



REPRESENTATIVES FROM
R.E. GARRISON TRUCKING,
DON HUMMER TRUCKING, &
P&S TRANSPORTATION
OFFER KPI STRATEGIES

KEY PERFORMANCE INDICATORS IN ACTION

KPIS (KEY PERFORMANCE INDICATORS)

are metrics that can help you run your business. They are the numbers that allow you to gauge your performance and react in ways that improve the business. McLeod LoadMaster® and PowerBroker® users have access to extensive sets of data that provide visibility into every aspect of the business in a relevant context. If you identify the information that is most vital to your business strategy, track it consistently, and present it to the members of your staff who need to see it, actions can be taken that will elevate performance and improve the bottom line. The management of Don Hummer Trucking, R.E. Garrison Trucking, and P&S Transportation offer some time-tested strategies for making the best use of these vital metrics.

R.E. GARRISON TRUCKING

R.E. Garrison Trucking, based in Cullman, Alabama, offers a full range of freight transportation services, including dry van, refrigerated, flatbed, intermodal, dedicated, and 3PL. "Awareness is the key," says Lamar Quinn, General Manager for R.E. Garrison Trucking. "If you're measuring it, you're going to improve it."



- **USE KPIS TO DIRECT YOUR ACTIONS**

"Knowledge is power only when attached to action, and the KPIS within McLeod give you the knowledge. It's up to you to take the action."

- **CUSTOMIZE YOUR KPIS TO YOUR STAFF'S NEEDS**

"One driver manager who handles transcontinental freight has a different set of requirements than another one who's managing local runs. You can customize KPIS to those two specific segments of the business. That's just one example. Your KPIS can be customized by commodity, driver, lane, and so on. By tailoring the numbers in this way, you help all members of your staff gain the visibility they need."

- **PUSH KPIS DOWN TO THE USER LEVEL ON A REGULAR SCHEDULE**

"The McLeod system makes it easy to have reports generated as often as you like. We use Report Scheduler to push our KPIS down to our user level, incrementally, three times a day."

- **USE INCENTIVES AND USE KPIS TO GENERATE BONUS PAY**

"We use KPIS as incentives for our staff. You set goals and people can track their progress by the hour as they compete to reach their targets and qualify for bonus pay."

- **EXPECT SURPRISES FROM THE DATA**

"Once people start looking at KPIS, they may be surprised at some of the results. Salespeople may claim that a particular lane has always made a lot of money, but the numbers show otherwise. You have to know your data and trust it, so that you can make educated decisions on what is really happening in your business."

- **USE KPIS TO SUPPORT DRIVERS**

"We use KPIS to support our drivers. Most of our drivers are owner-operators. We can sit down with them and show how much money they've actually earned and their earnings per mile. These KPIS give us the ability to help many of our drivers understand the business and learn to be a better businessman. When this happens, they tend to stay with us."

- **USE KPIS TO KNOW YOUR BUSINESS**

"McLeod's Profitability Analysis module can show you revenue per hour. People need to be looking at that metric today. The industry is changing. We may move to a per-hour billing at some point. Would you be successful at \$65 per hour of every working hour that your truck is available? The use of KPIS can help you answer that."

- **USE KPIS TO TRACK CONTRACTED FREIGHT VOLUME**

"Say that you've submitted an RFP and been awarded \$40 million worth of business. Will you actually get all of that freight? Your KPIS give you an easy way to track how many loads that customer is actually delivering to you on a daily basis according to your plan."

- **USE KPIS TO NEGOTIATE WITH CUSTOMERS**

"With the hard data from KPIS in hand, you can sit down with a customer and talk about dwell time, delays, trailers not being used, and more. If you can show them firm numbers, they're usually more willing to respond positively to your requests."



DON HUMMER TRUCKING

Don Hummer Trucking is a dry van and temperature-controlled truckload carrier based in Oxford, Iowa. “Keep in mind that KPIs are ‘indicators,’” says Chris Hummer, Vice President of Don Hummer Trucking. “It’s not necessarily the answer. It’s pointing you in the right direction of where the answer might be.”



- **START SLOWLY WITH KPIs AND FOCUS ON ONLY A FEW TARGETED METRICS**

“The biggest mistake I’ve seen people make is diving in too deep and too fast. If you measure too many different things, you can’t get definitive answers. Some people talk about tracking hundreds of KPIs across the company. I think it’s best to focus on the ‘key’ part of KPI and limit yourself to about three KPIs per department, then see what results you get before you go crazy trying to measure every single possible iteration of everything you could possibly do. For example, ‘orders entered’ can be your KPI for the day. Did customer service do what they were supposed to do? How many orders did we get in the system today?”

- **RESPOND TO KPIs IN REAL-TIME**

“Some are always lagging indicators. They tell you what you did last week. Last week’s done and gone. We can’t fix last week. What are we doing today and next week? There are a number of ways in the McLeod system to get at what you’re doing right now. There’s a ton of search functionality. You can search your orders for a particular delivery date. What’s our delivered revenue for a future date? How many orders were entered today? If you’re supposed to enter 100 orders every day, but you had 90 yesterday, and only 80 today, you’re going to have problems soon, depending on your length of haul. By tracking this KPI, you can very quickly figure out what is going on and what actions need to be taken immediately in response.”

- **PUT CONTEXT AROUND THE NUMBERS**

“For example, is there seasonality in your business or other factors that are going to make some KPIs vary over time? Maybe what you see this quarter won’t match what you see next quarter. And it may be that if you’re on a serious growth curve, you’ll need to go back and reevaluate certain metrics to account for the growth rate.”

- **USE DIFFERENT WAYS TO GET KPIs OUT OF MCLEOD**

“We use Vital Signs, Rapid Alerts, Report Scheduler, Order Revenue Analysis, Profitability Analysis, and Lane Analysis, to name a few. Everyone positively needs to be using Vital Signs. That’s absolutely the quickest way to get information, and it can be custom tailored to a number of different users. You can use Rapid Alerts with Report Scheduler to get various reports, if you’re just looking for a quick number out of a report. If you search for a particular KPI and want to see it every day, save the search.”

- **LOOK TO EXTERNAL SOURCES AND MCLEOD FOR BENCHMARKING KPIS**

“You should be thinking about both internal and external metrics for grading your overall performance. External sources help you see how you are doing against your peers in the industry or the industry as a whole. Benchmarking KPIs are available through the KSM–McLeod Benchmarking Project, McLeod Market Insight, and the Truckload Carriers Association (TCA) programs. You can also find information about publicly-traded companies and use it.”

- **USE MANAGING BY EXCEPTION AS A PERFORMANCE INDICATOR**

“Don’t always look at KPIs as a way to analyze every bit of information that comes in. When you automate a process and manage by exception, you can look at the exceptions as your performance indicators. The assumption is that everything else went well. One example is driver retention exceptions. Instead of reviewing a driver retention report, I have a Rapid Alert sent to me if a driver goes active, inactive or switches trucks. From a Rapid Alert I can quickly

double-click on that driver and drill down to see length of employment, safety record, miles, and more. I’m not looking at a long retention report; I’m looking in real-time at what’s happening. If people are leaving, why is that? You can drill down, take a look, discover the reasons, take action, and move on.”

- **MAKE SURE PEOPLE TRUST THE NUMBERS**

“If you want people to act on KPIs, you need to make sure they understand the numbers and trust them. You need to maintain the integrity of the metrics, and make them transparent to those people who have a stake in them. You have to understand how the system has been set up, and how the data flows together to create specific KPIs. If you can’t fully explain why certain numbers are changing, it’s hard to get the people who are supposed to be acting on that information to do their part in response.”



P&S TRANSPORTATION

P&S Transportation, which operates out of Birmingham, Alabama, offers flatbed and logistics services. "We use KPIs in every department at every level," says Tiffany Giekes, Director of Business Processes at P&S Transportation. "Every day dispatchers, order planning, customer service, billing, and upper management are looking at KPIs. In billing we have a race every day to see who can bill the most. Our finance and accounting people also use KPIs to motivate them to see how much they can settle and transfer."



- **GET THE DATA IN FRONT OF YOUR USERS**

"KPIs aren't just for management. Get the metrics in front of your staff. Push it down to the user level. That way they know how they're doing, they know how the company is doing, and they become invested."

- **MAKE SURE YOUR USERS UNDERSTAND WHAT KPIs ARE AND HOW THEIR WORK AFFECTS THEM**

"Everyone has to understand what these KPIs mean. Don't just throw some numbers onto a screen. If users don't understand what they mean, then they don't understand how they can impact them, and they're not going to do their job well. Show them how their actions have an impact."

- **BREAK PROBLEMS DOWN INTO ACTIONABLE BITS**

"If KPIs allow you to identify a problem, figure out how to make it into smaller problems that you can bite off chunk by chunk. You can track the same KPI month to month and see if anything is getting better"

or getting worse. Look for ways to dice it up, so that it's actionable on a lower level, then you can see the changes over time. Change won't happen overnight, but if you have the KPIs in place, you know what you're looking for, and you see a big problem, you can easily identify it, then focus on it through the months."

- **KEEP YOUR DATA UP TO DATE**

"If you put garbage into the system, you get garbage out, and that goes for KPIs. So it's critical that everyone puts in all of the orders each day, that everyone dispatches their trucks each day, and that the computer work is up to date."

- **MAKE USE OF THE TOOLS IN MCLEOD, SUCH AS REPORT SCHEDULER AND VITAL SIGNS FOR BOTH ASSETS AND BROKERAGE**

"Everyone should be using the Report Scheduler. You can send reports out in the middle of the night, so that users can look at KPIs first thing in the morning and know where they stand at the start of the day. You can send them in the middle of the day, so they can review again. We also use Vital Signs both for our asset side and our brokerage side. You can create healthy competitions between two sides and use the KPIs to compare performance."

- **SHARE KPIs WITH DRIVERS**

"People are competitive, and they like to do better every day. We use Driver Scorecard as an easy way to manage driver KPIs. Drivers can see how their scores compare to their peers and the fleet. If a driver's score is low, we use that as a coaching opportunity. What's wrong? What's going on at home? Why is your score low? Why is your service slow? Is there something wrong with your truck or your trailer? Are you running a bad freight lane? We show drivers that they're not just numbers in our system, and we tell them what they can do to improve their scores. If a driver's score is high, that's an opportunity for the driver manager to say, 'You're doing a great job! Keep up the great work.'"



MCLEOD HELPS YOU TURN KNOWLEDGE INTO PROFIT

KPIS CAN GIVE YOU AND YOUR STAFF THE INSIGHT needed to take your performance levels to new heights. The days of managing in the dark and relying solely on gut instincts are over. McLeod gives you the ability to track every critical aspect of your business in real-time. Timely access to KPIs empowers people to take actions that directly affect revenue, margin, productivity, driver retention, cash flow, and more. The end result is a more profitable business, so the time to get started is now.



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