

FACT

-BASED DRIVER MANAGEMENT

P&S TRANSPORTATION
USES MCLEOD'S
DRIVER SCORECARD
TO EVALUATE AND
COACH DRIVERS

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P&S

Transportation began operations in 2004 with 35 flatbed trailers and 20 owner-operators. Today, the Birmingham, Alabama-based company manages a fleet with more than 1,200 power units and more than 1,600 trailers.

Managing drivers is one of the primary challenges for every carrier. With more than 1,200 drivers on the P&S Transportation payroll, we cannot succeed and continue to grow without an effective way to evaluate driver performance. Of course, evaluation is only the first step; ultimately we want to take actions to reward and retain the best drivers, help the average drivers become excellent drivers, and identify the underperforming drivers who cannot or will not accept our coaching.

A subjective, seat-of-your-pants approach won't cut it. If drivers don't trust your data, you won't have much credibility when you talk to them about their driving habits. Instead, you need a

consistent, fact-based method. Driver performance metrics must be quantifiable and verifiable to the greatest degree possible.

Objective driver metrics are precisely what we get from McLeod Software's Driver Scorecard module. We've been using McLeod's LoadMaster® dispatch software for many years, and the efficiency gains that LoadMaster brings have played an instrumental role in P&S's rapid growth. The Driver Scorecard module allows us to mine the vast range of data that already exists in our LoadMaster system. This data provides the facts needed to create objective measures for driver performance.

Every carrier has different business strategies, so Driver Scorecard provides a variety of options for determining which sets of data will be used, how drivers will be grouped, and how reports are structured. The flexibility of the software in these ways guarantee that you can create an effective way to evaluate the drivers at your company.

DRIVER SCORECARD AT P&S

In the past, before we started using Driver Scorecard at P&S, we used a manual scoring system that focused solely on the things that drivers did wrong. This was less than ideal in several ways. By focusing all of our attention on the problems, we were failing to consider all aspects of each driver's record.

We were only reactive, never proactive. We responded to events that caused problems, but didn't find ways to acknowledge and affirm good driving behavior. We never brought anyone in and said, "Hey, you did a heck of a job!"

OUR GOALS WITH DRIVER SCORECARD

Our approach changed dramatically when we began using Driver Scorecard. As we made our move from a manual system of assessing driver performance to an automated one, we developed these specific goals for our program:

- Include a broad range of data on driver performance.
- Work proactively with our drivers.
- Provide driver training that helps drivers at every level improve.



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- Change operational behavior by rewarding the good drivers and coaching the drivers who are having difficulties.
- Identify the problem drivers who consistently fail to improve.

LoadMaster. The exception is the cab data for Driver ROI. That comes to us from the cab via our mobile comm units and is imported into the McLeod system.

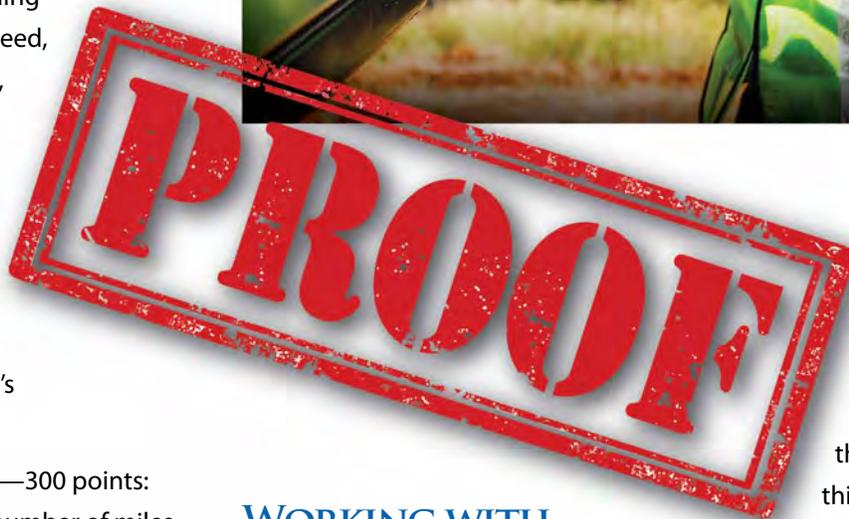
We also try to create metrics that are fair. A good example is service failures. There's a difference between being five minutes late and an hour late, so we've found ways to ensure that service failures are recorded in

THE DESIGN OF OUR SCORECARD

Our Scorecard tracks data and organizes it into five categories. Drivers can earn points in each category for a total of 1,000 points. Here's how it breaks down:

- **Driver ROI**—200 points: This is a combination of several measures, including mpg, average speed, production time, and idle time.
- **Revenue per mile**—200 points: This is the average calculated from each driver's loads.
- **Revenue miles**—300 points: This is the total number of miles driven while transporting freight.
- **Preventable accidents**—200 points: We subtract 100 points for every preventable accident.
- **Service failures**—100 points: We subtract 10 points for every preventable service failure.

Most of this data comes into Driver Scorecard straight out of



WORKING WITH OUR DRIVERS

We've worked hard to make sure this program has a positive impact on our business. This means making sure the drivers know their scores and getting their feedback on the program. We've made it clear that we don't fire drivers over their scores. We work with them to improve their scores.

ways that reflect the reality of the situation.

Another example is mpg. The weight of the load affects mpg, so this figure doesn't always directly correlate to driving habits. That's why we include this as only one of several elements in Driver ROI, instead of emphasizing it as an independent metric. We use an average driver performance figure, assuming that some loads are heavy and some are light. If a driver is way below that level, we know we have an issue.

IMPROVING AND EXPANDING OUR SCORECARDS

The design of our Scorecard is working well for us, but that doesn't mean that it can't be improved. We're looking at additional ways to pull more data into Driver Scorecard so that we can generate an even broader perspective of driver performance. Toward that end, we are planning some new metrics around these focal points:

- **CSA scores and clean inspections**—We may try offering bonuses to drivers based on CSA scores.
- **Monday morning deliveries**—We want to acknowledge the drivers who excel in this way.

- **Bills of lading**—BOLs are critical for billing and paying drivers, so we want to help drivers improve with getting these submitted promptly.
- **Safety and service**—We may change the balance among the categories so that safety and service carry more weight in the overall score and revenue carries less.
- **Owner-operators**—One of the great features of the Driver Scorecard module is that it offers plenty of options. It's possible to establish distinct groups, so we might create one specifically for owner-operators. In that case, we'll alter the overall recipe accordingly so that the metrics we're using fit that group.



- **Logs**—For the time being, we still use paper logs with a few of our drivers, so we want to track how often the logs are handed in on time and how often they're late.



DRIVER SCORECARD: VALUE FOR THE BUSINESS

Driver Scorecard has helped P&S become a better company and we've gained more control over the various ways that driver behavior affects our business. Here are some examples:

- **We stay one step ahead**—In broad terms, Driver Scorecard guided our move from a reactive driver management program to a proactive one. We no longer wait for something bad to happen. We initiate actions to avoid problems

- **Our turnover rate has improved**—We're retaining more of our drivers. Our good drivers appreciate the fact that their efforts to excel are being recognized.
- **We've created ways to motivate drivers to improve**—If we have a premium load to dispatch, it will go to a driver with a high score.
- **Our driver coaching has produced results**—We've been able to help drivers with lower scores improve.
- **We've moved away from a narrow focus on mpg and revenue**—The cost of fuel is always a concern and revenue is obviously central to success, but other aspects of driver behavior also have a big impact on our



and make improvements.

- **We have solid data**—The LoadMaster data we use for evaluating drivers is well-defined and objective.

business. Safety and service are extremely important, and we now have a way of tracking driver performance in these areas.

- **We've learned to focus on good behaviors in addition to tracking the problems**—This gives us a more balanced approach to managing driver behavior. Every driver gets a score, so we're giving our attention to every single driver on our payroll.

DRIVER MANAGEMENT BEST PRACTICES

At P&S we've worked hard to create a driver management program that really works. Through our use of Driver Scorecard, we've learned some valuable lessons. Here is our list of what might be considered best practices for managing drivers:

- **Be consistent**—It's important that changes in a driver's score reflect actual differences in that driver's behavior. If the score changes because the metrics were changed, the drivers won't accept the legitimacy of the scoring procedures.
- **Be sure the drivers trust the data**—The data has to come from sources that drivers regard as valid and reliable.
- **Minimize subjectivity**—Use verifiable and quantifiable measures as much as possible.
- **Ensure that company management is on board**—The program will not work without the full support of the company's management team
- **Design your scorecard to fit your business needs and goals**—What are your priorities? Speeding tickets, outstanding logs, warning letters? The scorecard should reflect your goals for driver behavior.
- **Start with a test period**—After the program is defined, let it run for 90 days or so to see how the numbers play out. It may need some tweaking before you present it to your drivers.
- **Train people how to use it**—This means training both your fleet managers and your drivers. Everyone needs to understand what the scores mean.
- **Make sure your drivers get the data**—Devise a method for ensuring that drivers see their scores each month.
- **Motivate your drivers to improve**—The scores have to matter. There must be some reward for good scores and consequences for bad scores. Otherwise, drivers will just ignore the entire program.
- **Look at trends**—Follow driver scores over a few months and notice whether the numbers are going up or down. Don't focus only on the score for one month.
- **Score your fleet managers also**—The actions of fleet managers impact the actions of drivers, so the composite scores of the drivers under each fleet manager can be used to gauge that manager's performance.
- **Encourage driver feedback**—Drivers will tell you what works and what doesn't. Listen to what they have to say about your Driver Scorecard program.



MCLEOD HELPS BOOST DRIVER PERFORMANCE

No carrier can succeed without skilled, safe, professional drivers. At P&S Transportation, we are retaining more of our good drivers than ever before, because the Driver Scorecard module gives us a fact-based method for evaluating driver performance fairly and accurately. The software generates the data we need to manage our drivers proactively at every step. We can guide and support our drivers with the feedback and coaching they need. *The end result is a boost in driving performance—and a more successful, more profitable business.*

FACT

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