PUTTING VITAL SIGNS TO WORK

LoadMaster's Vital Signs Empowers Doug Andrus Distributing to Boost Performance and Increase Profitability

B ased in Idaho Falls, Idaho, Doug Andrus Distributing has been hauling freight for over 75 years. Today the company serves customers throughout the U.S. and western Canada with a fleet of over 200 trucks and 300 trailers, including refrigerated trailers, dry vans, flatbeds, tankers, and hoppers.

McLeod Software plays an essential role in our success at Doug Andrus Distributing. The tools from McLeod helped us stay in the game during some very difficult times in recent years when the economy was slow. Now that the economy has picked up, we're finding new ways to use the software to enable improvements in efficiency, productivity, and profit.

BY CLAY MURDOCH, PRESIDENT OF DOUG ANDRUS DISTRIBUTING

I've been in the business just over 25 years, and the technology has changed dramatically in that time. When I first started, we dispatched using a legal pad. We used a road atlas to help drivers find routes. Our drivers were instructed to call in by 10:00 every morning. Our customers would call and say, "Where's our load?" We'd say, "Well, at 10:00 this morning, he was in North Platte. Everything looks good."
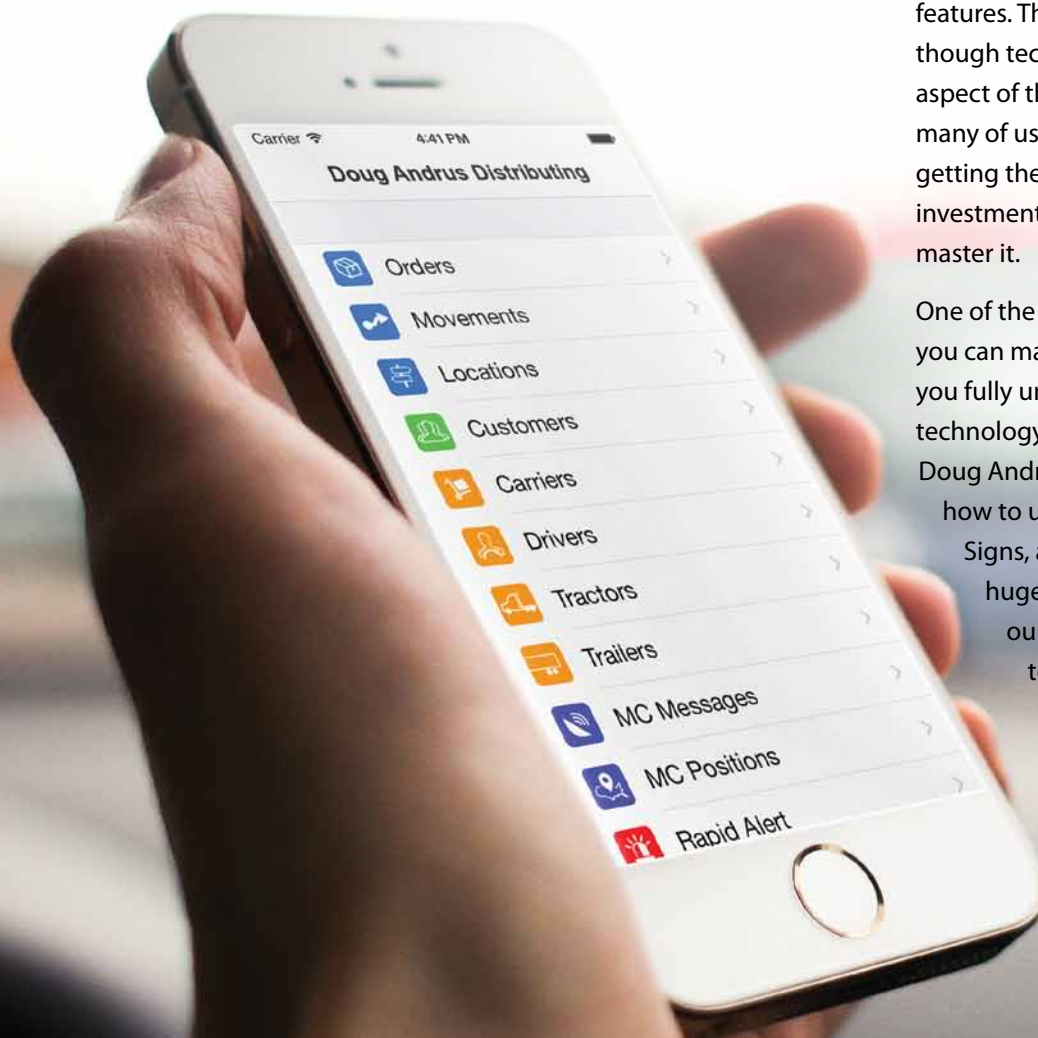
Leverage Your Investment in Today's Technology

When I attended trucking conferences back then, at each break everyone would run to the pay phones and dial the toll-free lines to their home offices. They needed to find out if any emergencies had arisen, or make sure that the current fires had been put out. Today you can know everything about your business through a handheld mobile device.

But the power of this technology can be intimidating. There's so much information and so many different features. The result is that even though technology permeates every aspect of the trucking business, many of us in this industry aren't getting the most out of our software investment, because it's not easy to master it.

One of the best business decisions you can make is to ensure that you fully understand the software technology currently available. At Doug Andrus we've been learning how to use LoadMaster's Vital Signs, and the payoff has been huge. We use Vital Signs in our business on a daily basis today, and our investment in McLeod Software is paying more dividends better than ever before.

THE ABILITY

The Scope of Vital Signs

If you have LoadMaster or PowerBroker, then you have Vital Signs. This feature within McLeod's core system can be used to support your business goals by giving you the information you need to make better decisions, enhance the effectiveness of your staff, and take actions quickly as needed. Here is an overview of what this tool offers:

- **A comprehensive view of your business**

  Vital Signs gives you a full view of your business performance by providing a long list of KPIs. You can see everything you need to know about revenue, costs, deadhead, loads, service failures, drivers, and more.

- **Multiple perspectives**

  You can look at various aspects of your business from multiple perspectives. Revenue is an excellent example. You can track billed revenue, shipped revenue, revenue by day of the week, and revenue by customer, among many other possibilities.

- **Real-time data**

  LoadMaster updates data every fifteen minutes, so you're looking at real-time information. Compare that with the situation I was in years ago of waiting over six months before I could get a detailed profit-and-loss report. Vital Signs will show you how you're performing against your goals at noon, at 2:00 p.m., or at any time you choose.

- **Easy access to greater detail**

  It's easy to drill down to get more details about each metric. If you see that you've lost two drivers, you can click on the metric and find out who these drivers are. Maybe a quick phone call right away will allow you to keep a valued employee on the payroll.

- **Extensive reporting options**

  You can run reports in all kinds of ways. For example, you can break up deadhead by state, zone, or anything that you want. You can set up specific divisional profiles. You can analyze profitability and trending daily. You can look at hourly rhythms. You can track patterns by the day of the week. The options are endless.
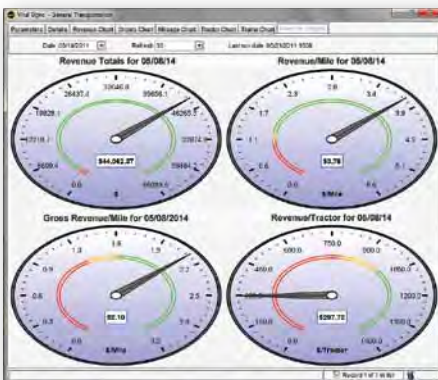
TO DO MORE

- **We can monitor our daily business performance in real time.**

  We can see where we stand at any point and know which actions we need to take to help achieve our goals. I love being able to see today what we did today. Before we had this, it was really hard to make

The Value that Vital Signs Has Brought to Doug Andrus Distributing

good decisions, because our information was old and stale. The real-time aspect is wonderful.

- **We have become much more proactive, instead of reactive.**

  We're not putting out as many fires, because we're preventing the fires in the first place by taking actions based on real-time data to address small problems before they become big problems.

- **All of our employees know what's expected of them and they can see how they're performing against their goals.**

  People need to know in precise terms what they're expected

to do. I know that it matters to me. Once I was helping my teenage daughter pick out a homecoming dress and I was the only guy in the store. My wife and five-year-old daughter were there also. I was feeling awkward and out of place, and I said to my wife, "What am I doing here?" My five-year-old said, "Dad, you're

here to pay." So then I knew what my job was. I've taken that experience and applied it to the business. I realized that we had been asking our people to reach certain goals, but we didn't give them a yardstick to measure their progress towards those goals. They were working in the dark. Vital Signs tells the

score. We share relevant data with members of our staff so that they can monitor their own performance. They appreciate having the information and knowing where they stand.

- **We get customized reports that suit our company's specific needs.**

One way we customize our reports is by fleet. We control the parameters for our dry vans, flatbeds, reefers, tankers, and hoppers, and we've set up profiles and goals for each of these fleets. This is extremely helpful because we track goals daily and the goals are different for each fleet.

- **We have confidence in the rates we quote to customers, because we know where we've been making money and where we've been losing money.**

When we participate in rate auctions, we know exactly how we should position ourselves, because we have the data that tells us what our rates need to be to be profitable.

- **We catch mistakes that would go undetected otherwise.**

Greater visibility into your operations can show you some interesting things. For example, I happened upon a move where we had 80% deadhead. This didn't make sense, so I drilled down into this to get the details. There was an error with a driver's pay, and we found it in time and corrected it. Without Vital Signs to bring this to our attention, the mistake would have slipped through the cracks and we never would have known.

- **Our ability to track expenses means that we can get compensated for extra expenses.**

For example, we can see from a report when our trailers have been sitting extra days at our customer's lots. With this information in hand, we can bill for the extra time.

- **We're able to make better decisions that boost asset utilization, productivity, and profitability.**

A good example is deciding when to buy new trailers. By having access to the right data, we can see if we need new trailers or if we just need to manage our current trailer pool more efficiently. Another example is weekend LOH. Through Vital Signs we discovered that trucks dispatched on Thursday often weren't delivering until Monday or Tuesday. Once we saw how much this was happening, we focused on getting it solved and have made important strides forward on this front. Focusing on our weekend LOH has really helped us out to improve our bottom line.

How to Make Vital Signs Work for Your Company

"In God we trust. Everyone else bring data." McLeod is bringing data to Doug Andrus, and this is incredibly valuable.

- **Don't be intimidated.**

  Don't let the amount of information that is available intimidate you. I was so overwhelmed at first, but I kept at it and found a way to take it one step at a time.

- **Start small, then expand as people adjust and can handle it.**

  Don't look at the entire Vital Signs list of metrics and say, "I'm going to do all of this." You've got to spend time with it, play with it, and then decide on a

few metrics that will serve as a starting point. As you and your staff become more familiar with tracking those metrics, introduce more and expand your goals.

- **Pick and choose the information that relates to your business objectives.**

  What are your current priorities? Define your goals and then pick and choose the metrics that matter to your business and the areas you are targeting for improvement.

- **Utilize the gauges and charts.**

  These charts are great for providing a way to see data clearly at a glance. You can use gauges for anything that you want to track. We've chosen to do revenue, gross revenue, revenue per mile, and deadhead.

- **Push the information out to those who can use it.**

  It's easy to e-mail reports to the people who need the data. You can also choose who sees various metrics on their computer screens.

- **Make sure your people understand the expectations for their roles and how they are measured.**

  Metrics provide a way to set goals and define expectations. Once goals are defined, be sure to give people access to the data that is relevant to their specific jobs and goals.

- **Make sure your people understand how having the information will help them.**

  Vital Signs provides a scorecard, but use it to teach and encourage, not as a threat. If people can see how the technology helps them do their jobs, they'll embrace it and be happy to have it.

- **Monitor your business in real time.**

  The ability to see what's happening right now is tremendous. It may take a change in habits if you're used to viewing reports only once a week. The long view is still valuable, of course, but discover the value of tracking data daily and even hourly.

- **Invest in training.**

  Your investment in LoadMaster is not fully leveraged if you don't follow through and get the training needed to make the best use of the software. In the past we would spend all this money on the software product but be kind of chintzy about spending the money to get the training needed to make full use of the product. That was a mistake.

- **Don't put it aside.**

  Work with it every day. If you don't use it, you'll lose it.

- **Use McLeod.**

  The people at McLeod are a valuable resource, and so are the Users' Conferences. Make use of these resources. You'll be glad you did.

- **Make it fun.**

  Trucking is hard work, but it's also fun. We've found ways to use metrics to have some competitive challenges. It motivates people to excel and everyone enjoys the challenge.

T O   D O   1 M O R E

Get Started Now

I was in a meeting a few years ago and someone said, "In God we trust. Everyone else bring data." McLeod is bringing data to Doug Andrus, and this is incredibly valuable, because that data helps us manage the day-to-day operations of our business more effectively than ever before. We've made it through a difficult economic period, and we've taken our performance a step further to increase profitability. Without the tools provided by McLeod Software we wouldn't be nearly as profitable, and maybe not profitable at all. Vital Signs is a powerful tool that can help your business meet its goals. Don't wait to profit from this technology. *Get started now*.

McLeod
SOFTWARE

877.362.5363
www.McLeodSoftware.com

©2014 McLeod Software 20140505_1