

MOTORTRUCK

Fleet Executive

JANUARY
FEBRUARY
2015

CANADA'S BUSINESS MAGAZINE FOR FLEET OWNERS

Driver Turnover:

How to measure and quantify its cost

The Bottom Line:

Branding that works. What's the secret?

Paper Be Gone:

A case study in automating manual processes

TOP TIER



Brisk M&A activity is changing the face of trucking. Does the entrepreneurial spirit of our industry guarantee the survival of smaller carriers?



Good-bye paper

Day & Ross automates processes

By Carolyn Gruske

The end is finally in sight for Day & Ross Transportation Group as a four-year-long information technology implantation is nearing completion. Once it's done at the end of February, all of the company's freight and same-day operations across Canada will have been moved away from manual reporting and paper-based processes to automated, computer-based route planning, exception reporting, and driver communications.

The Hartland, New Brunswick-based company has been equipping its terminals and drivers with technology from Waterloo, Ontario-based Descartes Systems Group Inc. In particular Day & Ross is implementing Descartes' Route Planner and its Mobile applications. The project rollout has taken a bit longer than initially expected, but that's all right with Dave Rea, vice-president of information services at Day & Ross, as it soon became evident that what the company needed wasn't just the quick application of some new

 An advertisement for NAL Insurance. In the top left corner is the NAL Insurance logo, which consists of a blue and black shield with the text "more than" in a script font above "NAL Insurance" in a bold sans-serif font, and "SINCE 1955" below it. The main image shows a man and a woman standing in front of a white Freightliner Challenger truck. The man is wearing a red t-shirt and the woman is wearing a light blue t-shirt. They are both smiling and embracing. The truck is white with "CHALLENGER" and "50998" written on it. In the background, there is a stone building with arched windows, possibly a church.

Congratulations to Mike and Lori Whynot, winners of this year's NAL/WOW Trucks Photo Contest.

www.nalinsurance.com

software. Day & Ross' processes and systems needed a full overhaul.

"We started using the Descartes System about four years ago with a prototype that we put together and ran in Atlantic Canada and we had some challenges, mostly process problems, because we were going from a paper-based approach to the technology-based approach and we had some issues with change management and connections in our backend," explained Rea. "It was mostly a people problem, and a problem in our own backend systems, which are somewhat older. It wasn't a Descartes problem.

"We ran through that and basically decided that we would be wise to get all of our process and change management issues sorted out and then roll it over across the country. I've been rolling it out across Canada in both of those divisions for about a year now and I have three more terminals to do."

The somewhat older technology Day & Ross relies upon are RPG programmed IBM AS/400 systems, which Rea describes as being "actually older than our children. It's a bit painful, but that's the state of it," he said.

"There are two primary systems that these divisions use. One is what I would call a manifesting/invoicing system. It allows us to record any pickup, any delivery, and through all of recording those events and assessorials like tailgates or waiting times. All of that goes into creating an invoice which is sent to the customer. We also have another system, which allows us to dispatch the trucks and record where they're going—a transportation management system as it were. Both are of the same era."

While the backend systems have an influence on the company's operations and its ability to adopt up-to-date software, its processes played an even larger role.

"I find that our business is very paper-based and there's always the signing of manifests and paper. That's what we used to do—bring that paper back to the office, scan it in. They would just centralize a data entry location and use that sort of process to create the order, which would then follow through the life of the shipment. It was all a very paper-based,

data-entry kind of activity and the Descartes System has allowed us to really automate the entire process right from pickup through to delivery."

Rea said originally all order taking and driver communications happened through the company's call centre. Customers

would phone in with order details, then calls would be placed to drivers' cell phones with the pickup information. Moving from that type of hands-on, people-based system to a fully computerized one required Day & Ross to reconsider all of its business

» p34



STRAIGHT TALK, SMART STRATEGIES

Growing your business: A guide for small fleets and O/Os

- How to stay profitable
- Secrets to success from Canada's best owner-operators
- How to effectively calculate cost per mile
 - What to consider when growing your fleet
- Why buying used is a smart option
 - Equipment that saves you money



Download your FREE copies
in the Knowledge Centres section of
www.trucknews.com

Brought to you by Transportation Media
in partnership with
Michelin North America (Canada) Inc.



practices before automating. In particular the company needed to harmonize its procedures while taking into account regional differences and expectations.

"We have a consistent process at a certain level all across the country. There is a degree of difference in the way different markets operate and different customers' expectations as well as market practices. It took a while, but we chose to not rush, even though that was a little more expensive because we were very cognizant of how this has an impact on our service levels because it's pretty easy for this to have an enormous impact on our service levels. We knew we would learn as we went across the country."

As an example of how operations work differently in different parts of the country, Rea compared Atlantic Canada with larger urban areas. Outside of Halifax or Moncton, he said the density isn't there to support multiple routes.

"Ninety-nine percent of the drivers that we have are owner/operators with their own trucks and they have assigned areas or routes that they follow. When you get to a city like Toronto or Montreal or Edmonton or Calgary it's a little bit different because there's density issues that you have to deal with."

Additionally he said the way freight moves across and in various regions affects how the business operates.

"There are slightly different payment practices across the country and the flow of freight tends to be a little bit different. In Ontario and Atlantic Canada there's a certain amount of freight that kind of just flows into those particular markets and in between those markets whereas out West there's a lot flowing in and so the effect on linehaul is a little bit up and down in the volume of work. All of those things affect your activity on the dock and how busy you are. The processes tend to be subtly different, and it's enough to make a difference when you're rolling out technology like this. You just have to be cognizant of it."

Having updated processes and procedures in place meant that Day & Ross could implement the Descartes solutions. Now, as soon as a customer places an order (either by phone or by self-service website), it is handled without human intervention by Route Planner.

"That request is recorded and sent automatically through the data networks to a device the driver has, which says, 'Please go here and pick this up.' From soup to nuts we've automated the process."

Drivers receive routing and pickup or delivery information on Intermec CN70 ruggedized handheld devices, which can also be used to capture signatures at loading docks. Communications with the devices is handled by Descartes's GPS-based Mobile application. Both Descartes applications rely

upon information stored in a Microsoft SQL Server database. According to Rea, the process of rolling out the software went relatively smoothly.

"I wouldn't say that there were no technology problems because there were some tweaks that had to be made to support functionality."

One of the technical issues that needed to be addressed was ensuring that drivers would always have a way to be in touch with dispatch, even in areas where coverage is limited, such as in warehouses that may interfere with signal reception. Rea said.

"I hadn't really thought about what a challenge that would be, to have to be in 100% communication with the drivers and have the system be a 100% available so they can do their job," he said, explaining that Day & Ross has made it a point to brief drivers about what steps they can take (waiting for a better signal, going outside to eliminate building interference and resorting to paper forms if necessary) if they are cut off from their terminals while on the job.

Along with giving drivers instructions about what to do if the technology doesn't co-operate, Rea said as part of its change management approach, Day & Ross invested a lot of time introducing nearly 1,000 drivers to the new system and explaining how it works and why it's an improvement over the old ways of doing things.

"Owner/operators are independent business people and so they want to know, 'is this going to make my life easier? Is it going to make it harder? Is it going to speed things up? Is it going to slow it down?' 'What's going to happen to my pay?' You get all of the pretty typical reactions. That was why we wanted to focus on the change management issues because we just don't tell them, 'Do this.' It doesn't work that way."

Even with the costs associated with revising old procedures, buying new servers, deploying software, hiring an extra IT person, Rea said the company is seeing results that make the investment worthwhile. Day & Ross has created efficiencies in the system, relocated personnel from terminals to a centralized call centre location, and moved a number of customers to the self-service, Web-based options.

The one area where the company hasn't seen much of an effect yet is in route optimization. Rea said the size, density and geography of Canadian cities don't create a lot of opportunities for improving routing. The software, however, made some changes to the time drivers spend behind the wheel.

"What you can do is you can plan your day a little better because the drivers tend to know this is the work list for the day. It makes it possible for the drivers and for the dispatchers to plan the day a little more," he said.

The one catch, with automating such core aspects of Day &



Ross' business, however, is that if something happens to the system, there is a major disruption to the business.

"In the past we depended on cellphones and scanners, but if the paper didn't go through and was interrupted for four or five hours, it wasn't the end of the day, but today that's not so. If this technology doesn't work, for any reason, then we grind to a halt pretty quickly so it's a mission-critical system. I have the master backup for the systems and a support structure with people where if I can't figure out what the problem is then I get in touch with Descartes or some other experts that are available to me to sort this thing through."

Rea is philosophical about the prospect of downtime. His attitude is that everything can break down, including trucks. He said that the system has gone down before—he estimates it happens about once per year—but there are procedures in place that dictate what steps to take to keep operations running. One of the most essential ones is communicating with the terminals to let them know what is going on.

"If it's going to get fixed in five minutes then they're not going to do very much, but if it's going to be an hour then they will switch over to their disaster fallback procedure, which is using cellphones."

After the main part of the Descartes deployment is finally completed Rea expects to have his hands full with new IT projects. He said he's considering adding on the Appointment Scheduling module and then branching out to some bigger infrastructure projects, including replacing the old backend technology and updating the company's enterprise resource planning (ERP) system. Rea has also purchased a model tool set that will allow him to build a transportation management system for the dedicated division. He would also like to make some improvements to the call centre functionality, greatly expand Day & Ross' ability to offer its customers self-service options and increase the company's online e-commerce presence.

Large IT projects, like the ones Rea is contemplating require a major commitment of time, resources, funds and personnel, but they are necessary investments for companies like Day & Ross.

"I think that the big national and regional players take technology very seriously, and I say that because I meet them at various industry events and we talk. I think you need to use technology not just for the sake of technology, but because it really can add productivity to your processes. Also, I think the customers are demanding better awareness and visibility of what's going on," said Rea.

"I would also add that many of the things the transportation companies can do to make themselves more productive and provide better service is not rocket science. There's a lot of technology available that's not complicated and not necessarily expensive."

He noted, however, that there is a divide between how easily large trucking companies adopt technology versus small- and medium-sized carriers.

"I think actually it's tough for small companies, not because technology is expensive. It's because it can be a bit of a challenge to implement it and adapt your processes." ■



- ✓ **LOCALLY-MINDED SERVICE WITH NATIONAL CAPABILITIES**
- ✓ **SOLUTIONS SUITED TO EACH INDIVIDUAL CUSTOMER**
- ✓ **RESOLUTION OF ISSUES QUICKLY AND EFFICIENTLY, AT ALL TIMES**
- ✓ **SERVICE FROM EMPLOYEES WITH DECADES OF INDUSTRY EXPERIENCE AND EXPERTISE**

POPULAR LEASING MODELS



CALL TOLL-FREE
1-800-305-8785

VANCOUVER	CALGARY	EDMONTON
PRINCE ALBERT	REGINA	SASKATOON
BRANDON	WINNIPEG	MISSISSAUGA
THUNDER BAY	MONTREAL	

MAXIM

TRUCK & TRAILER

www.maximinc.com