Smooth Operators: Getting the Most Out of Fleet Management

By Stephen Bennett

IT'S BEEN SAID THAT HIRING A CONSUltant can be like paying someone to look at your watch and tell you what time it is. But the people who form the management team at Double D Express do not subscribe to that notion.

Double D, a less-than-truckload carrier in Peru, Ill., worked closely with a consulting firm to find fleet management software that would be a good fit.

The carrier worked with the consulting firm for a total of 45 days, spread over a number of months, before it went live with a system. What happened during those months was shaped largely by the consultants, and helped to ensure a satisfactory outcome, says Jack Kubsch, director of operations for Double D.

That's not to say that any company seeking a new fleet management software program has to go out and

Before investing in software, carriers would do well to consider how they would change their business processes for the better.

hire a consultant. But studying the steps that Double D and its consulting team followed can certainly be instructive to trucking managers about to embark on a similar mission.

A critical initial component of the consultants' work with Double D had nothing to do with the capabilities of various software offerings and everything to do with the carrier's personnel, how they carried out their daily tasks and pushing them for detailed descriptions or

New software is helping Double D Express manage operations more efficiently, says the LTL carrier's management.

"scripts" of specific situations that, though they are exceptions, arose fairly frequently.

Leslie A. Clemmer, director of information technology for the consulting firm RSM McGladrey in Peoria, Ill., says the exceptions are "peculiar, but they happened enough that it was important to address these particular situations."

In general, the process of questioning Double D personnel about how they did their work yielded important information that contributed to the successful outcome, says Clemmer, because it forced them "to think about all the things they do and how they would like them to be different." Clemmer adds that the carrier's employees "needed to hear from the vendors how they might do it even better than they had thought of doing it themselves, because [Double D employees] didn't have the expo-

sure to many different ways that other people did things. That's what consultants and software vendors with a lot of clients bring to the party."

After identifying close to a dozen vendors, the consulting firm sent them each a packet of information about the objectives the carrier aimed to achieve. "We spelled out what we wanted in accounting and financial management reporting," Clemmer says. "We gave ideas about how we wanted quoting to work. We had specific things related to rating, to interlines, to cartage, to maintenance, to LTL dispatch, to imaging and bar coding, to driver communications."

Based on the responses, the consulting firm whittled down the number of candidates to five. These five then made presentations to Double D's management with the consulting firm in attendance.

The presentations were methodically assessed, using a spread sheet that listed each feature of each vendor's offerings. After the first two presentations, one vendor was ranked first. After each subsequent presentation, the rankings were reconsidered and, if warranted, re-ordered.

"We ranked the capability that the vendor either had or didn't have," Clemmer recalls, "trying to make it more of an objective instead of subjective type of rating.

"We thought that if we listened to five different demos and then tried to sit down and remember everything about everybody, we wouldn't do a very good job," Clemmer explains.

The vendor that won the contract, Carrier Logistics Inc., featured a strong background in operations, Clemmer says, "and, in our estimation, if you can increase profitability and operations, that has significant impact on the bottom line."

Clemmer says Double D management and the consultants agreed "that the operations folks were going to drive the business and the accounting or administrative folks weren't driving the business."

During the time that the vendors were being researched and their offerings evaluated, Double D installed a local area network infrastructure. Previously, Clemmer says, the carrier had used a Unix box with dumb terminals and serial connections. "They had the foresight to put their network in ahead of time," knowing that whatever system was ultimately chosen, it would be running in a network environment. When Carrier Logistics's software, which runs in the RS/6000 environment, was chosen, the vendor ordered that machine, Clemmer relates. "We got it on site, plugged it into the network and they were going," he says. "So they were that much farther ahead of the game by building their infrastructure appropriately and installing it ahead of time. They went into high gear. They didn't start training until the first part of December, and they went live on Jan. 1."

The company also purchased approximately 40 Dell monitors and processors. Kubsch says, "We've got about three quarters of a million [dollars] invested in hardware and software."

Carrier Logistics specializes in the LTL market. Its Facts2000 software, which Double D implemented in three stages, performs, among many functions, pickup and delivery and line-haul dispatch, as well as administrative tasks such as managing receivables and payables.

The administrative applications became functional on Jan. 1, 2001; dispatch was implemented in April of that year; and the routing module was put into service in September.

As LTL carriers go, Double D is unusual for having only one terminal. But because the company works with partner carriers — one each in downstate Illinois, Wisconsin and Iowa — its operations are much the same as those of an LTL carrier with multiple terminals. "We load to them like we would load to another terminal, every night," Kubsch says. The new software, he adds, "has really helped us because now our operations guy in the afternoons knows how much freight is going to each one of those three locations. He can plan his work schedule and his manpower."

Currently, most pickup requests are fielded by office staff via telephone. Those staff members then enter the information manually into the computer system.

However, CLI also has established a Web site capability for Double D, so that the carrier can accept pickups that way. Customers enter the information on the Web site and then it is downloaded automatically to the dispatch system.

Kubsch says he hopes to see customers' use of that option grow.

Six months after the Web option became available, he says, 90% of pickups still came in via telephone. Only 5% to 8% are received via the Web site. The remainder consists of scheduled pickups, which usually do not require a request.

Kubsch says the Web site is getting limited use in part because some customers aren't comfortable with it, and because others may not be aware of it yet. Customers who

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do utilize it are satisfied with it, and Kubsch says the operational benefits to Double D include greater efficiency and productivity among dispatchers. "It gives the dispatchers more time to plan," he points out. "It keeps them off the phone."

Ideally, a much larger portion of pickup requests would arrive through the Web site, Kubsch says. "I'd like to see it grow to 60% or 70% but I don't know if we'll get there because some customers just don't like using the computer. We deal with a lot of small businesses."

Overall, Kubsch says, implementing the software has resulted in operational productivity gains and savings. Kubsch says the company was able to eliminate one dockworker's position because of enhanced ability to plan, that customer satisfaction is higher, and that the carrier is more consistent because the software holds detailed, easily accessed information on each shipper.

"If you have to make a pickup at the back door of some place every day at 3 o'clock, that shows up on the dispatcher's screen because we've already loaded that in," he says.

Working knowledge is the key benefit of the system, Kubsch says. "We know more about what we're doing and we've got a better handle on it. The ability to generate a manifest for our drivers, print our freight bills, generate loading manifests for our dock people — that's all much simpler because it's all part of the routing system."

He adds, "The best report we can generate from an operations standpoint is that report in the afternoon that tells us where our freight is going. It allows us to do some planning."

Ken Weinberg, vice president of Carrier Logistics, emphasizes that carriers should include operations personnel in the search for suitable software. More often that not, he says, "carriers focus on their day-to-day problem of cutting the freight bill and collecting money. But operations is where they make their money and they need to use the tools of transport management systems to do that."

Ben Wiesen, product manager for Carrier Logistics, adds that carriers shop for computer systems "that will solve problems that they perceive. They perceive the problems that [shippers] complain about" — such as not getting the right rates or being unable to track online.

Wiesen says, "You never get a shipper complaining, 'Did you know you didn't handle my freight efficiently in your line haul?' The shipper doesn't say, 'Do you know you drove 16 extra miles at $1.41 per mile yesterday?' That shipper doesn't care. In fact, the shipper might be the reason they drove those extra miles."

A second, constant issue in LTL operations, Wiesen says, is that the work of addressing engineering issues is never done. An effective dock layout, for example, can have only a limited life span.

"Six months later, the world has changed, your freight mix has changed," he says. "All of a sudden you're delivering to Indianapolis, and you never used to go there. But you're no longer going to Cincinnati as much because the big customers changed. So all of your work unfortunately goes down the tubes and it has to be done again.

"So there are two sides to it," Wiesen says. "One is that you have to have a computer system that can give you the information and steer you in the right direction. And second, you have to have the fortitude to continuously revisit and continuously rework the problem." ⊙