

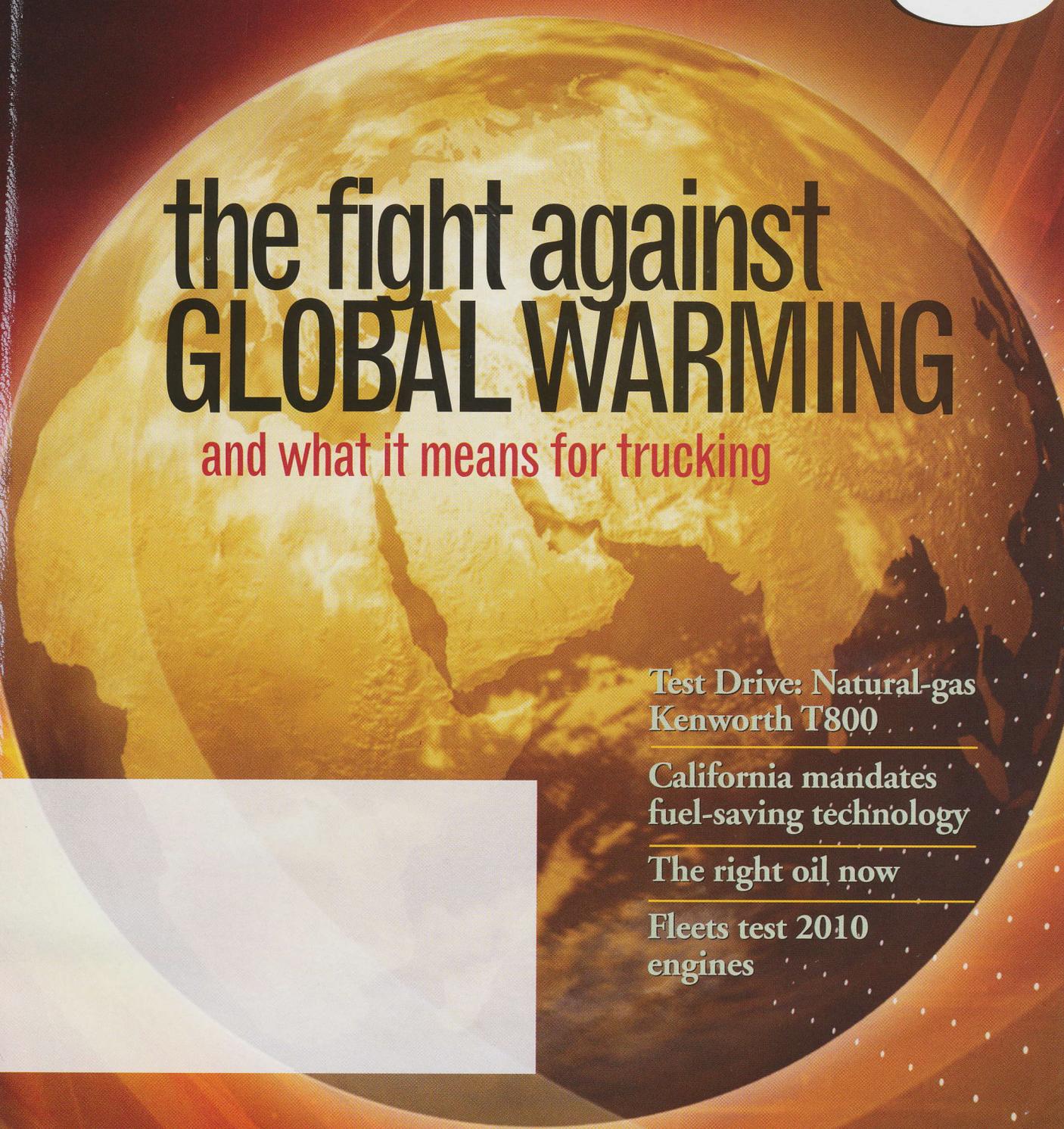
August 2009

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Trucking

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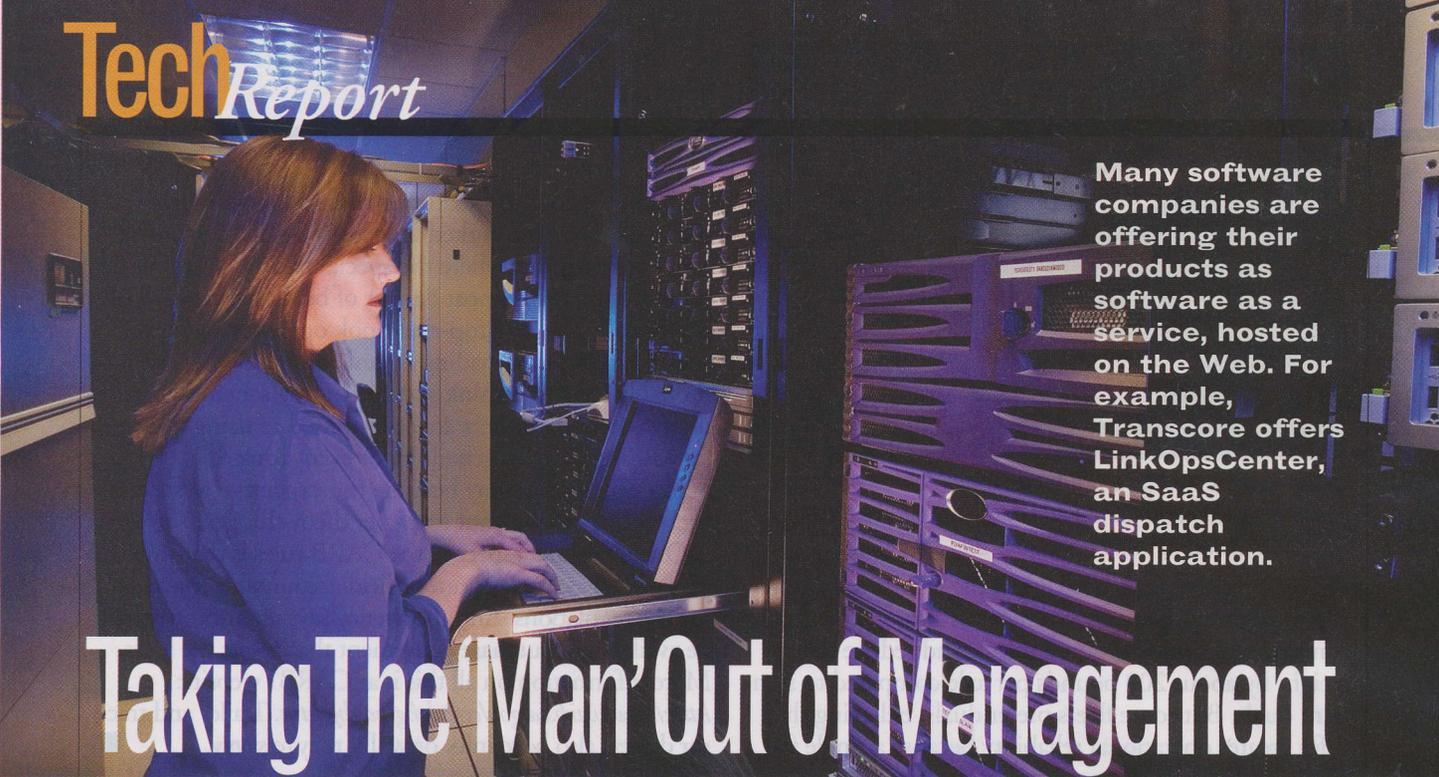
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Many software companies are offering their products as software as a service, hosted on the Web. For example, Transcore offers LinkOpsCenter, an SaaS dispatch application.

Taking The 'Man' Out of Management

Technology trends are making the return on investment in fleet management software more attractive than ever.

The economic meltdown has fleets scrambling to cut costs and improve efficiency in more creative and innovative ways than ever before. This involves getting the most out of fleet management software – systems that help fleets handle anything from dispatch, load planning and accounting to maintenance, safety and compliance.

Software companies are coming up with new ways to make fleet operations run more smoothly. Many new capabilities and features are designed to eliminate the need to hire an actual person to perform such tasks, as the software can automatically do it for them. This aspect is becoming especially attractive to fleet owners these days, says Ernie Betancourt, president of Innovative Computing. "People cost."

To stay competitive and stand out during this time of economic hardship, fleets want to leverage the capabilities of enterprise software to grow their business without adding people. Freight is hard to come by, but fleets are retooling their operations for greater efficiency, positioning themselves for when the economy picks back up.

"They're all trying very hard to be as profitable and efficient as possible in these trying times," Betancourt says. "Make them more efficient by putting as much information in front of them at the time they need it."

Automated solutions

The growth of software technology and the falling costs of implementing it have made it a more attractive option to fleets that want to become more automated. This can reduce the possibility of human error along with keeping labor costs down.

"Why do you have to go through someone?" asks Ken Weinberg, vice president at Carrier Logistics, which offers software solutions for the less-than-truckload industry. Today you can access your entire bank account with the click of a button, he says. When it comes to fleet management, a fleet can send the information needed for a speedy pickup right to the cab, eliminating the need for a customer service department.

"Solutions can be implemented to reduce the amount of time and [the number of] individuals it takes to handle certain tasks," says Claudia Milicevic, general manager at TransCore Link Logistics.

Enterprise software can be used not only to minimize a fleet's workforce, but also to help the staff better focus on the task at hand – hauling freight. Betancourt compares fleet management to air traffic control: Air traffic controllers work from the control tower, where they monitor and communicate what's going on from one place. Controllers would never be running around on

Diana Britton • Managing Editor

the runway. Likewise, software allows fleets to streamline operations and monitor all activities in one solution, making the job of moving freight a lot easier.

Integration

One way software innovations are reducing the person element is through integration, where fleets have access and can interface to different types of software in one solution. Integration between software works to realign people's skills to do other things, says Scott Vanselous, senior vice president and general manager of asset maintenance organization at TMW Systems.

This can reduce the need for rekeying information needed for one program that has already been entered into another program. For example, a fleet manager might have to reenter the same data two to three times if his maintenance software is not integrated with his accounting or dispatch software.

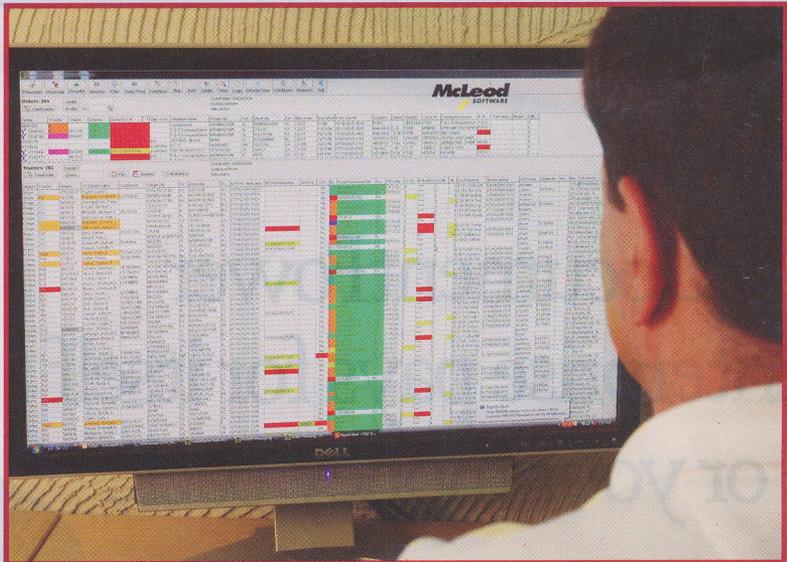
"You certainly don't want someone rekeying the same information into different programs," says TransCore's Milicevic. "It's not efficient, and it also leaves a lot of room for error. You need to ensure that the technology you're using can be easily integrated into other systems or that other third-party data is available in those solutions. In this fast-paced industry, you need to have the information available at your fingertips."

For example, ProMiles Software Development Corporation integrates its routing and mileage offerings with such companies as Networkfleet, Arcfleet, Telargo and TeleAtlas.

Software companies are also developing tools to capture data through imaging and scanning, and integrating this data throughout all parts of a fleet's operations. This process can eliminate the need for paper and minimize a very labor-intensive task. "The fewer touches that have to be made to a piece of paper," the more productive a fleet can be, says Tom McLeod, president of McLeod Software.

These types of systems recognize documents of many different forms, store them automatically and route them to the appropriate people. For instance, McLeod Imaging provides document imaging, document management, workflow and Internet accessibility. The system can be integrated with virtually any trucking or brokerage software. This can increase efficiency, reduce errors on billing and improve cash flow by as much as a week and a half, McLeod says.

Using this system, a driver can scan paperwork, such as a billing statement or safety and compliance docu-



McLeod's LoadMaster software provides trucking dispatch, operations and accounting in one solution.

ment, at a truckstop or inside the cab, and it will go right where it needs to automatically. Customers can get the invoice the same day.

EBE Technologies offers a similar solution. Using the company's document imaging and scanning feature along with its SHIPS integration capability, paperwork enters the Process Manager, a database that compares data from reports, paper, accounting and dispatch systems to your business process rules, providing a single view to all data within these systems. This process also eliminates the need to manually key data and reduces human error. "Less is more today," says Cindy Nelson, vice president of marketing and business development at EBE.

This type of integrated system can help fleets leverage data already in the system. For example, EBE customers can create an incentive/bonus program for drivers by collecting data such as mpg, hard braking, idling, compliance, hours of service and delivery time. Based on this information, a bonus is determined for the driver, and this transaction automatically goes into the payroll system, Nelson says. "Most companies don't have sophisticated bonus systems because they can't. It's too labor intensive."

Moving to the Web

Integration can be done much easier through the World Wide Web, and many software companies are offering their products as a Web-based application. Also known as "cloud computing" or Software-as-a-Service, going cyber not only helps fleets connect with other software online, but it also helps fleets cut costs. With SaaS, fleets don't need IT staff, sophisticated hardware and servers for running the software or the infrastruc-

ture to back it up.

SaaS provides "much greater flexibility and better security," said Carrier Logistics' Weinberg. He points out that carriers have minimal disaster recovery abilities, and that enterprise systems require facilities with brick, generators and backup capabilities. The Web also allows carriers' customers to do more on their own, reducing the overhead for carriers.

BorgSolutions' preventive maintenance software has been Web-based since the beginning. The company wanted to provide a solution that was easy for people to use who were set in their ways and not as technology savvy. Michelle Borg, COO, recalls people saying, "I've been doing this for 30 years, why should I change?" The Web was able to bridge that gap, she says.

Another advantage of being online is that fleets can access the information from anywhere, an option that comes in handy when computers are down. Chris Borg, CEO of BorgSolutions, says this aspect also lines up with the nature of carriers with multiple locations, as fleets can see what's going on at every depot. "Fleets move," he says.

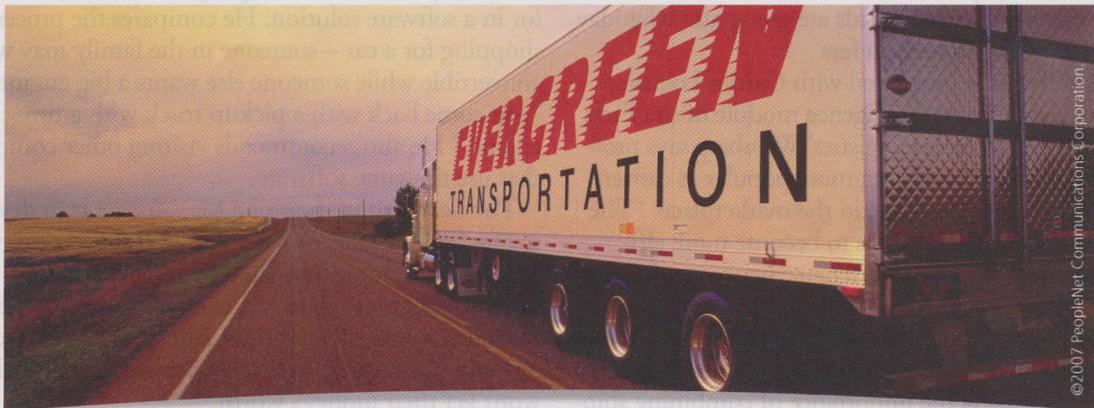
Innovative Computing has offered SaaS for 10 years, and recently hit the 6,000-truck mark. TMW has about 90 customers who use its software online. McLeod's LoadMaster platform is available with an Internet Module option, which has online order entry, load tracking and document retrieval, as well as a function that supplies rate quotes to potential customers. It also includes a driver center and driver recruitment function. McLeod notes some people are just more comfortable using a web interface.

"The Internet is where all this is going," says Tony Stroncheck, president of sales and marketing at ProMiles. ProMiles offers free online versions of its routing and mapping solutions. He says the Web is more widespread than ever as a result of smart phones and Wi-Fi. More trucks now have devices that connect to the Internet. SaaS also allows software companies to maintain and update software faster and easier, rather than having to send updates to customers, he says.

Another online solution for the trucking industry is J.J. Keller's new FleetMentor. FleetMentor is designed to accommodate smaller fleets that cannot afford to buy all



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the equipment associated with a large software system. It gives smaller fleets access to some of the same capabilities as larger fleets, without the high costs of hardware.

"You don't have to go out and buy a mainframe computer system," says Tom Bray, editor of transportation management.

More profits through data

Another area fleets can cut costs is looking closely at profitability. This involves drilling down each shipment to see how much it costs to haul to each customer. Carriers are "getting much more intelligent about setting their rates," says Tom McLeod. He says when freight picks back up, carriers will go after much smarter business and be more deliberate about freight they take.

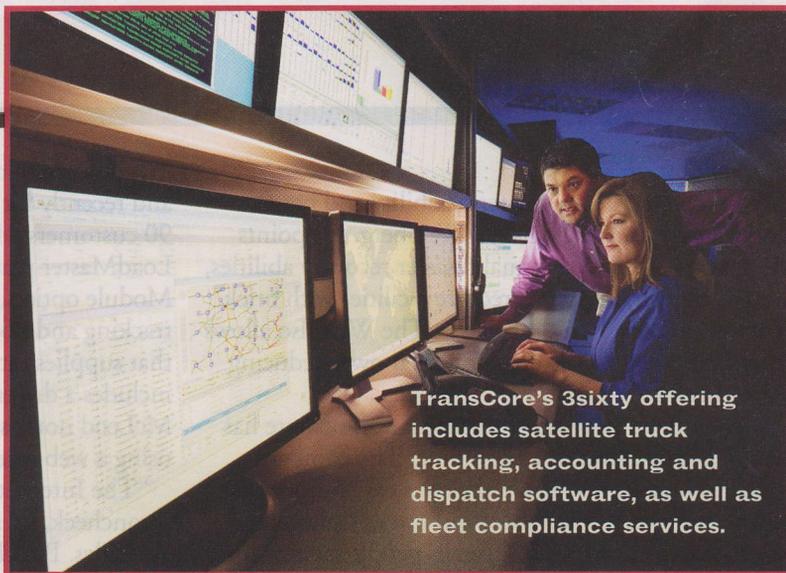
McLeod made enhancements to its profitability tool last summer, which analyzes shipments by lane, customer, dispatcher, commodity and even by tractor-trailer. McLeod users can get a profit and loss report going back to the order level on each individual load. In addition to just outbound or inbound reports, the software now includes a roundtrip report option for small and mid-size carriers.

Transportation Costing Group specializes in providing costing and profitability management tools for truckload and LTL clients. The company's Cost Information System uses data from the carrier's general ledger, accounting, dispatch, freight and other operations to track each activity that a load consumes. A carrier's load operations are analyzed in terms of number of loads, who the driver was, where loads are going and what day of the week it was, to name a few.

TCG's software is integrated with Carrier Logistics' Factsview, the business intelligence module of the Facts suite of software. Carrier Logistics' Weinberg says profitability models are becoming more popular as carriers rely on efficiency to compete in the marketplace. "The way to compete and survive is to become more efficient," he says. "That's the difference between winning and losing."

Appian Logistics Software, which provides fleet routing and GPS solutions, takes profitability one step further by emphasizing the importance of combining shipping data with route information. The company's DRTrack stores geographical, order and route history data that can be used to uncover inefficiencies, according to James Stevenson, vice president.

"For example, a company may want to see where they made three deliveries to an account inside of a week



TransCore's 3sixty offering includes satellite truck tracking, accounting and dispatch software, as well as fleet compliance services.

with less than five total pallets delivered and 70 miles driven to or from the account," Stevenson says. "Advanced reporting tools not only provide the volume and frequency information needed, but allow companies to combine this with after-the-fact route data and costs. Companies can take the data a step further and plot the information on the map using color-coded symbols and filtering tools. This provides companies with the ability to review policies and field operations that affect profitability using real data."

What to look for

Choosing the right fleet management software can be a daunting and confusing task. Even before looking at software, "you need to define internally what you need a system to do," says McLeod. He suggests looking at the strengths of your company, your needs, your vision and business goals for efficiency and growth. "Looking for a system that supports that becomes a lot easier."

Carrier Logistics' Weinberg suggests compiling a list from every user in the company of what they're looking for in a software solution. He compares the process to shopping for a car – someone in the family may want a convertible while someone else wants a big engine, but "you come back with a pickup truck with a tiny engine." He also recommends visiting other companies that use the same software.

The next step in shopping for software is to develop a strong internal staff that is good with the system, willing to learn, and not intimidated by it, McLeod says. In order to stay up to date and competitive in today's environment, a carrier's staff must support the new technology and not impede its implementation, or a carrier won't get their money's worth.

The last tip for selecting the right software is to look closely at the hidden costs of a solution. Costs associated with buying a server, maintaining the software, purchasing upgrades and training the staff can creep up, Borg says. "Don't just take the sticker price as the final cost of that offering." ■