

EXCEEDING EXPECTATIONS

As third-party logistics' (3PL) executives actively explore new ways to expand value to customers, yard management has become the next opportunity to improve revenue and customer satisfaction.

The decision to outsource transportation and logistics functions enables a company to focus their energies and resources on their core business. Asset and non-asset based 3PLs provide direct or brokered access to capacity and value-added logistics services that allow businesses to focus on top-line revenue growth.

Additionally, companies have invested millions of dollars on Warehouse Management (WMS) and Transportation Management (TMS) systems to increase distribution center operations. Warehouse-based service providers are preoccupied with activities inside the four walls. On the transport side, attention is focused on available forward capacity and load utilization.

An overlooked and critical operational area is the yard – that area between the warehouse and the transportation system. Often-times, the inefficiencies of the distribution center supply chain are pushed into the yard as “slack”. This slack masks operational inefficiencies such as misplaced trailers, detention penalties, excessive fuel consumption, and inconsistent throughput.

Yard management is a critical nexus between functional areas with direct impact on inbound transportation and outbound distribution. With the proper application of technology and planning, the yard become a competitive differentiator in terms of rationalizing assets, increasing flow, and securing cargo. 3PLs are best positioned to initiate this type of business process change and help shippers and other supply chain partners see yard management in a new light.

The YMS Advantage

As a transportation and logistics intermediary, the 3PL fills functional gaps and expands value through cost savings, process improvement, innovation, and customer service. They do so by leveraging technology investment and development, facility and equipment acquisition, global expansion, human talent, and value-added logistics services. Yard management is another subset where 3PLs can advance their business value proposition.

For services providers, making a commitment to a yard management solution (YMS) has considerable upside in terms of increasing efficiencies, driving visibility, reducing operational costs internally, then passing these savings along to customers. Here are a few examples:

- *Greater yard management control provides cost leverage. When a 3PL enters a new facility that is being managed internally by the corporation or by another service provider they can immediately recognize hidden savings by taking an expanded view of the warehouse. This then becomes a means for retaining existing business as well as growing new accounts.*
- *3PLs can maximize driver hours-of-services more effectively. Carriers often build rates based on average dwell times at a facility. With better command of dock and yard activities service providers can negotiate better carrier rates. At the same time, carriers often want to know the load status of a trailer. A YMS delivers real-time information that enables carriers and shippers to make more proactive business decisions.*
- *Velocity in and out of a facility is just as important to a 3PL as a shipper – especially for intermediaries that are operating multi-client warehouses, cross docks, or just-in-time operations where there is a constant flow of freight and equipment. Having visibility to schedule an arrival, then knowing where to place or pick up a trailer is critical to maintaining cargo throughput. This level of control empowers shippers, 3PLs, and carriers to introduce more sophisticated drop-and-hook arrangements when opportunities allow.*

YMS in Practice

Once 3PLs buy into the yard management value proposition the potential is limitless, especially when it's integrated with other technologies – GPS and radio-frequency identification (RFID), as examples – and existing business process strategies. Consider these two recent case studies of 3PLs that have leveraged PINC Solutions' advanced yard management technologies to increase productivity, visibility, and control in their respective operations.

> Westerville, Ohio-headquartered Exel, a subsidiary of Deutsche Post DHL, identified an opportunity to pair PINC's advanced-YMS with passive RFID technology to ensure full visibility of trailers and containers in several locations.

At its multi-customer transload facility in Southern California, Exel partnered with PINC Solutions and deployed an advanced yard management system based on real-time location systems (RTLS) and delivered as Software-as-a-Service (SaaS) rather than utilizing the full capabilities of a more traditional YMS.

The system now performs real-time automatic yard counts on a regular basis that are displayed in a graphical map over the web and provides email notification of events. All documentation is digitally stored and searchable and customer service reps have access to high-level information, an appointment scheduling capability that reduces data entry during check-in, and highly accurate trailer location data.

For Exel the results have been notable. The payback period was 7 months. The system has doubled gate throughput while eliminating manual yard checks and most paper-based documentation. The improved operational control and tracking of assets has led to improved productivity, fewer detention and demurrage penalties, and reduced emissions. Finally, improved data accuracy and communications have enabled fact-based decision-making and issue resolution.

> DSC Logistics, a Des Plaines, Ill. third-party logistics provider found similar gains using an ultra-high frequency RFID system provided with PINC Solutions' advanced yard management system at its Mira Loma, Calif. distribution center. The multi-client hub comprises three shipping and storage facilities, all sharing a single yard where loaded and empty trailers are stored prior to movement elsewhere.

DSC was using a labor-intensive, paper-based yard management system to record trailer arrivals and departures when a new client was introduced at the facility and shipment volumes increased substantially. To get a better handle on asset movements within the yard, DSC introduced PINC's Advanced-YMS. The solution includes passive RFID tags placed on containers, readers installed on yard trucks, and software to manage read data that can be shared with operations, customers, and freight companies via the Internet.

The PINC system has enabled DSC to achieve savings by increasing yard-truck drivers' productivity, reducing average travel distance within the yard, streamlining communication between drivers and the shipping office, and eliminating the manual yard-check process. An added benefit is the ability to share data with freight carriers and customers.

YMS as a Force Multiplier

3PL executives understand that increasing real-time visibility is key to achieving greater efficiencies in supply chain logistics management. Third-party logistics companies and customers have made significant investments in systems and technologies to enhance the management of warehouses and track transportation assets. However, they began to realize that transportation delays often were taking place not on the road, but while these shipment assets were still in the yards at distribution centers (DCs), warehouses, and manufacturing plants. As all goods often go through multiple yards throughout the shipment lifecycle, any inefficiencies or errors in the yard are amplified--these effects propagate through the supply chain network.

Therefore, paying attention to yard operations, on both inbound and outbound moves, can identify inefficiencies well beyond the facility. This gives 3PLs yet another entrée into a customer's supply chain as well as a tool to locate and fix problems locally and address strategic process changes remotely.

Most importantly, when yard management becomes a standard best practice across multiple facilities and locations, it becomes a force multiplier in terms of driving visibility, security, and productivity improvements elsewhere in the supply chain. This is where 3PLs stand to gain the most advantage.



PINC Solutions is North America's leading supplier of supply chain visibility and advanced yard management solutions with Fortune-500 customers in the manufacturing, retail, logistics, and transportation sectors. PINC has pioneered the development of cost-effective RTLS using passive RFID technology that minimizes capital investment required in the infrastructure. PINC's award-winning products are designed with a scalable architecture for businesses of any size, and are expandable with modular components as customers needs grow. Available as turnkey solutions and delivered through a Software-as-a-Service (SaaS) model, these systems have proven their value through immediate efficiency improvements in customers daily operations, typically generating positive ROIs in less than a year. To learn more about PINC Solutions, please visit www.pincolutions.com.