

# Integrated Solutions

## Case Study

### Real-Time Delivery Tracking Pays Dividends

This logistics company received payback on a Web-based transportation management solution in less than six months by doubling the number of drivers each dispatch worker can manage.

For freight delivery companies, information is power. Central Freight Lines (CFL) is leveraging real-time fleet data generated by an online transportation management solution to control costs and improve service. CFL is an LTL (less-than-truckload) carrier with 40,000 active shippers, nearly 700 drivers, and 52 terminals across the United States. The company originally served the overnight shipping market, but has grown into a regional carrier, with its trucks making multipoint stops over several days. The company's IT systems, however, had not grown with it. CFL's customers wanted real-time information about freight deliveries, but the company's existing systems were not able to generate data that rapidly. "There was a period of several years where there had been no development of our core



Central Freight Lines deployed Web-based Cheetah Freight solutions in less than 90 days.

business software," says Mark Stein, director of operations services at CFL. "We made some changes to the system so we could provide delivery information, but our customers did not want to wait for us to manually process that data at the end of the day."

#### Web-Based Software = Quick Rollout

CFL needed to provide real-time delivery status to its customers, while improving dispatch operations and scheduling, and integrating that information with its homegrown business systems. To meet these needs, the company chose to implement a Web-based software solution, Cheetah Freight, from Cheetah Software Systems. "We chose Cheetah because they provided support, ensured the exchange of all the data, and made sure the solution was up and running in less than 90 days," Stein says.

Route information is sent from CFL's mainframe to the Cheetah system. CFL gave each driver a Sprint cellular phone that could tie directly into the Cheetah system. Drivers download their manifests to the phones and use the devices to collect data about their stops (delivery times, etc.) by selecting options from a drop-down list. "Once we connected with the Cheetah database, we had a flow of information coming back that we could post in real time," Stein says.

In less than six months, the company experienced a 3% to 5% increase in productivity, a 5% to 10% decrease in miles per stop, and reduced fuel costs.

"With those things alone, the system paid for itself within six months," Stein says. Dispatchers now have access to real-time pickup and delivery status, and that data can be immediately transferred to the company's back end business systems for processing. Dispatchers can also easily add stops or change routes during the day as customer requests arrive. Customers can simply log on to the system via the Internet to inquire on the current status of their freight, providing them with more accurate delivery status information. The Cheetah system also allows local service desks to obtain current information on where each driver is.

The solution has also improved CFL's billing processes. "Some customers may only take 3 minutes to complete a delivery, while others take 30 minutes," Stein says. "Now we have exact times spent driving to and servicing the customers at each stop fed into our costing system, so we can hold each customer accountable." CFL regularly analyzes that stop data to identify which customers have a high percent of revenue going to pickup costs. "That lets us see who the outliers are, good or bad, and we can work with customers to try and reduce those times," Stein says.

The solution was a catalyst in CFL consolidating and centralizing its dispatch operations. When the system was originally installed, CFL had 64 different physical locations in its network. The recession forced the company to take a hard look at its operations. The company went from 64 terminals to 50 and is able to service those locations with just 35 to 40 dispatchers. "We can have a dispatcher in one location handle drivers out of several different terminals," Stein says. "The dispatchers can manage 40 drivers apiece now, instead of the 20 they could handle in the past." Consolidating dispatch operations has saved the company even more than the productivity and fuel usage improvements combined. "The benefits from this system far exceed the dollars and cents," Stein says. "Had we not installed this system when we did, we would be far worse off from a profitability standpoint, given the recession we just went through."

The company is using only part of the Cheetah functionality currently. Stein says CFL is considering deploying the system's dispatching and routing features, which will provide the company with additional competitive advantages over other carriers. ●