



Turned \$1 Million Loss Into a \$500,000 Profit in One Year

Company Profile: **\$350 Million National Less-Than-Truckload and Truckload Carrier**

Challenge: Turn around underperforming results in a \$175 million dollar region with seven facilities located in Chicago, Cleveland, Cincinnati, Detroit, Memphis, Houston & Los Angeles. Focus areas included: P&L (profit) Results, Operating Efficiencies, Employee Development, Metric Development, Leadership Development, Goal Achievement, P&D – Dock - Linehaul Cost Improvement, Cargo Claims, Transit Service Improvement, Headcount Reduction, Increase Weights & Inspection Revenues and Implement New Operations Software System. Region was losing \$1 million annually.

Solution: **Implemented Shipmate Logistics Proprietary Improvement Plan.**

At each location we first: evaluated every process and procedure, analyzed the monthly P&L, reviewed all expenses and met with all personnel. Discovered “Best Practices” for each location then implemented a unified structure for the processes & procedures. Inserted metrics and measured performance that would drive desired results. Executed Shipmate Logistics unique and proprietary program built on the Kaizen Strategy. Shared resources within the region to improve overall utilization. Eliminated or improved spending in all P&L line items. Improved culture with a focus on safety and profit improvement. Overall goal was to improve operating efficiencies, reduce unnecessary expenses, train and develop employees and increase profit at every level.

Results:

- Improved P&D production 15% from 1.21 BPH to 1.39 BPH (bills per hour).
- Improved Dock production 28% from 5.46 BPH to 7.01 BPH.
- Improved Claim Ratio 56% from 1.92 % down to .84%.
- Improved Outbound On-Time Transit Service 12% from 86.8% to 96.8%.
- Improved Guaranteed Service 7% from 91.1% to 97.3%.
- Improved Weights & Inspection revenue goal from zero facilities achieving goal to every facility making goal (167% of goal).
- Reduced payroll expenses by over \$1 Million dollars in the Chicago facility.
- Turned around the Cincinnati operation from not achieving goal in any of the measurable categories to making goal in all nine metric categories.
- Exceeded expectations by achieving goal in all nine individual metric categories.
- Developed the Cincinnati Facility Director from being on probation for poor results into one of the company’s premier Facility Directors, including a relocation promotion, in less than one year.
- Designed new route optimization plan to reduce P&D miles, labor hours, fuel usage and variable cost.

- Developed a new metric evaluation system to measure strategic objectives for sales and operations.
- Successfully introduced and deployed multiple software applications and network redesigns.
- Reduced equipment breakdowns.
- Improved vehicle accident and injury ratios.
- Improved morale and reduced employee resignations.
- Turned a \$1 million loss into a \$500 thousand profit in 1 year.
- Region became the model for the company and all other regions were instructed to follow the turn-around strategy.