

LANE ANALYSIS LESSONS

**Nick Strimbu, Inc.
Shares Techniques for
Using McLeod's Lane
Analysis to Improve
Asset Utilization and
Freight Network
Profitability**

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MCLEOD'S LANE ANALYSIS[®] within LoadMaster[®]

has provided a wealth of vital information about the lanes we run at Nick Strimbu, Inc. With just a few clicks, we can see where we're making money and where we're not. This detailed visibility into our lanes is allowing us to take actions to make many of our customers more profitable for us. We've turned around lanes that were bad by either negotiating for higher rates or finding ways to decrease the deadhead.

Before having LoadMaster and Lane Analysis, dispatchers were making handwritten notes about where our trucks were going. Our dispatch system didn't have many reporting options, so we were creating custom reports in an attempt to gain a better picture of how each lane was performing. These manual reports and handwritten charts were our version of lane analysis, but we were just scratching the surface of what was possible. We never came close to the exhaustive view that we have now with LoadMaster's Lane Analysis.





STRATEGIES FOR SUCCESS WITH LANE ANALYSIS

The LoadMaster system holds a vast store of data that can be used to learn about your lanes and there are many different ways to make use of this data. Here are some of the strategies that we've used to our advantage.

- **GET STARTED BY PLAYING AROUND WITH THE DATA.**

The depth and breadth of data that can be accessed easily and quickly is astounding. It can be overwhelming, so start by simply playing around with the data. You don't have to take in-depth looks right away. The idea is to get comfortable with the tools and options.

Get used to how it looks and feels and then gradually start looking at a specific issue around a few lanes, such as deadhead, rates or revenue per mile. Try sorting the data in various ways. Put in scenarios so that you can see how it would play out if you turned down some freight and found other loads.

- **LEARN HOW TO CONFIGURE THE PARAMETERS.**

You can choose which pieces of information will be displayed on a screen. You don't have to look at everything at once. Try specifying freight that's shipped out of a certain state, zip code, market area, or location code. Maybe look at customers by percentage of total revenue, revenue per mile, and deadhead. Data can be sorted and exported to Excel by any chosen parameter.

Every company is going to use Lane Analysis differently. You may want to sort by division, if you run dry van, reefer, and flatbed. You can look at commodities or seasonal patterns. Maybe one customer has multiple terminals. You

can drill down into the data to configure reports that show how loads from the different terminals compare. It's easy to configure these reports, and once they're set up, you can access them instantly at any time.

- **TAKE ACTIONS TO IMPROVE.**

After you've used the data to identify a problem, the next step is to decide what to do about it. Maybe the sales team needs to look for better backhaul loads. If they know the focal point, they can work on building a better network by getting other customers from other states that will provide closer backhauls. Then it's up to dispatch to make sure they pair those up with the outbound loads in the right way to make it work.



- **DON'T BE COMPLACENT.**

You may think you've got a good rate for a specific lane, but what rate are you getting for the backhaul? Even if you're still making a profit, maybe you could boost your profit by determining where you should focus your efforts. Lane Analysis helps you find those weak spots.

- **GET THE DETAILS.**

Details matter. We deliver to Massachusetts, but delivering to Boston is not the same as destinations in the central or western part of the state. There can be a big difference in dwell time and load velocity. You want to drill down and get visibility into these details.

Lane Analysis provides a map that indicates results by state depending on the chosen metric from the accompanying chart. In an instant, you can see how your

business stacks up by state. For example, click on "Empty %" in the chart and the map will show how every state compares. You can break it down into "In Empty %" and "Out Empty %" to see how much you're going empty into each state and how much you're coming out empty.

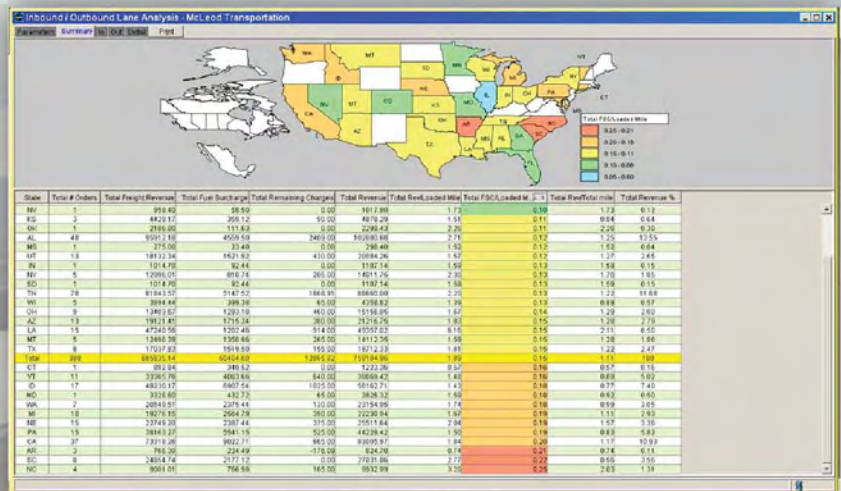
- **TRACK HOW THINGS CHANGE OVER TIME.**

Take a snapshot of a month or a quarter for a customer and compare that to one year earlier. How have your lanes shifted? Also look for seasonal variations. Our refrigerated trailers are busy hauling produce out of the south in the springtime, and it helps us to know how that pattern plays out. We can plan ahead.

- **PREPARE FOR CHANGES IN THE MARKET.**

You know a holiday is coming up, so look at how that affected some of your lanes in previous years. Then think about planning your routes accordingly. In this situation, don't think of Lane Analysis as a tool for management only. Show it to your staff and explain how the information can be used.

Maybe your dispatchers need to work the good lanes harder or back off from the less profitable lanes. You can simply tell them to do that, but if you can show them the reasons behind your instructions, it helps them gain a better grasp on the business.



- **USE LANE ANALYSIS TO GET EVERYONE TO COMMUNICATE MORE.**

The data shows which lanes the sales staff has been bidding, the rates you're getting, and how dispatch has been processing the freight. It's possible you'll find lanes that aren't that profitable and your drivers really don't like going there. If people communicate about this, you might shift your focus to other lanes, make more money, and have happier drivers.

- **MAKE IT A DAILY AND WEEKLY ROUTINE.**

View the Lane Analysis data in some way every single day. It should become routine. We look at some things weekly, trying to see if things are in check, making sure we're still on par.

- **LOOK MORE CAREFULLY AT YOUR TOP CUSTOMERS.**

You may have a customer who is in your top five or top ten in terms of revenue and assume that it's a very profitable relationship for you, but make sure. You may be deadheading a lot more with some customers than others. If so, find out where and why.

- **BLANKET RATE INCREASES AREN'T ALWAYS THE ANSWER.**

When a customer is not profitable, the obvious response is a blanket rate increase, but that might not be well received and it might not be necessary. Look at all of the lanes you run for that customer. It might be that you're having much worse problems on some lanes than others. Find solutions for those lanes, instead of a blanket rate increase for the customer.

- **PUT THE NUMBERS TOGETHER.**

Lane Analysis can show you an amazing assortment of details, but you have to think about how to use this information. For example, maybe the state with the highest deadhead is Michigan. Your first thought is that you need to tackle this problem, but then you see that Michigan accounts for only 3% of your total revenue. Looking further, you see that Indiana has less deadhead than Michigan, but it's still a problem there, and 20% of your total revenue comes from freight in and out of Indiana. So it turns out that Indiana is a bigger problem than Michigan and you should focus your efforts there.

- **TRACK YOUR LOAD VELOCITY.**

Velocity is a wonderful metric that tells you how fast you're getting loads delivered. By tracking velocity and drilling down into the details, you can discover what is slowing you down in certain lanes.

Two major concerns for every carrier are asset utilization and drivers' hours of service. By tracking velocity, you gain insight into the actions you should take to boost utilization and manage drivers in the most efficient way possible.

- **STAY ON TOP OF EMERGING PROBLEMS.**

The data in Lane Analysis is live and that's important. You can use it to see about events that are happening today. You don't have to wait until next week to learn that your deadhead is up on a certain lane. You can monitor it as it happens and take actions to prevent small problems from becoming big ones.



HAVING GREAT INSIGHT EMPOWERS IMPROVEMENTS

It's not easy to change old habits, but we've done exactly that at Nick Strimbu, Inc. Before we had Lane Analysis and the visibility it gives us into our lanes, we developed various patterns and habits over the years. If one of our top customers wanted to go somewhere, we went there without any clear sense of whether or not the load was a good use of our capacity and assets.

Lanes that were profitable ten years ago might not be as good today. Without access to this vital analysis, we wouldn't be able to tell easily which lanes and which customers are good business and which aren't. With the unique insight provided by McLeod's Lane Analysis, we know. And with this knowledge we can take the steps to ensure we are getting the most productive utilization of our capacity and that every lane we run is making money for the business.



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