around one hundred miles away. The obvious choice is to assign the closest truck. After all, won't that reduce your empty miles? Well, not necessarily. What other loads will you assign to the other four trucks? How many empty miles will they have to travel? Where will these trucks end up? What loads are available there? And what day of the week is it? The day of the week can affect whether or not each of these five drivers gets home for the weekend.

This example only scratches the surface. With a fleet of two hundred trucks or more, the challenges are overwhelming. Every choice you make has ramifications and affects the options you will have later. Plus, the stricter governmental oversight that is coming with CSA 2010 will not make this any easier.

THE ABILITY

Driver&Load

The upside is that improvement is possible and money can be saved if the right tools are used. Driver&Load is just such a tool. This software module enables more efficient operations by providing a global perspective across your entire network. You can see where every driver is and where each load must be picked up and delivered, and you can connect drivers to loads in real time. You're in the position to make intelligent decisions and you don't have to rely on your intuition because you have more information. You've taken a very manual, time-intensive, immensely complicated process and automated it.

The software tool drives the decision-making process by analyzing your options and suggesting the best way to match drivers to loads. It looks at all relevant factors, such as required place and time of delivery and pick up, the characteristics of each piece of equipment, the specific nature of the load, the driver's hours of service, and driver preferences. It removes subjectivity and optimizes your dispatching process to squeeze out excess deadhead miles and dwell time. Out-of-route miles are reduced and the overall result is a jump in asset utilization.

It's easy to overlook the dramatic benefits that can come from an increase in asset utilization. As more freight becomes available, many companies are feeling capacity constrained. Uncertainty about the economy is making many companies cautious about spending money on additional equipment, so stop for a moment and consider this: If you can improve the performance of a fleet of one hundred trucks by only one percent, you've gained the equivalent of one new truck and

driver. Improve by ten percent and you've saved the cost of ten new trucks, and the bigger your fleet, the more you gain by improving your overall efficiency. Plus, in your office, you're able to handle more work without hiring more staff.

Drop&Swap

Once the load has been assigned, Drop&Swap takes over. In most cases, loads go smoothly, but there are those times when unplanned events cause problems. It could be a mechanical failure with a tractor or an illness with a driver. Maybe you've got a truck stuck in traffic for hours due to a bad accident, or a sudden storm closes a major road and forces you to alter your planned route. In every case, your dispatchers are scrambling to find a way to get the load delivered on time, but it's not always easy to find the best solution.

Drop&Swap optimizes your response to all of the unplanned events that can occur during the course of a load and it works by allowing you to manage by exception. By collecting position updates from each truck's mobile communications, the software monitors every load 24/7 to determine if everything is going as planned. Is the truck still on time? Is it on route? If a problem has occurred, does the driver still have enough hours to perform the delivery?

Drop&Swap has the answers, and it notifies you when the hint of a problem arises. If any load is getting a little behind, you receive an alert, and you can investigate further. If you need to pull another truck in to finish the load, Drop&Swap will tell you the best way to arrange it. It knows where all of your drivers are, both

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dispatched and available, and it will evaluate all possible options to find the optimal swap solution. After you've settled on a plan, Drop&Swap can communicate new routes and recalculated ETAs to the affected drivers. You're back on track in the shortest amount of time possible.
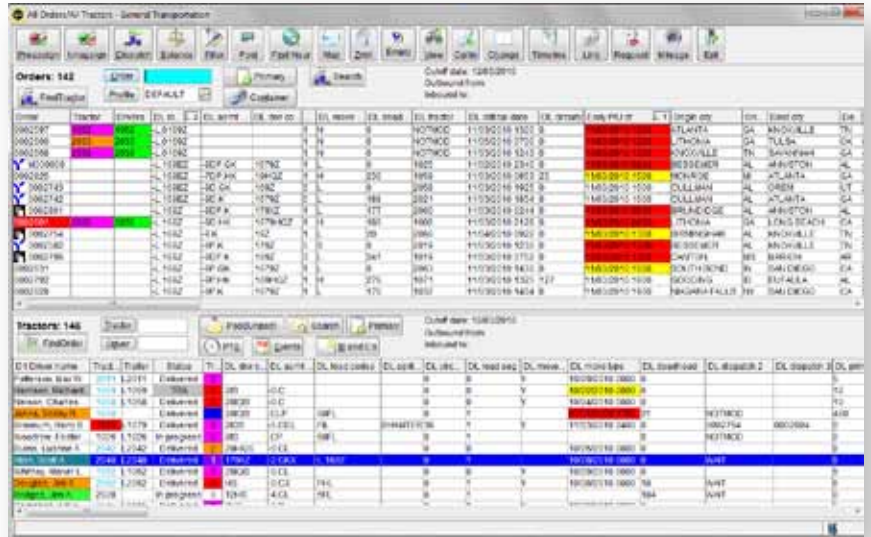
With Drop&Swap in place, you can stay abreast of any scheduling glitches across your entire fleet and handle small issues before they become big problems. The ability to manage by exception greatly reduces the amount of work involved, because your attention is required only when the software sends you an alert. If you don't hear anything, everything's fine. You're not frantically trying to monitor hundreds of loads, which amounts to letting the operation manage you. Instead, you're managing the operation. You learn about potential problems before they occur, so that you can take steps to prevent scheduling mishaps and keep loads on track.

on the table. This powerful technology delivers valuable functionality that translates into increased profit, better customer service, and more satisfied employees. *Who can argue with that?*

A Perfect Fit for Your Company's Needs

No two carriers have the same profile, so successful trucking software solutions must be configured to match the characteristics of each specific business environment. McLeod Software and Manhattan Associates go the extra mile to install a solution that fits your business needs. Driver&Load and Drop&Swap don't dictate how your business should be run. Instead these optimization software tools are configured around your operational requirements.

For carriers with two hundred trucks or more, the return on the investment is clear. If you're not using the most advanced technology available to optimize your operations, you're leaving money

We can help you and your business do more, more profitably, today!

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