CASE STUDY

Premier North American Truckload Carrier Gains from Continuous Move Planning



U.S. Xpress Implements Continuous Move Planning to Design Million Dollar Solutions

The Challenge

U.S. Xpress is a premier nationwide truckload carrier operating in the United States. The company celebrated its 25th anniversary in 2011. Starting as a small carrier with 48 tractors, U.S. Xpress grew to over $1-billion in annual revenue while operating over 7,000 power units and 22,000 trailers.

As the company grew, its Dedicated Contract Carriage business matured as a service offering and customers demanded more efficiency from their resources. Once multi-stop loads had been built, customers naturally wanted to do something about the legs that didn't fit neatly into closed loop routes. This prompted U.S. Xpress to search for a tool that would help see those out of route stops as routes that could fill the service gap between closed-loop and one-way transportation.

U.S. Xpress Opts for Paradox's Software

After evaluating available continuous move planning software in the marketplace, U.S. Xpress' management team selected Paradox Software Consulting's Continuous Move Planner (CMP).

Many of the other tools that were considered tended to be expensive, complex, and tied to other software applications. The management team felt that CMP was the top stand-alone software that met their requirements and, more importantly, could be used by their in-house logistics engineers without relying on consultants at every turn.

Implementing the Solution

Nobody wants to spend weeks training on a piece of software, or spend more time training on live products, before delivering results. Logistics engineers at U.S. Xpress realized that if they took the time to read CMP documentation, it would only be a matter of hours before finishing their first project. Cleaning and organizing the data was the toughest part of the project. Getting the data into CMP and developing an initial solution has taken some of their engineers less than an hour.

Industries CMP Applied To

HVAC Parts Distribution

Truckload Carriage

Freight Management

OEM Parts Distribution

Paper and Packaging

Health Care Services

Food and Beverage

Apparel Distribution

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In the beginning, engineers only used CMP to build networks for visibility to freight flow patterns and domicile selection for new operations. Eventually, they used CMP to build operational solutions and even integrate those solutions with other applications to develop synergies between their closed loop and one-way businesses. CMP has become the "Swiss Army Knife" of U.S. Xpress' design tools.

Types of Analysis

The following is a summary of projects that logistics engineers at U.S. Xpress complete using CMP:

- Evaluate private fleet deployment opportunities by analyzing historic lane data and identifying continuous move opportunities.
- Determine domicile locations and fleet requirements based on historic lane data to size and cost, and locate transportation resources.
- Forecast landed distance and operating costs.
- Create continuous moves for forward and reverse logistics operations and select service areas for product origins based on highest utilization and lowest cost of operation.
- Benchmark current network of manufacturing and distribution facilities and build continuous moves to fit existing shipping patterns.
- "Right size" or eliminate private fleet to potentially supplement with dedicated fleet.
- Identify lanes best suited for one-way freight vs. dedicated or private fleet operations.

U.S. Xpress' Continuous Move Planning Results Exceed Expectations

CMP has clearly exceeded U.S. Xpress' expectations. Though the simplicity of user interface is a little deceiving, logistics engineers have found that the available model parameters offer a host of ways to develop continuous moves. Engineers who have tried to manually build continuous moves in the past are impressed with CMP's ability to facilitate tasks including managing load factors, specifying domiciles, and building continuous moves based on costs. U.S. Xpress' success in applying CMP to multiple industries proves validity of the concept.

Continuous Move Planning Solutions on the Rise

According to Steve Banker of Logistics Viewpoints, "Continuous moves involve a shipper stringing loads together for their carrier, so that the carrier can better utilize a particular truck or asset. In return, the shipper shares in the improved asset utilization by receiving a discount. Both sides profit by connecting the moves with minimal deadhead or empty miles between drop-offs and pick-ups. Certain industries such as final assembly in the automotive industry with very good forward visibility and predictability around loads are much better suited to continuous moves. A supply chain with predictable reverse logistics movements also has great potential for continuous moves."

"Loading historical and forecast movement data into a transportation network planning tool helps uncover continuous moves. Such tools can also uncover opportunities for a private or dedicated fleet. The larger a shipper's network the more opportunities will be uncovered. For 3PL suppliers that have visibility to a network of customers and their moves, there are more opportunities to uncover collaborative cross-customer move opportunities." adds Steve in his two-part blog post in September, 2012.

There are several examples of shippers like Hershey's that pursued and benefited from identifying continuous move opportunities in their transportation networks. CMP, with its sole focus on continuous move planning at both strategic and tactical operating levels is best suited for analyzing these opportunities.



"Continuous Move Planner (CMP) is one of the most important tools in my design tool kit. For the person who wants to design continuous moves, this is the application to have."

"It does not require complex configuration, multiple data sets, or additional modules to develop solutions. CMP is well made and provides a good value. It would be an asset to any logistics design group."

Bob Gibler, U.S. Xpress, Logistics Engineer

PARADOX SOFTWARE CONSULTING

Founded in 1998, Paradox Software Consulting (Paradox) offers software tools and consulting services for planning and executing Logistics and Supply Chain Management functions for organizations of any size. Paradox leverages deep logistics expertise with a multiple pricing models that are flexible and cost-effective. Paradox delivers "high capability without high cost" to companies of all sizes with the motto of "best salesman for a product or service is its highly satisfied customer."

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