UNDERSTANDING

HOW TO MAKE THE BEST USE OF YOUR ASSETS

A DEEPER LOOK INTO LOADMASTER REPORTING AND ANALYSIS

BY RANDY SEALS

The LoadMaster system has the data, reporting tools, and analytics that can provide the actionable information you need to make the best use of your assets. The trick is determining which information you need and feeding that information to the right people. When people have accurate, timely, and relevant information, they can make the decisions and take the actions that will bring the results you want.

For example, if you want to increase revenue, you need to be able to examine it in your business from every angle possible. You need to analyze and evaluate your revenue data, find out where you're weak and where you're strong, and use this knowledge to focus on ways that will boost revenue.

LoadMaster provides this level of visibility and analysis into all aspects of your business. It's up to you to make use of it. You have to dive into your data and empower your people by providing them with the right information at the right time.

Dive into Your Data

The data contained in your LoadMaster system can reveal a million stories about your business. Every strength and weakness is recorded there in some form or fashion. The data is available, but it has to be mined, sorted, and analyzed. You have to dive into the data, play with it, look at it from this angle and then from that angle. You have to invest some time, but the payback is a more successful business, so get started now. As you proceed, consider using some of the following tried and true methods.

- **Know your business strategy**—If you don't know where you're going, any road is going to take you there. You need to know what your business strategy is. What are you trying to do? Are you worried about rates? Are you suffering from too many service failures? Are you booking the wrong freight? Are you running too many empty miles?

- **Use your business goals to direct the search for your key metrics**—Many people feel overwhelmed because there are so many KPIs available in the system, but if you know what you're trying to do with your business and have a cl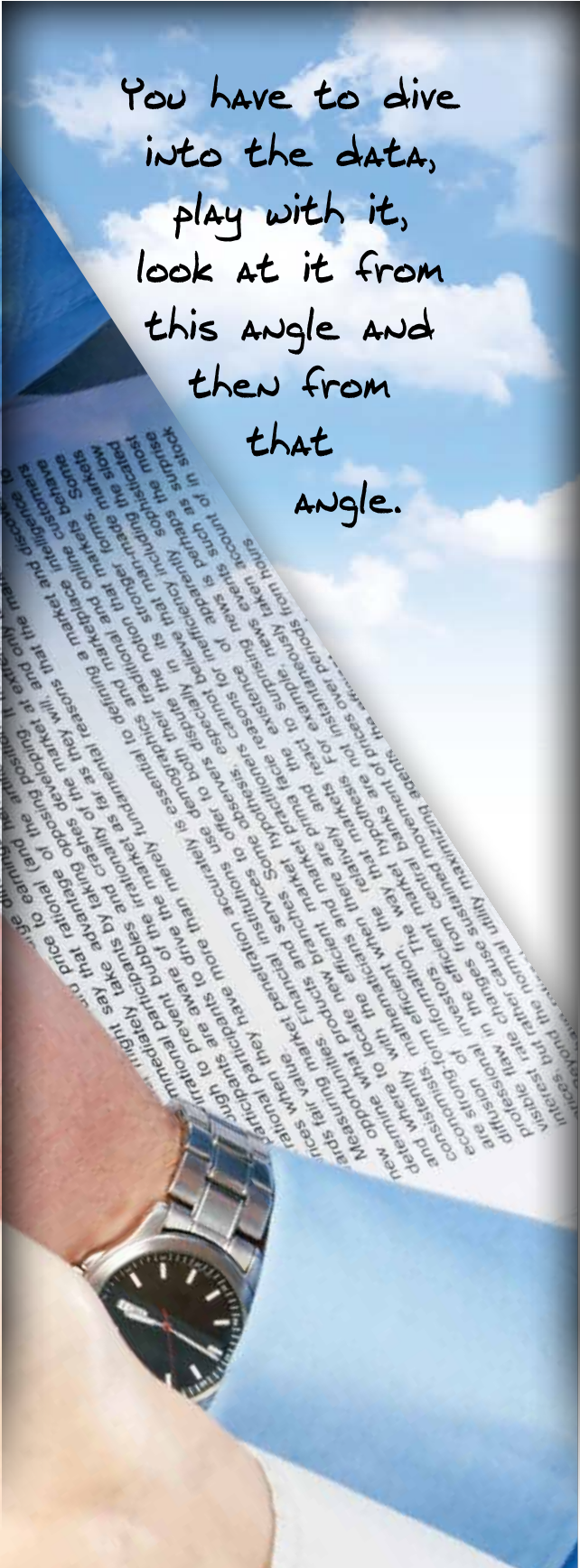early defined business strategy, then you can find the right KPIs within the big mix of data and focus on those to achieve your business goals.

- **Start with only a few metrics and observe**—Choose a few metrics, track them for at least a week or two, and see what you learn.

- **Look beneath the numbers**—Our system lets you take a look beneath the numbers. This is crucial. A piece of data by itself is naked. You need to give it some clothing. You need to give it context. Say that you booked 23 loads today. That tells you nothing. You need to know how many you book most days, if this is the busy season, which day of the week it is, if you're making money on those loads, and more. Looking beneath the numbers lets you see the bigger picture.

- **Sort**—You can sort the data in a variety of ways by clicking on the column headings. If you sort by freight, you might see that some of the loads haven't been rated yet, some of them haven't had accessorials and surcharges entered, or the distance is wrong. You can see which are billed and which aren't. All of this is easily viewed with one click.

- **Configure data and create customized reports**—You can limit the variables within a standard report to create a customized report. This helps you tailor the information to suit your business objectives.

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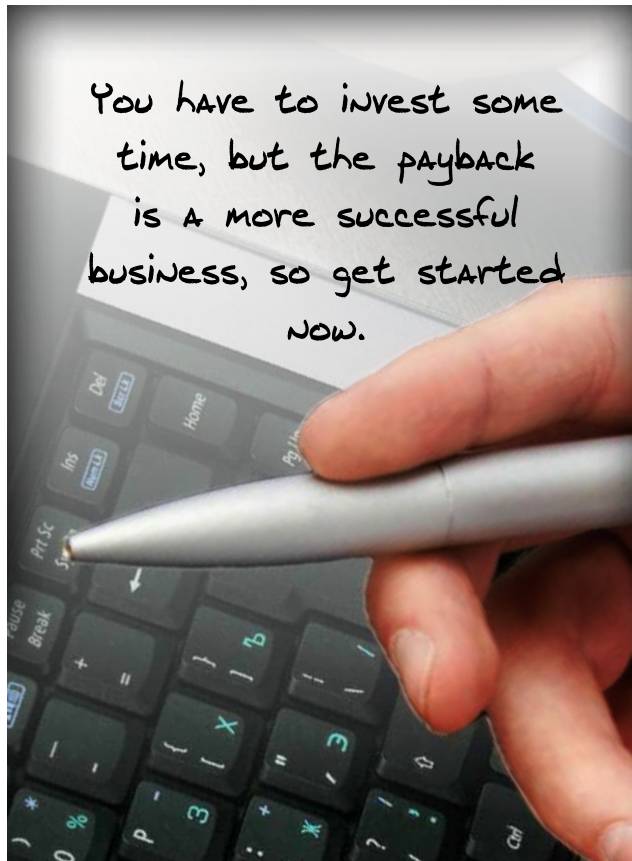
- **Use revenue codes**—Revenue codes don't have to be tied to your general ledger. They can act as place holders without being tied to anything. This gives you a simple tool to use in an amazing assortment of ways. You can assign a revenue code to anything you want and then pull up the data around that topic and view it in reports.

- **Use date options and the "Totals" button**—Reports can be run by ship date, bill date, or delivery date. The "Totals" button gives you access to a wide variety of data with a single click. Do you want to know everything you've done between Toledo and Memphis? Search it and use the "Totals" button. Or use it to get totals for customers.

- **Recognize rhythms**—You can configure reports to show figures for each hour of the day and each day of the week. Use these to see what your daily rhythms are. Use longer term reports to determine your weekly, monthly, quarterly, and annual rhythms. Gaining this visibility puts you in the position to take action to generate more business when you tend to be slow or to handle the loads more efficiently when volume is high.

- **Find the weak spots**—Do you have a lot of deadhead coming out of Georgia, but you always find good backhauls out of Texas? Configure your data, look underneath the numbers, figure out what's working and what's not working, then do something to remedy the problems.

- **Detect trends**—Don't assume that the status quo won't change. For example, keep a close watch on your lane density on each major lane and notice if there are changes. Maybe service failures have crept up slightly for one of your top shippers in one lane and you've been getting less freight as a result. You want to nip this in the bud. You can take action to solve small problems before they become big problems if you are careful to detect trends.

- **Run reports as frequently as needed**—In some cases you need data to be updated hourly and in other cases you want to view changes over a longer time period. You have to decide how to structure that to support your business objectives. As a reference point, I recommend running the 25 reports listed below every day and getting the data in front of someone on your staff. In some case, I would want these reports updated hourly. This list won't be the right fit for every business, but it's a starting point.

  - Daily Revenue
  - Top Customer
  - Customer History
  - Short Pay
  - Open Item Recap
  - Order Revenue Analysis
  - Idle Trailer
  - Empty Mileage
  - Orders Lacking Paperwork
  - Tractor Continuity
  - Brokerage Revenue
  - Accessorial Charges
  - Customer Order Count & Customers Below Order Goal
  - Trailer Pool
  - Safety Data/Reports-Register-Accident By
  - Service Failure
  - Empty Miles Lost Revenue
  - Commodity Revenue
  - Claims
  - Tractor Mileage per Day
  - Lane Analysis
  - Customers without Activity
  - Driver Recruiting
 - Vital Signs
  - Profitability Analysis Reports

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Empower People with Actionable Information

D ata is great, but don't forget that people are the agents of change. It's your people who take the actions that bring about improvements. If you want your staff to take the right actions, you have to empower them with understandable data. You have to give them actionable information that is relevant to the work they do and you can't overwhelm them with too much data. You want to give them timely feedback on their performance, and here are some of the best ways to do that:

- **Devise a playbook**—Football coaches use playbooks to help them handle everything that might arise in games. You can build a playbook for your business by focusing on specific KPIs for each member of your staff or each department, establishing rules for handling certain situations, and setting up goals.

- **Focus on specific KPIs for each person or department**—Give people information that pertains directly to the work they do. Don't give the billing clerks detailed data on safety inspections. Sort and configure the data so that you can create customized reports for your staff. You can use the "Permissions" tool to make specific sets of data available to some people and not others.

- **Establish rules**—Rules provide people with guidelines for taking action. If your fuel surcharges are too low, you might establish a rule that says dispatchers must check with a manager before approving any fuel surcharge under 11%.

- **Set up goals**—Settle on realistic goals for everyone and make sure they can see their progress towards those goals.

- **Use graphics**—You can use graphic tools, such as pie charts, bar charts, graphs, and gauges to create visual representations of the numbers. These can be powerful aids because they communicate the message more clearly and dramatically. For example, gauges allow people to see the effect of what they're doing. When their hard work moves the needle, it's more satisfying than simply seeing the numbers change.
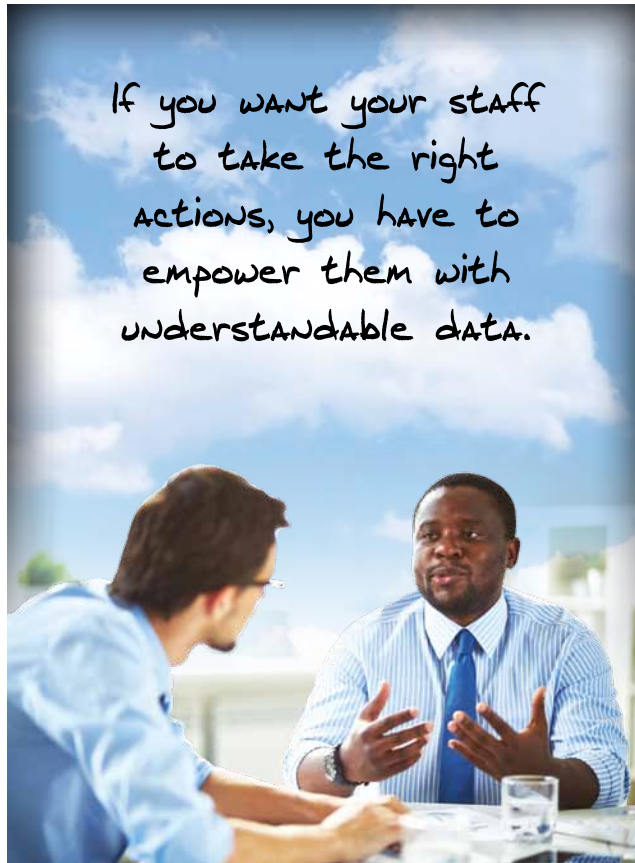
- **Get rid of the independent spreadsheets**—You want to make sure your people are getting rid of their legacy spreadsheets and using LoadMaster for all of their records. There should be one central location for all of your data. You don't want any data left out, because you want to know that you're seeing a comprehensive and exhaustive view of every situation whenever you view metrics. This way, everyone works with the same data.

- **Create a culture of improvement and get everyone on board**—Following metrics should become part of the business culture. Make it fun by celebrating individual and group success. If you're starting this from scratch, give people time to warm up to it. Years ago when I managed operations at a trucking company, I first started putting KPIs in front of my staff by using a white board which had only four metrics—rate per mile, number of loads, total revenue, and deadhead. That was all I started watching at first. Gradually I added more KPIs, but I needed a place to start. I wanted to get people to understand those four things. I would update the whiteboard every hour and ring a bell. At first, they didn't take much interest and they thought the bell was a dumb idea, but pretty soon, they started looking at the board every time I changed the numbers. I got them involved in the game.

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Take a Closer Look at These LoadMaster Reports

Here are some of the ways you might want to make use of some of the standard reports in LoadMaster:

- **Lane Analysis**—Lane Analysis gives you all kinds of ways to see what is happening in your business. You can click on one of the chart's column headings and the colors of the states in the map change to reflect that category. You can configure the chart by state in, state out, revenue, orders, and more. You can then click on a column heading and see which state is first and last for all of these categories. You might see that one destination is 0.4% of your business. What are you doing going there? Are you making money doing that?

- **Daily Revenue**—In this report's rawest form, you can run it for a single date or a range of dates. Everything is broken out by load count and linehaul. You can easily view linehaul revenue, accessorials (including fuel surcharge), loaded miles, and more. You generally want to look at this every day. It gives you the loads that have been put in progress at that moment—real-time data. So if you start running this at 6:00, 7:00, 8:00, 9:00 a.m., or any hour, you'll see everything that's going on at that time.

- **Order Revenue Analysis**—This is the daily revenue report on steroids. From this report you can quickly access a pie chart of your orders. Maybe you decided a couple of years ago that you need to compete in the intermodal market and the pie chart shows that over the last year intermodal accounted for less than 2% of your business, only a narrow sliver of the pie. Is your money well spent in this way? You can also create bar charts from the Order Revenue Analysis screen that show miles and revenue. Manipulate the date ranges, the destinations, the customers, the commodities and more to see how your business is performing from all of these angles.

- **Idle Trailer**—The summary mode of this report shows how many trailers have been idle and the average number of days they've been sitting somewhere. Go into detail mode and you'll see a long list that indicates when each trailer arrived, how long it's been there, who the driver was, and where the trailer was dropped. You can sort as needed to look at it by company division, date range, or location.

- **Customer History**—First look at the 50,000-foot view, which shows load count, freight revenue, fuel surcharge, remaining charges, and totals. Then start playing around. Look at how one date range compares to another. See how you're doing on loads for this month. See if there are periodic rhythms with this customer. Are you getting more freight from them this year or less?

- **Top Customer**—Who are your top ten customers and how much of your business is coming from each of them? How do your top three customers compare in terms of load count, rate per mile, fuel surcharge, and total revenue?
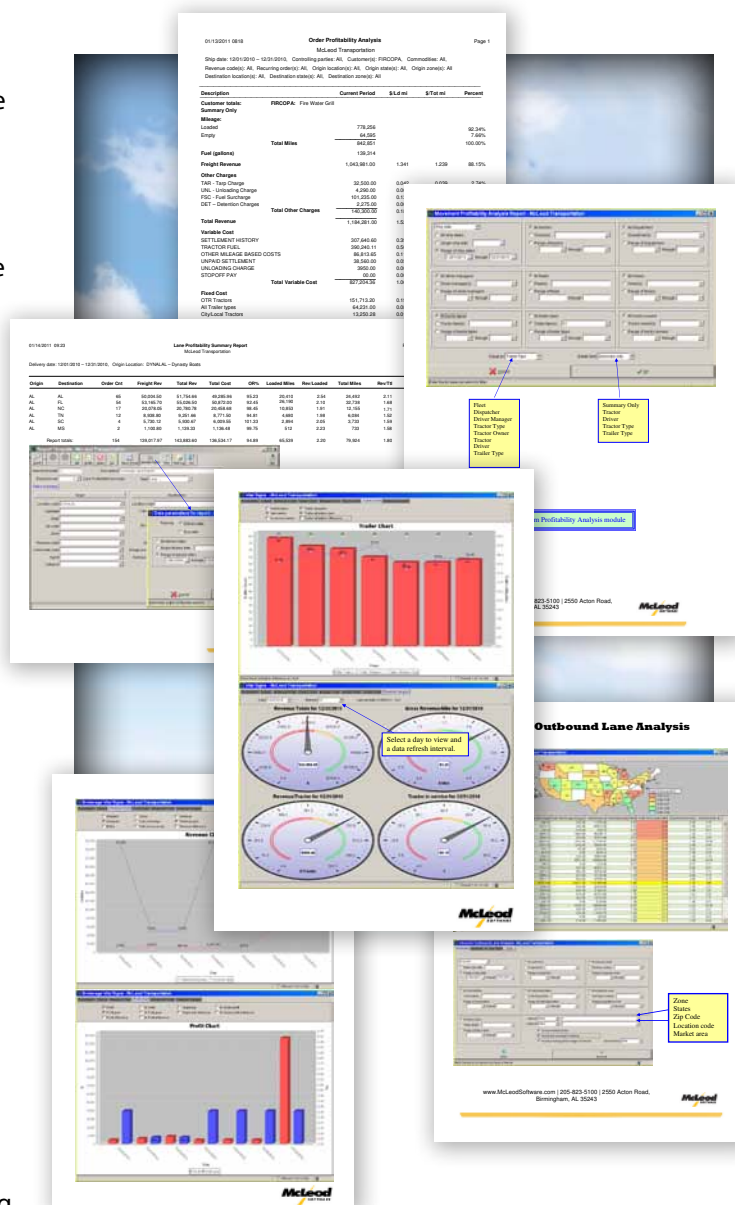
- **Commodity**—Are you making more money hauling wallboard than cereal? If you don't know, you can find out. It may give you valuable information for future sales efforts.

- **Customer Order Count and Customer Below Order Goal**—Maybe one customer is really high compared to others, but what's the context? What is your history with this customer? Did they promise more freight than you're getting? Maybe you're still below what you had planned for. Get back to your sales guys and say, "Hey, this isn't happening the way you said it would. What's the problem? Did we do something wrong? Have there been service failures? Or is it something else? Is it that we just haven't asked for the business, haven't reminded them that we're ready, willing, and able?"

- **Accessorials**—Run this every day. You want to know if this is off track. You operate on small margins, so the accessorials can take you from the black into the red. Maybe it's $100, but the contract says it should be $75. Find those and stop them from continuing to happen.

- **Vital Signs**—Vital Signs offers a wealth of metrics in one location, and even though there's an incredible amount of data on this screen, it's easy to make sense of it. Hover the cursor over one of the row descriptors, such as "Scheduled Shipped Revenue," and it will bring up a descriptor of what that is—"Revenue based on the order's scheduled ship date" in this case. You can

see exactly what you're getting. Here are just a few of the ways you can put this valuable tool to use:

- **Configure Vital Signs to your needs**—You choose the metrics that you want displayed.

- **Display progress toward goals**—If one metric is billed revenue, another one can be percentage of your goal for billed revenue. Right there in front of you, you have your real-time data and you can see how you're performing against your target.

- **Drill down for details**—You can drill down on every item. You've got totals and averages for the time period. Look at your fuel surcharge. Whoa—17%? That's supposed to be 26%. You need to take a look, so you drill down by clicking on the figure and you can see each load that is creating that figure.

- **Use the data to find new angles on improvement**—Look at your average LOH. If it's high, take note. You should get that fact up on your website because it will help you recruit new drivers. They'll see the long LOH and say, "Wow, I could be making good money and be home every weekend."

- **Track your dispatch efficiency**— Look at the load entered, dispatches made, and dispatches completed. This tells you how efficient you are.

- **Get charts or gauges with one click**—You can get charts and gauges with one click. Look at revenue, orders, mileage, tractors—and see how your actual performance stacks up against your goals.