

PowerFleet[®] *for LOGISTICS*

CASE STUDY »

Trailer Management Systems Boost Revenue

Save >\$1 Million for 3PL

"PowerFleet for Logistics gave us the tools we needed to run the most efficient—and profitable—trailer fleet."

Chad Walz
VP Operations,
ReedTMS Logistics

CASE STUDY



Background

ReedTMS Logistics is a family-owned, third-party logistics provider (3PL). The company delivers a broad range of 24/7 services, including:

- Brokerage
- Transportation
- Freight management
- Dedicated services
- Asset-based services

ReedTMS has quadrupled in size since its founding over 20 years ago. It now operates a private fleet of 85 trucks and 400 dry vans, tankers, and other trailers. With these assets, ReedTMS handles close to 100,000 shipments a year, serving hundreds of customers across a variety of industries.

The Challenge

Like all carriers, ReedTMS wanted to move more loads to increase revenue and profits. At the same time, the company wanted to control expenses and cut unnecessary costs.

A fixed asset base of tractors, trailers, and infrastructure means fixed costs. If you can ship more freight with those assets, while managing costs, naturally you'll earn more revenue-dollars per cost-dollar. And that, of course, equals higher profits.

ReedTMS decided that the smartest way to ship more loads, cut costs, and boost profits would be to increase asset utilization. Specifically, the company wanted to:

- Optimize trailer pool size
- Maximize driver efficiency
- Minimize empty trailers

With 80% of its business from dedicated or semi-private fleets, ReedTMS uses trailer pools to deliver the highest level of customer service. If it could reduce the size of those pools, without affecting service, it could reduce costs. And if ReedTMS could help its customers process trailers more quickly, it could maximize the capacity of those pools. Either way, the improved asset utilization would increase profit margins.

Trailer pools are also key to make the most efficient use of drivers' time. ReedTMS wanted to operate its fleet 20-24 hours a day by effectively managing short hauls, with a high trailer-to-truck ratio. Short hauls could keep the assets moving, without exceeding any driver's daily ELD limit of 14 hours. As an added bonus, this approach would make drivers happier, by letting them get home at the end of each day.

One downside of trailer pools is that empty trailers can dwell at a site for too long. This impacts both costs and revenue. For example, one ReedTMS customer received four loads in for every one load out, leaving many empty trailers to manage. As a result, drivers sometimes weren't sure which trailers were empty, or where they were located. This could cause drivers to waste time searching for empties — and hit their 14-hour ELD limit. Without a backhaul, those drivers had to stay overnight and pay for a hotel. On top of that, the idle, empty trailers lost an opportunity to generate more revenue.

The Solution

ReedTMS started monitoring trailer locations with a basic **Track and Trace** solution from PowerFleet. This was perfect for locating missing trailers, and it quickly generated a positive return on investment (ROI).

But to achieve the highest level of efficiency — to proactively manage trailer pools, drivers, and empties in real time — ReedTMS decided it needed an even more capable solution. So it turned to PowerFleet's **Dry Van Trailer Tracking system**.

This system lets you know exactly where and when a trailer starts and stops, how long it dwells, and whether it's loaded or empty. What ReedTMS liked most about the system was its:

- Easy installation
- Extended battery life
- Real-time location tracking
- GPS-based mileage reporting
- Sensors for full-trailer cargo detection, with time stamps for start/end of loading

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Implementation

To install its new trailer tracking technology, ReedTMS needed to make the most efficient use of time, so it could keep fleet utilization high. To achieve this, the company used a two-prong approach.

First, ReedTMS ordered any new trailers it needed with the Dry Van Tracking system pre-installed. PowerFleet worked directly with the trailer OEMs to make this process smooth and reliable.

Second, for its existing trailers, ReedTMS installed Dry Van Tracking devices during normal planned maintenance (PMs). Fortunately, at most, the devices take only 60-90 minutes to install. So mounting them didn't overload resources or delay the trailers from getting back on the road.

As an added level of support, PowerFleet integrated its web-based **IQ™ asset tracking software** with the McLeod software that ReedTMS already used for dispatching. As a result, ReedTMS could see — in real time — trailer distance from landmarks, dwell times of idle trailers, "dropped balls" in the dispatch process, and much more. Ultimately, these combined systems will proactively match dispatch orders with live trailer locations, which will prevent dispatch errors from occurring in the first place.

In addition, PowerFleet introduced ReedTMS to its **IQ™ Analytics platform**. This "big data" application crunches numbers from multiple sources to uncover deeper insights into operations. For example, ReedTMS plans to use FleetView IQ to integrate its trailer tracking and dispatch systems with ELOG, GPS, ELD and engine data from its tractor management system.

Results

Initially, the value of trailer tracking for ReedTMS was simply in finding trailers. For example, one customer would share trailers with different carriers, which sometimes resulted in a misplaced unit. Tracking the location of these “lost” trailers enabled ReedTMS to recover them easily. That alone saved the company hundreds of thousands of dollars in capital costs. Not to mention the cost of man-hours (and aggravation) it would have spent filing insurance claims.

But by switching to the Dry Van Trailer Tracking system — with its advanced cargo and load sensing, as well as “live” trailer location tracking — ReedTMS has been able to do (and save) much more:

- Find empty trailers in real time. This is especially critical at the end of the week, when customers need empties to load.
- Locate specific assets near customer locations without drivers searching for them. This reduces both the hard and soft costs of driver and trailer down-time.
- Improve fleet utilization. ReedTMS has achieved a trailer-to-truck ratio as high as 3.75 to 1, with minimal idle trailers.
- Direct decisions on new trailer buys/rentals. By right-sizing its trailer pools, ReedTMS has avoided over \$1 million in capital costs. And generated more revenue per trailer.

The PowerFleet IQ software report that ReedTMS uses the most is an “Idle Trailer Summary.” It shows how long a trailer has been sitting still. Focusing on this data has helped ReedTMS reduce dwell time significantly. Management believes it can cut the average down to as little as 5 days.

ReedTMS uses this data to proactively manage customers and increase asset utilization. For example, if a loaded trailer remains at a customer site too long, ReedTMS will ask the customer to prioritize shipment, or charge the customer a storage fee. On the other hand, if a trailer in a customer’s dedicated pool sits empty on a regular basis, ReedTMS will pull the asset to use elsewhere and charge the customer less for the smaller pool.

Conclusion

By using advanced asset tracking technology, ReedTMS has been able to proactively manage its trailer pools, drivers, and empties — and improve dispatch efficiency. This visibility and control has helped the company increase asset utilization, reduce costs, and achieve its goals for revenue-per-asset.

ReedTMS now spends much less time waiting to pick up loaded trailers, unload trailers after delivery, and put empty trailers back into service.

“The key to our business is asset allocation and utilization and PowerFleet’s Logistics Visibility Solutions gave us the tools we needed to run the most efficient — and profitable — trailer fleet,” said Chad Walz, Vice President of Operations for ReedTMS Logistics. “From finding lost trailers and right-sizing our trailer pools to reducing new trailer buys, our tracking system has added over \$1 million to our bottom line.”