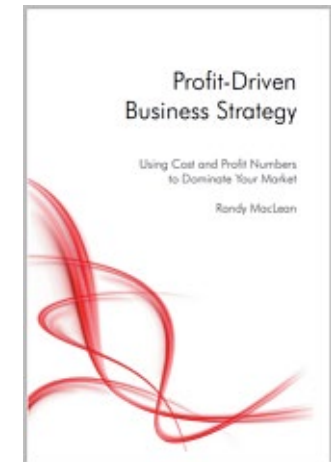
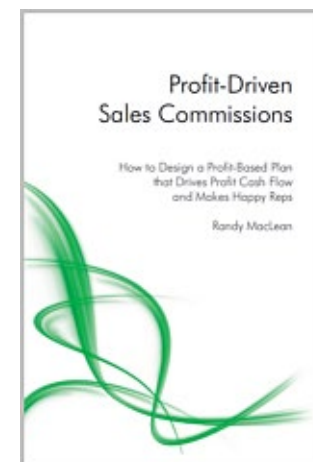
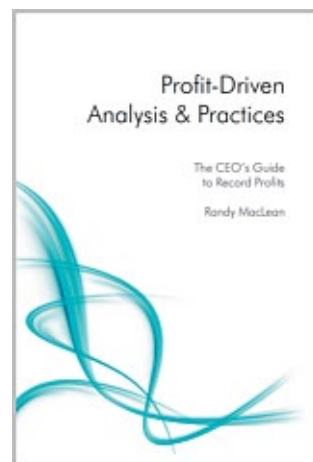
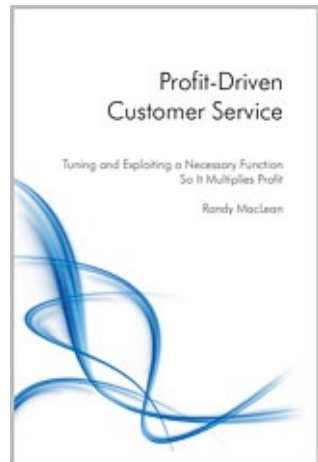
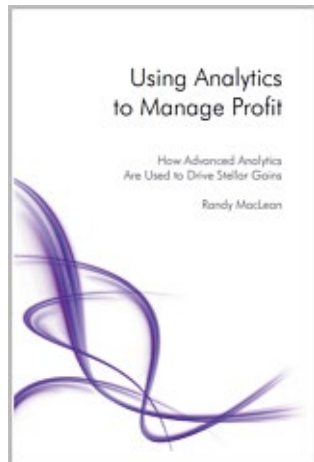


Measuring & Managing Fleet Costs



Randy MacLean

- creator of WayPoint Analytics
- 15+ years working with distributors on detailed costing and profit
- focused on distribution profit dynamics



6 Attributes of High-Profit Companies

- core competency: moving product
- absolute minimum of inventory locations
- mastery of delivery alternatives
- focus on customer experience
- specialized sales force
- numbers-driven



Demographic Challenges

- industry draws workforce from younger, HS-educated population pool
 - warehouse staff
 - drivers
 - accounting & clerical
 - sales force
- pool is shrinking and trend will continue through 2040



Demographic Challenges

- mandated minimum wage & competition for labor has driven up labor costs
- trend will continue
- companies must do more with smaller, higher-paid staff



Why This Matters

- manpower more expensive & hard to find
- proliferation of delivery options
- competition getting more sophisticated
- essential ingredient for superior profitability
- close to bottom line, so huge leverage
- **\$1 saved in delivery cost = \$25 in new sales**





Sales Customer Product General Info Stats Commission Admin



FY 2017
 All Branches
 All Reps
 All CSRs
 All Distribution Types
 All Territories
 All Customer Types
 All Groups
 All Products & Services
 All Vendors
 All Account Levels
 All Account Types
 Analyze
 NBC (Net Before Comp)
 Aggregation
 Line-item Level
 1 level Run Last
 Off Reset
 top-lev Sparse Reporting
 New Window

Rank by Delivery Cost

#	Customer	Revenue	GP	GM%	NBC	Del Cnt	Del Cost	\$ / Del	Del % GP
690	Northeast Corridor Fol	1,522	496	32.6%	(202)	3	111	37.01	22.4%
691	Shincor Silicones Inc	26,112	5,126	19.6%	3,072	11	389	35.33	7.6%
692	Janney Montgomery S	81,172	26,604	32.8%	23,949	8	278	34.70	1.0%
693	Schaller Manufacturing	40,087	8,873	22.1%	6,187	16	555	34.70	6.3%
694	Trau And Loevner Inc	103,675	18,044	17.4%	12,368	31	1,055	34.03	5.8%
695	Justice Resource Instit	64,516	24,896	38.6%	20,676	18	611	33.93	2.4%
696	Bio-Rad Micromeasure	2,036	478	23.5%	(295)	5	167	33.31	34.8%
697	Great Lakes Lithograpl	3,015	785	26.0%	(113)	5	167	33.31	21.2%
698	Dynasel Assoc Inc	73,081	14,158	19.4%	10,474	17	555	32.66	3.9%
699	Equitrans L P	173,007	38,758	22.4%	24,799	60	1,943	32.39	5.0%
700	Terry Tools, Inc	30,912	5,669	18.3%	(38)	31	944	30.45	16.6%
701	Statoil Marketing & Tra	798,084	272,791	34.2%	196,606	282	8,383	29.73	3.1%
702	Mf Automation, Inc	16,372	4,291	26.2%	(6,319)	31	888	28.65	20.7%
703	North American Fashic	109,587	36,009	32.9%	24,367	55	1,555	28.26	4.3%
704	Uniland Partnership of	410,926	69,875	17.0%	52,927	50	1,388	27.76	2.0%
705	Moore's Falls Corp	2,839	2,494	87.8%	1,807	4	111	27.76	4.5%
706	Curtis Industries Inc	3,286	489	14.9%	133	2	56	27.76	11.4%
707	Getinge/Castle, Inc	3,328	1,113	33.5%	776	2	56	27.76	5.0%
708	Electric Lightwave, Inc	320	(427)	-133.4%	(2,005)	10	278	27.76	65.0%
709	Ellicott Machine Corp I	272	220	80.9%	(235)	2	56	27.76	25.2%
710	Marco Rubber & Plasti	347	108	31.1%	(211)	2	56	27.76	51.5%
711	Prestige Delivery Syst	50,208	10,962	21.8%	7,754	18	500	27.76	4.5%
712	Geltex Pharmaceutical	27,590	3,170	11.5%	(668)	23	611	26.55	19.3%
713	Helms Bros Inc	52,496	8,476	16.1%	4,044	21	555	26.44	6.5%
714	Plastic Development C	2,299	872	38.0%	(440)	8	167	20.82	19.1%
715	Premier Farnell	14,328	9,513	66.4%	(1,294)	52	999	19.22	10.5%
716	Q-Panel Lab Products	39,580	8,767	22.1%	7,662	3	56	18.51	0.6%
717	The Hain Celestial Gro	13,670	3,608	26.4%	2,475	6	111	18.51	3.1%
718	Sungard Data Systems	39,153	8,542	21.8%	6,557	9	167	18.51	1.9%
719	Jaquith Industries Inc	26,605	8,101	30.4%	5,782	12	222	18.51	2.7%
720	Tapetex Inc	3,921	2,483	63.3%	469	9	167	18.51	6.7%
721	Kilian Mfg Co	179,609	51,289	28.6%	36,968	69	1,221	17.70	2.4%

Delivery Dynamics

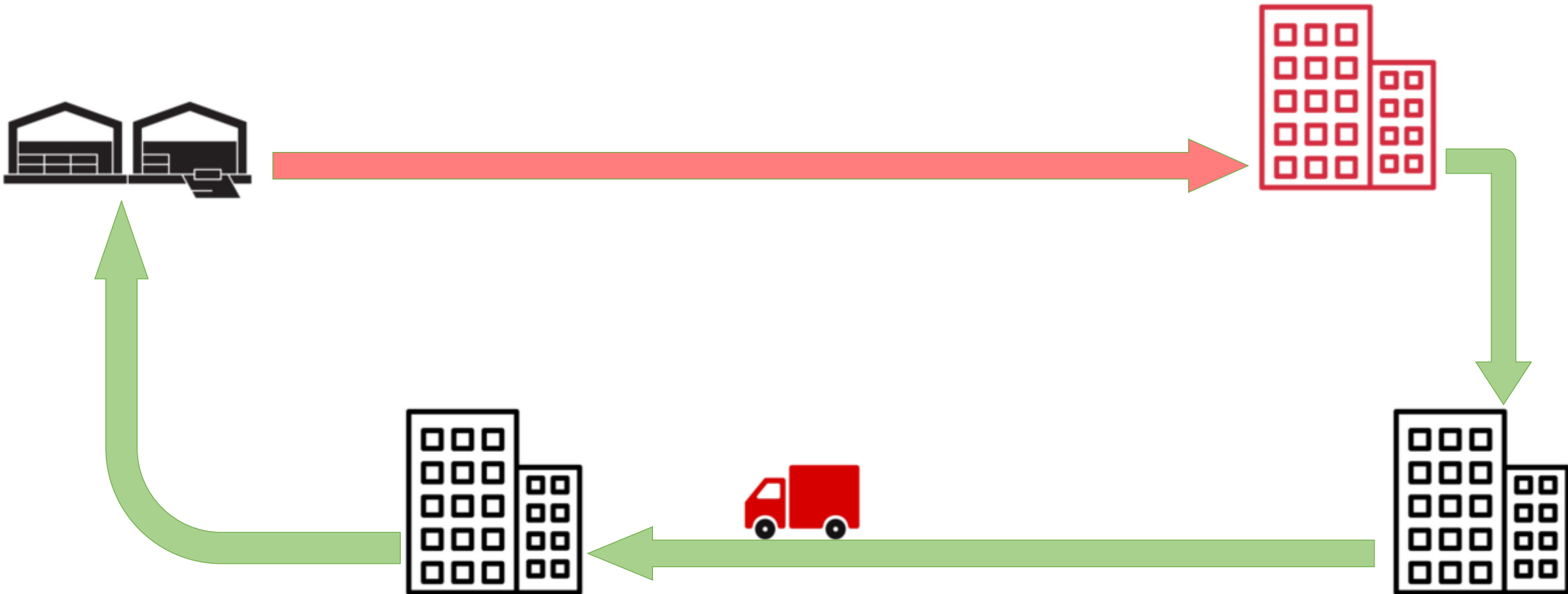
- distance
- routing
- traffic
- wait time
- delivery hours
- truck capacity
- labor
- utilization

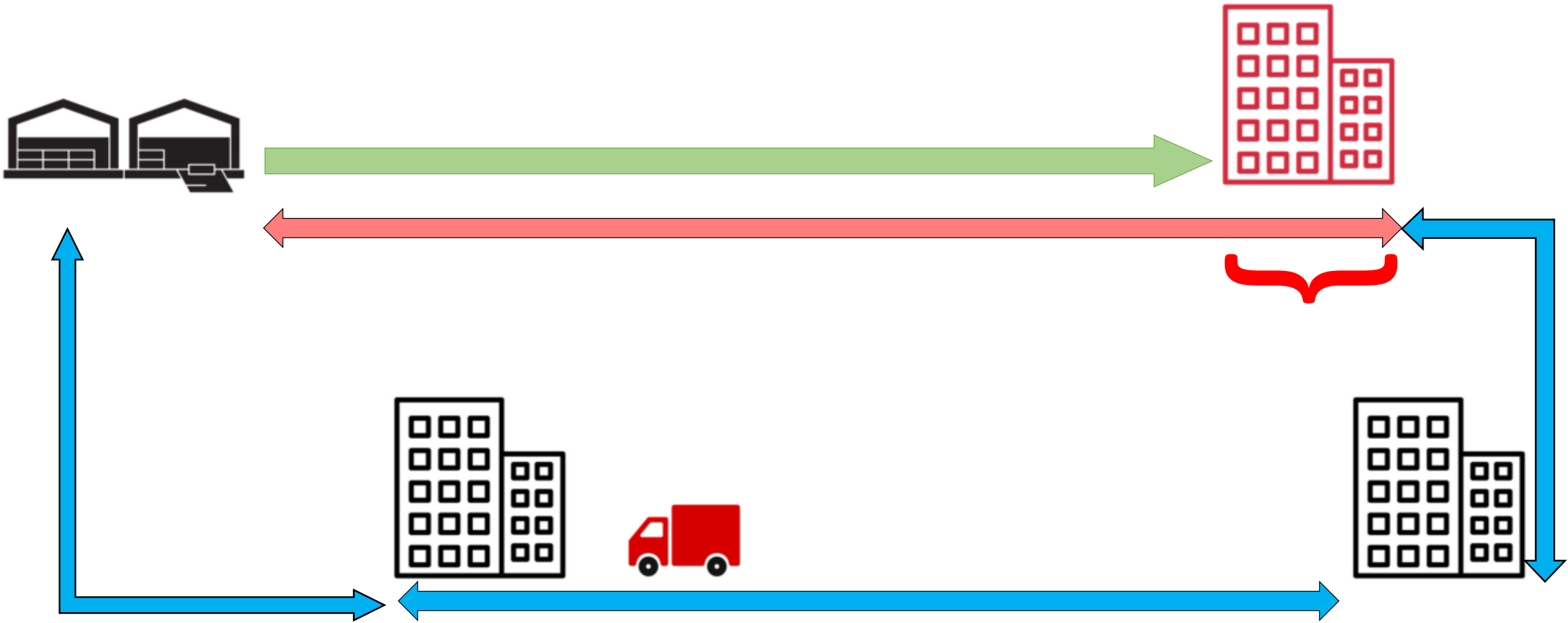


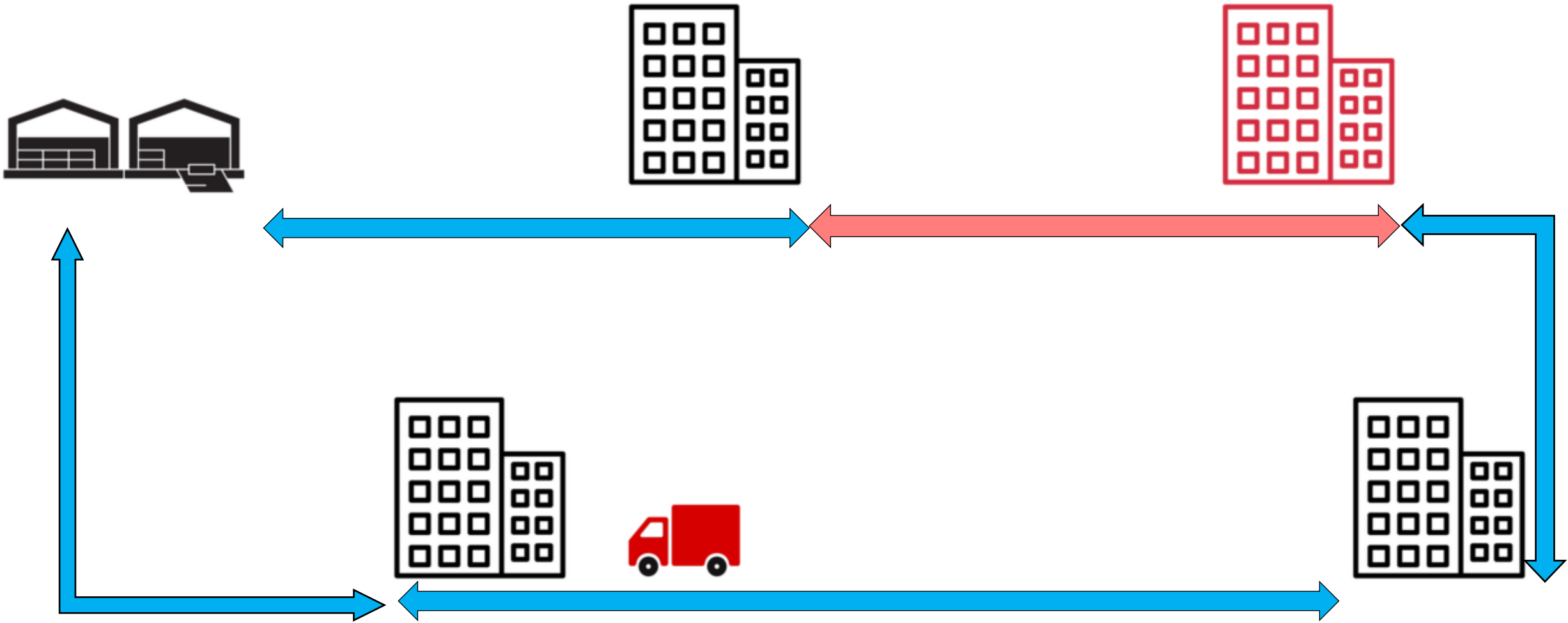
Where Companies Get It Wrong

- mileage vs time
- time is the finite resource
- cost by the minute
- need to account for product value (operating cash per delivery)









Time Capture Points

- leave terminal
- end of each delivery
- end of break
- end of fuel stop
- terminal return
- end locale change
- backhaul is excluded



Benefits of Time-Based Costing

- accounts for dock delays
- accounts for traffic
- accounts for incremental stops
- accounts for delivery window (business hours)
- accounts for capacity



Data Capture

- handheld devices
- barcode scanners
- GPS / routing / tracking
- **smartphone apps**
(join our pilot program)



Delivery Tracking Pilot Program

- use WayPoint phone app
- transfer time-capture data
- in G/L: lease, fuel, maintenance, insurance, driver P/R
- WayPoint will cost delivery in detail & include in customer profits



Increase Delivery Revenue

- charge / no charge
FREE delivery drives small (unprofitable) orders
- delivery charges (delivery is a product)
- price for speed / convenience
- DON'T post delivery revenue as expense offset
- expose as revenue & pay commissions
- review annually



Suggested Action

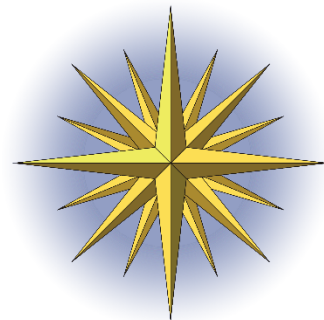
- review delivery policies
- use accurate costing to segment customers
- make delivery a profit center
- make delivery options a market advantage
- analyze costs & profits
- \$1 saved or charged = \$25 in new sales



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