

Next Big Thing:

Tracking guru compares good computers to bad managers, PG. 25



Carrier Logistics'
Ken Weinberg:
"Buying I.T.'s like
buying a truck."

Today's Trucking

The Business Magazine of Canada's Trucking Industry

December 2007
www.todaystrucking.com

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FREE HORSEPOWER?

WE TEST DRIVE D-D'S LONG-AWAITED POWERPLANT,
AN EXCLUSIVE REPORT, PG. 41



PG. 33

Outlook for 2008



PG. 48

From Europe
to you

Street Smarts

INSIDE:

29 Facility audits, part 2

31 How to spot inept managers

MANAGING PEOPLE, TECHNOLOGY, BUSINESS, AND SAFETY



APATHY IN, GARBAGE OUT:

A system will work only if it has upper-management buy-in.

Just Like Buying a Truck

interview We ask industry guru Ken Weinberg hard questions about software. As in, can smart computers replace dumb managers? And what's the next big thing? By Marco Beghetto

You'd be hard-pressed to find many people in North America with as much experience and knowledge of the fleet wireless communications game as Ken Weinberg. The vice president of Tarrytown, N.Y.-based Carrier Logistics—a 35-year-old developer of trucking software systems—was working on computers back when they could barely fit in a sleeper cab and stored about as much power as a modern digital wristwatch. In the late '70s Weinberg helped found Carrier Logistics, which became a pioneer in mobile data, and trucking dispatch and communications systems. It was arguably the first such provider to carve out a stake in what was, at the time, a remote, unknown Canadian market. Today, CLI markets its FACTS2000 total transportation system

mainly to the North American LTL market. It considers fleets such as Purolator, Cabano Kingsway, Gardewine North, and Sameday Right-O-Way, as some of its most loyal Canadian customers.

Today's Trucking was recently invited to CLI's annual user conference in Tarrytown, where we sat down with Weinberg to get his views on how far the wireless communications industry has come, where it's going, and how smaller Canadian LTL carriers can take advantage of emerging technology.

Today's Trucking: As a young man, you went from industrial engineering for the military to developing software systems for truckers. How did that happen?

Ken Weinberg: After working in the (U.S.) Army as a lieutenant in various logistics capacities in Vietnam, I was

recruited by a large transportation conglomerate, which wanted me to interface between a new computer system and the operating company they had targeted to use it. It was two IBM 360/65s and made up the largest privately-owned computer system in the world. Today, you have more power in the phone that's in the palm of your hand.

In the 1970's (CLI President Don Adams) and I started Carrier Logistics with the idea of developing a computerized approach to dispatching. By 1983, we had moved away from proprietary systems and moved to an open platform environment. We built our first computerized system, which we actually unveiled to the public in Toronto for the first time.

TT: Is there any difference in how the Canadian trucking market accepts fleet technology compared to Americans?

KW: To some extent. If I can generalize, over the years we've noticed that Canadians are more inquisitive when it comes to looking at new technology. The Canadians were always of the mindset of, 'well, I'm going to tell you right of the bat that we can't afford it, but we want to know what's available.' Whereas the Americans mostly have the attitude of 'we can't afford it, so we can't look.'

TT: So, Canadians make better window shoppers?

KW: (laughing). But that's a good thing. Because that way you're informed and you know what's new out there. So, when business gets better you know where to go. I don't know why there's a difference, but we've definitely noticed it over the years.

TT: Your company is LTL-centric. Why did you choose to target that segment?

KW: When we started, companies were just transport companies. There wasn't really a distinction between truckload and LTL. But when it started to change, we focused on transportation companies whose need for solutions were related to their assets and their terminal environments. After deregulation the companies that (veered) into LTL had more problems

based on their size and assets. Canada, though, was a little different. Truckload remained with LTL because the carriers needed it for balance. In the U.S., LTL really broke away, creating unique requirements and complexity that needed addressing.

TT: *Is the dividing line between LTL and TL starting to blur once again, especially since large shippers want 'bundled' services from a limited number of carriers?*

KW: What we're seeing is more truckload carriers, who don't have much more to sell than their service of going from point A to point B, getting into the value-added market where they can provide additional value and therefore charge more. So, they're trying to get into the multi-stop market, but many of them are doing it without having the terminals. And because of the complexity of rates in LTL, many don't understand how the pricing and routing work.

TT: *Are these carriers, then, a growing segment for you?*

KW: Yes, because they want to change; they want to be more diversified. But they don't really know what they are yet. We call them hybrids. So, it is an area for us to address.

TT: *What about the other way around? Don't we sometimes see LTL carriers dip into TL freight—perhaps not so much now, but in times when truckload capacity is very tight?*

KW: That's always been more the case in Canada. We've always seen LTL in Canada more ready to keep some truckload in order to get trucks back and keep them balanced. But in the U.S. we're seeing a little bit more of it too, though.

TT: *In trucking, we've seen more market penetration of wireless technology over the last five years than in the last 25. What happened to spur it on?*

KW: One problem for LTL has always been the cost and complexity of the entire project—the backbone. Now costs are coming down; we have a bigger footprint across any given area; and the hardware is smaller and less intrusive.

The other thing is that wireless solutions were at one point more necessary on the truckload side because they had no way of reaching the trucks. LTL always had alternatives. At the very least, they could have the driver go into the shipper's

site and ask to use the phone to call dispatch. That's why wireless satellite went there first.

TT: *How does a small carrier set out to shop for fleet communications software? How does one know whether an off-the-shelf package or a customized solution is right for his business?*

KW: Generally, for a small carrier I'd recommend something off-the-shelf. The costs and complexity are still too high to go out and build your own. More importantly, it's difficult for small companies without (IT staff) to support it after the fact.

But overall, the first thing a fleet owner has to do is sit down with his people and put together a needs-requirement document. What is it that their customers are asking for? How applicable are those requests? The next thing is for us to take that document and go through their operations. Then, we hold it up against the software and determine if everything they need is there. And if it isn't there in phase one, then we'll see what needs to be added, if anything.

TT: *What's the number-one mistake carriers make when buying a solution? Do you constantly see customers pursuing technology as a substitute for proper management?*

KW: A number of companies will acquire technology, but they think it's like taking two aspirins and calling the doctor in the morning. It's true that many problems that companies are trying to fix through technology are actually management system issues. Any solution has to have the buy-in from the top and properly managed on down by the project people.

Also, too many carriers simply fall back on the costs when making decisions, instead of making sure what they buy provides the proper functionality. It's just like buying a truck—no different ... Go out and see it run in an environment like your own.

TT: *What's the next big thing in wireless? There's a lot of noise being made now about voice-over-internet (VOI). Should we believe the hype?*

KW: It's major. It's bigger than you realize. VOI is really taking a foothold in the transportation industry. It allows companies, especially in LTL, to tie all their terminals and employees together at a very low base cost. It'll replace entire phone systems soon enough. ▲