



Creator of the:

“Progressive Improvement Program”

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Progressive Improvement Program

Listed below are just some of the ROI benefits that carriers and private fleets experienced after the *Progressive Improvement Program* was implemented.

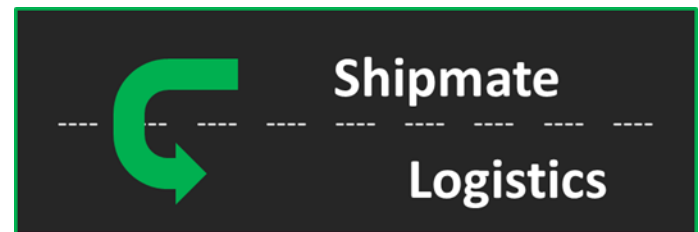
- ✓ **Private Fleet Recycle Hauler** – reduced operating expenses \$474,860/month, decreased maintenance expenses \$79,000/month, reduced driver turnover to below 10%, improved asset utilization saving an additional \$476,800. Only department with improved earnings for 3 straight years and under budget.
- ✓ **Private Fleet Carrier** – \$104,000 improved monthly earnings.
- ✓ **Expedited Truckload & Local Carrier** – 12% reduction in fuel expenses, 27% improvement in cost/mile, Improved Operating Ratio 10 points.
- ✓ **\$350M Truckload & LTL Carrier** – designed a go-to-market strategy to integrate volume LTL with the TL direct-to-customer model.
- ✓ **\$200M Truckload & Local Carrier** with 5 years of negative earnings – built an operating plan to improve annual EBITDA earnings by \$623,000.
- ✓ **Truckload Chemical Carrier** – negotiated \$8M tractor lease saving \$1.1M, reduced cost/mile by \$.12/mile, merged facilities & headcount saving \$515,000, designed safety programs, improved transit time to 99%.
- ✓ **Private Fleet Fuel Hauler** – improved EBITDA 48%, increased asset utilization 28%, reduced driver turnover to below 10%, defeated Chicago Teamster Union vote by a 25-4 margin.
- ✓ **LTL Volume Carrier** – turned \$1M annual loss into a profit, decreased cargo claims 56% resulting in a \$500,000 savings, improved transit service 12%.
- ✓ **LTL Carrier** – improved profits 21%, won the ATA Presidents Award for Safety.
- ✓ **LTL Carrier** – improved net income \$739,960, improved O.R. 5 points.
- ✓ **Private Fleet Recycle Hauler** – built plan to improve profits by \$8.2M.

Progressive Improvement Program

The *Progressive Improvement Program* is a proprietary continuous improvement program developed by Doug Sartain 12 years ago. The program focuses on improving Operations & fleet profitability, operational efficiency, reducing fleet expenses and developing employees so long term sustainable results can be accomplished. It has been successfully tested and proven in a variety of logistics and fleet operations. In every case, significant improvements were made after other programs failed.

The Principles of the program include a unique combination of specific Kaizen and Lean strategies used in conjunction with meaningful Data and Analytics. Just knowing about Kaizen, Lean, Data and Analytics will not drive the desired results that shareholders demand today. The success of the program lies in the ability to execute the precise right set of strategies, in the right way and at the right time throughout the program. Long term, sustainable results are obtained because employees are engaged and trained on how to execute the program moving forward. Employee behaviors are changed to support a culture of continuous improvement.

The following pages give an overview of the principles of the *Progressive Improvement Program* along with the primary focus areas within your organization that will quickly be addressed.



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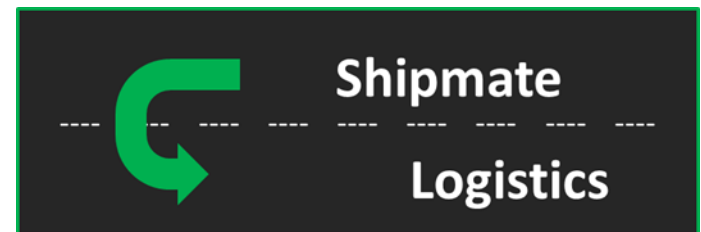
Progressive Improvement Program

Key Principles

Kaizen ... Japanese term meaning “change for the better” & continuous improvement

Primary focus areas

- How to continuously execute incremental (small changes) that result in huge savings
- Teamwork – building teams and removing department silos
- Employee engagement, empowerment & development
- Employee morale – how senior leadership plays an important role
- Executing discipline in the workplace
- Labor relations – how to decrease turnover & avoid union penetration
- Driver/dock worker engagement to improve productivity and cost
- Employee accountability & taking ownership for results
- Employee recognition – turning a \$40 pizza lunch into a \$500,000/month savings
- Goal setting & achievement with employee buy-in
- Elimination of waste – how to do more with less
- Standardization – procedures, processes and work rules
- Transparency & communication
- P&L management & cost control
- Operational efficiency
- Asset & equipment utilization
- Quality control
- KPI metrics



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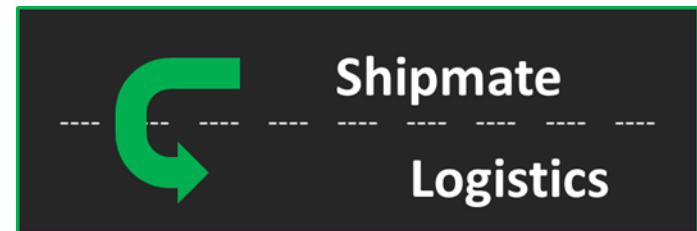
Progressive Improvement Program

Key Principles

Lean ... everything must either add value to the customer, employee or company

Primary focus areas

- Elimination of waste – anything that does not add value to the customer, employee or company
- Train employees on how to do more with less – taking away the “crutches”
- Teaching front line employees to think like an owner – why every dollar matters
- P&L management and how to stay under the budget
- Cost control – reducing variable & fixed expenses
- Total miles – loaded, empty, deadhead, routes
- Route optimization – (less miles = less fuel, less labor, less maintenance)
- Asset utilization – maximizing usage & operating with less
- Fuel expenses – cost effective purchasing
- Equipment expenses – lease or purchase & proper mix
- Maintenance & parts inventory – why you don’t need full shelves
- 3rd party vendor labor rates & service charges
- Internal labor expenses – reducing overtime
- Employee headcount
- Property & physical locations
- Operational efficiency
- Time management



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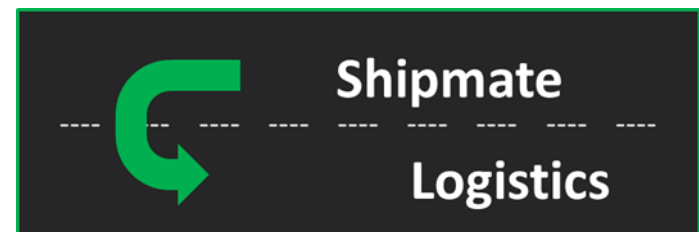
Progressive Improvement Program

Key Principles

Data & Analytics ... using relevant and timely measurements to gain improvements

Primary focus areas

- Root cause analysis – identify all issues so solutions can be implemented
- KPI metrics – creating relevant & timely measurements that drive results
- Why your CFO, Accounting & IT Departments are your best friends
- Financial reports (breakdown of individual P&L line items)
- Review & audit of all expenses at the invoice level
- Service to the customer – exceeding expectations & adding value
- Operational efficiency – cause/effect outcomes and the relationship to cost
- Purchasing – reducing capital expenditures and the approval process
- Employee costs – management & admin.
- Labor expenses – drivers, dock workers and mechanics
- Equipment expenses – throwing good money behind bad money
- Maintenance – internal shops & mechanics, full service leases or outside vendors
- Fuel expenses – who is auditing MPG, misuse and fuel vendor pricing
- Employee turnover – how to reduce
- Training – how to get the ROI
- Safety – accident & injury prevention
- Accountability & data ownership
- Goal setting & achievement



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To discuss an opportunity to improve your company's results...

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