

Transport Topics

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Survive the Slump: Invest in Technology

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Though it's true that many transportation companies are cutting back on expenses during this sluggish economy, carefully calculated investments in information technology can bring both immediate payback and long-term success.

Not only can wise, well-thought-out technology investments help businesses run more smoothly and operate more efficiently right now, better IT also can add real dollars to the bottom line by increasing productivity without the need to add more resources.

Companies that make sound IT investments today will be well-positioned to seize the opportunities that will arise quickly when the economy rebounds.

In the transportation industry in particular, technology is paramount to efficient operations. Take, for example, the integration of Web-based modules. Web functionality introduces a powerful, convenient customer service aspect to a carrier's overall services. It allows carriers to keep overhead to a minimum while providing their shipping customers with around-the-clock access to all aspects of their accounts — not just tracking and tracing — whenever it is convenient for them.

Technology investments boost efficiency in other areas as well, including:

- Improved cash flow. A good IT system tailored to the specific needs of your company can facilitate a better billing and collection process.

- More accurate rating. The notoriously complex less-than-truckload rating system can be simplified and clarified through an IT system programmed to accurately analyze and quote rates as needed.

- An integrated operations and administration system. The administrative aspects of your organization — the front end and back end — need to communicate and connect seamlessly with one another for maximum efficiency. This is a standard aspect of many IT systems today.

In addition to honing efficiencies during an economic slowdown, companies must figure out ways to add value without having to add resources. Technology plays a major role in accomplishing this difficult but necessary task. A good IT system makes it possible for companies to:

- Increase driver productivity by enabling dispatchers to focus on driver management rather than clerical functions.

- Improve dock productivity with a dock management and scanning system that facilitates real-time tracking.

- Improve route management with mapping software that can help visualize customer locations and vehicles en route.

Finally, a slower economy enables companies to tend to IT projects they might have been planning for some time but never had time to handle properly. Smart companies will use their "downtime" to take care of these important projects so they are better positioned when the economy rebounds.

That opportunity applies especially to less-than-truckload businesses, where technology takes care of complexities while owners and managers attend to business development and growth. Any spare time realized by normally busy small business owners during a downturn ought to be leveraged to explore options.

Take the opportunity to overhaul your company's dated Web site or work on your e-mail marketing campaigns.

And have you been avoiding the problem of a backup and disaster recovery system? Disaster recovery is vital part of a company's survival and health: Losing data can translate into lost revenue caused by the inability to post receivables or bill customers and can result in negative repercussions over the long term.

When it is time to choose technology investments, be sure to look for key components to maximize return on your investment:

- Choose a technology company that specializes in the transportation industry. There are hosts of IT firms out there, but a firm that understands the industry is the most qualified to help meet the specific needs of your business.

- Choose the right technology features. Make a list of every person in your company and what each one expects from the software or system. Do your homework before you shop: With numerous products on the market, select the software product that is the best fit with the niche your company serves — and the way your company operates.

- Go with a company that can provide strong customer references. Visit companies similar to yours that already use the software to learn firsthand how they are managing.

- Make sure the product you select comes with both implementation and strong support services. Technology is a constantly evolving aspect of business. Be sure the support is there so your investment is secure for years to come and to allow the software or system to grow with your needs.

Tend to these matters now, so your business will be prepared to pick up speed when the economy rebounds — and it will rebound — and you won't miss out on crucial opportunities.

Carrier Logistics Inc., Tarrytown, N.Y., provides transportation software solutions for trucking companies.



Opinion