

# big fleet functionality for Small fleets

*Small fleets have options to implement technologies similar to those at larger fleets, without breaking the bank*

When it comes to serving customers, small carriers have the same requirements as the largest. If a small carrier can respond to a customer's demands as well as a much larger fleet, he can be competitive.

Trucking management software can help smaller fleets compete with larger ones, but until a few years ago, the "sweet spot" for trucking management software vendors consisted of fleets between 100 and 1,000 trucks. Larger carriers were already up and running with systems, often proprietary or heavily customized, while carriers with fewer than 100 trucks were often considered too small for the cost of a system to pencil out.

In recent years, the size of the carrier no longer makes as much difference. Products tailored for smaller fleets have been available for some time. But more recently, we have seen top-tier trucking management software providers developing versions of their products priced for the small fleet market, allowing these fleets the same types of functionality as their larger brothers.

The equalizer: the Internet and the ability to deliver software-as-a-service (SaaS) applications via Web portals to fleets with minimal computing infrastructure. All they need is an Internet connection and they are good to go.

## What is it?

Trucking management software systems automate the most common functions within a trucking company. These include dispatch, accounting, driver management,

customer management, vehicle management, fuel-card integration, mileage and routing integration, business intelligence capabilities, safety and regulatory management, fuel tax reporting, and so on.

"Beyond dispatch and accounting, our customers are looking for mobile communications integration, mileage integration, a web portal for their customers, fuel card management, EDI integration, document imaging, load board integration and management analytics including business intelligence," says Kevin Pasternack, national sales manager for Prophecy Transportation Solutions, Bloomington, Conn.

Many vendors describe the fleet management software market as consisting of three tiers: low-end, mid-level and high-end. The lower-end systems consist mainly of dispatching and route management systems that can integrate with other systems the carrier may already be using, such as accounting or mileage software. The mid-level systems have more capabilities in terms of the number of trucks and drivers they can handle, as well as

additional functions integrated within the core product. The high-end systems are fully featured enterprise systems that tie every aspect of the business together.

Of course the higher-end systems also cost more to purchase. Yet the cost associated with running, not buying, the system is the most common barrier.

"The cost of the software is just one element in the cost equation," says Ken Weinberg, vice president of LTL software provider Carrier Logistics, Tarrytown, N.Y. "Even if

**“ We made the decision a few years back that technology was where it was going to go, and if we do not make the investment we won't be in business long term. ”**

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**Richard Jousma, president (left) and Steve Bruss, safety director for First Choice Logistics, Chicago. Though First Choice only has 55 trucks, Jousma said they decided a few years ago to make the investment in the same type of fleet management software and other technologies used by big competitors.**

some carriers got the software for free, they still could not use it, because they couldn't afford the cost of installing and maintaining it.

"That said, in today's environment, the ability to use SaaS applications or acquire software on a subscription basis reduces a small fleet's overhead and cost. So they are able to acquire the same functionality that the larger fleets have."

More products are available in modular fashion, as well, so smaller fleets can implement their software solutions in pieces as they grow.

Technology also has helped reduce the cost of training, Weinberg notes. Sending staff to a vendor's location or having the vendor send its people to your office for training adds up to a lot of expense. Much of that training can now be done via web conferences or webinars.

Some of these offerings are available from the same vendors that supply high-end systems to the largest carriers. Ray West, vice president and general manager of the Innovative product lines at TMW Systems, Beachwood, Ohio, says that today a 50- to 75-truck fleet can run the same software as a 14,000-truck carrier.

TMW's Innovative Access product line is an SaaS offering that is priced based on the number of trucks a carrier runs. Because it's available as a "cloud" system, it "removes the barrier on entry" that has kept small fleets from fully implementing trucking management software. "There is virtually no infrastructure on the carrier's end," West says. "All they need is a PC that runs terminal emulation."

The system allows plenty of room for a carrier to grow. Yet because the pricing is based on the number of trucks, if a carrier shrinks their fleet, their price goes down, West says.

Such cloud-based systems offer the same functionality

and mobile communications. TMW targets its SaaS product, Innovative Access, to fleets of less than 50 trucks, and its Innovative Access Plus package to fleets of 50 to 250.

There are a number of other companies offering these types of systems. A few examples:

- PCS Software, The Woodlands, Texas, offers a cloud-based version of its Express Dispatch product that includes the same functionality as its installed product, including dispatch, accounting (including payroll and settlements), integrated document imaging, freight tracking and log scanning.

- FreightData Transportation Software, Buena Park, Calif., offers on-demand software for a number of small -to medium-sized carriers, primarily in California. The company has both truckload and LTL enterprise software packages that integrate electronic dispatch, rating, billing, manifesting, accounting, management and financial reporting, driver management and pay, equipment maintenance and more. Additional modules can be added for EDI, imaging mobile technologies, warehousing and Web tracking.

- Truckers Helper, Melbourne, Fla., offers a trucking management system for owner-operators and fleets. Its fleet product includes dispatching, accounting, driver and customer records, maintenance and other functions. The company also offers an online product for one-truck operations, with an online product for fleets currently in development.

With the advent of SaaS offerings, smaller fleets also can take advantage of capabilities that had been restricted to the high-end systems, such as business intelligence, CSA management and lane analysis.

For instance, Vigillo, Portland, Ore., recently released a

bundle of its CSA management products priced at a discount for carriers with fewer than 100 drivers. It includes Vigillo's CSA Scorecard subscription, Inspection Management System, a pre-employment screening system, Roadside Resume for drivers and a product to help brokers evaluate carriers based on safety scores.



## Truckload vs. LTL

It bears noting that management systems for truckload and LTL operations are not the same kind of animal. A carrier should have a solid understanding of what its business actually is before calling in vendors. While it is true that some truckload fleets do some LTL and vice versa, the operations are totally different, and the management systems designed for these operations will be different as well.

In many respects, a full-featured LTL system will be much more complex than a strictly truckload system. "There is a distinction," says TMW's West. "Most systems are built around truckload." In a truckload system,

**Back office technology offerings for small fleets are increasing as software providers use the web and cloud-based applications to lower the cost for implementing such products. Vigillo, for instance, offers a small fleet bundle of its most popular CSA products at a reduced cost.**

Prophesy's Pasternack adds that it is not just the ability to keep track of multiple shipments that make LTL systems more complex, it is also the user interface that presents challenges: What does the dispatcher do to make all these things happen?

Pasternack notes that most software providers will do a thorough investigation of a carrier's operation before

there will most often be a one-to-one relationship between shipments, trips and bills. In LTL, on the other hand, a carrier may consolidate up to 500 orders on one truck, making LTL very complex, West says.

"Truckload is a much easier system to develop," agrees Ken Weinberg. "You are picking up one box and moving it from point A to point B. In LTL you are picking up multiple shipments at point A, moving them to point B where the shipments will be broken down and consolidated, then put on another truck headed for point C. You have all these shipments, then you have the LTL pricing, which makes the systems more complex."

making recommendations on technology to help them determine whether or not they should opt for a straight LTL or truckload system, or a system that combines elements of both types of operations.

### Thinking big

Being a small fleet does not mean one can't buy one of the top-tier packages. In some instances, the investment makes sense. First Choice Logistics, Chicago, is a 55-truck bulk transporter that has made the investment in trucking management software, mobile communications and other products that help its business. The fleet hauls liquid chemicals, hazardous and non-hazardous waste and bulk intermodal loads, mostly within a 500-mile radius of Chicago.

The company has been using a lane analysis program from Transportation Costing Group for about five years. It has made a huge difference in the company's ability to charge the right amount for certain loads.

"We can manage the lanes that a shipper gives us lane by lane, so we can determine operating ratios for each lane," says Richard Jousma, president. Sometimes they find they can't do the job for what they had been charging.

"There is a yearly cost to be a part of TCG, and every carrier has to decide whether that cost is worth it to them, but the ability to learn the true cost, and having the ability to adjust those costs to make it profitable, means a lot to us.

"At the end of the day, what I'm looking for is, did that truck make any money, and if not, maybe we shouldn't do that trip."

A few years ago, the company made a commitment with TMW. "I understand we are one of the smallest players that have this system, but we made the decision a few years back that technology was where it was going to go, and if we do not make the investment we won't be in business long term," Jousma says.

In 2002 they added the PeopleNet system. It all integrates, with the accounting system, the maintenance system, etc.

The company also uses Vigillo CSA products to help manage its safety programs and also is migrating 100% to electronic logs and electronic vehicle inspection.

First Choice also bucks the trend by maintaining its own servers. The company went back to its own servers about two months ago, saying the hosted solution was resulting in more downtime than they thought they should have. The company does not staff an IT department, but uses a contract service to maintain the servers and other hardware, reducing their IT costs.

"I really do think that as we haul hazardous materials, the regulations are going to get tougher and we need to know exactly where our trucks are," Jousma says. "You have to make the commitment to technology or you are just bidding time." ■