

L.I.T. TOOLKIT



inbound
logistics
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by Merrill Douglas

Armed with
a powerful visibility tool,
Continental Tire North
America keeps watch over
its trailers.

Yard Guard

Even a robust supply chain can suffer from a missing link. For many distribution centers, this troublesome gap appears the moment a truck drops off a trailer in the freight yard and pulls away.

From that point, the carrier no longer is liable for the freight inside the box. But the customer only starts managing the content when the warehouse receives it. In the meantime, the loaded trailer sits on the yard, possibly among hundreds of others, and sometimes nobody knows where loads are parked.

"Some companies try to manage \$20 million worth of inventory using a clipboard and a yellow pad," says Jim Harris, president of Cypress Inland Corp., the Houston area-based developer of the *YardView* yard management system.

Along with the freight inside them, trailers are assets that companies must manage. An information gap in the yard can cost dearly in trailer detention charges. When a carrier drops off a trailer, it may allow a company to hold it in the yard free of charge for a day or two. After that, the longer the company

keeps the trailer, the more it must pay. A company that doesn't have reliable data on the status of trailers in its yards could rack up thousands, or even millions, of dollars per year in fees.

Continental Tire North America, headquartered in Charlotte, N.C., knows exactly where its freight trailers are and how long they've been there. Since the company implemented *YardView* last year, it is able to track the status of equipment in the yards at factories and distribution centers in the United States, Canada, and Mexico.

Continental Tire North America is part of Continental AG, a global supplier of tires and automotive components based in Hannover, Germany. The North American division makes a variety of vehicle tires, selling them to both original equipment manufacturers and aftermarket suppliers. The company manufactures in Charlotte, Mt. Vernon, Ill., and San Luis Potosi, Mexico, and operates DCs covering all regions that are part of the North American Free Trade Agreement (NAFTA).

Before the company decided to

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Rectangle Recognition

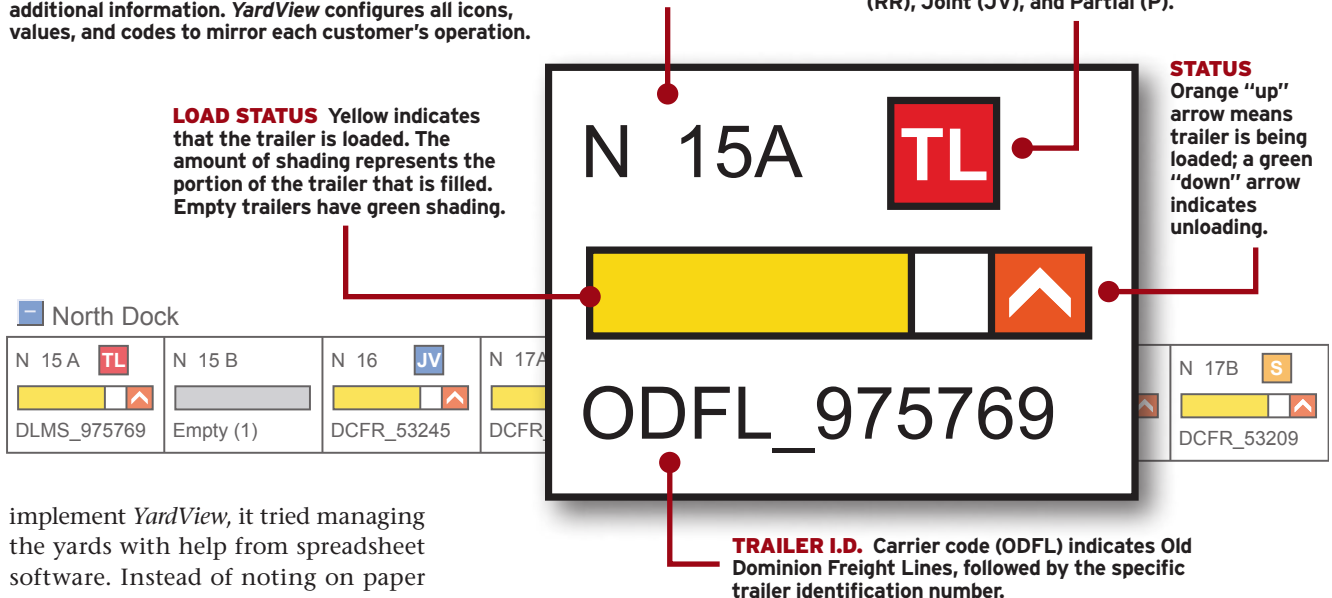
YardView's graphic display represents each trailer as a rectangle, or trailer cell. Cells are color-coded to indicate the trailer's status and provide symbols to convey additional information. *YardView* configures all icons, values, and codes to mirror each customer's operation.

LOAD STATUS Yellow indicates that the trailer is loaded. The amount of shading represents the portion of the trailer that is filled. Empty trailers have green shading.

LOCATION
Dock 15A,
North Dock

DIRECTION & CARGO TYPE Red indicates cargo direction (red=outbound; blue=inbound). TL indicates truck-based freight. Other codes include Racks (R), Rail (RR), Joint (JV), and Partial (P).

STATUS
Orange "up" arrow means trailer is being loaded; a green "down" arrow indicates unloading.



TRAILER I.D. Carrier code (ODFL) indicates Old Dominion Freight Lines, followed by the specific trailer identification number.

implement *YardView*, it tried managing the yards with help from spreadsheet software. Instead of noting on paper when a trailer entered or left a yard, someone entered the information on a spreadsheet.

One problem with spreadsheets is that they're difficult to share, which makes it hard to ensure that everyone is looking at the most up-to-date information. As trailers roll in and out of a yard, a guard might enter data on one spreadsheet. Meanwhile, as dock workers load and unload trailers, an office employee might enter data on a different spreadsheet.

Continental was still using spreadsheets in its yards when distribution center analyst Adam Sepanski arrived in 2006. The company created his position so he could work on ways to reduce detention charges. By then, officials already had decided to replace the spreadsheets with a complete yard management solution.

YardView's graphic display uses rectangles to represent trailers and their locations, color-coding them to indicate their status—empty or loaded, waiting to be loaded or unloaded, or in the process of being loaded or unloaded (see illustration above). By clicking on individual trailers and calling up various reports, users can learn what's going on

in the yard—for example, the contents of a specific trailer, the locations of all empty trailers belonging to a certain carrier, which trailers are waiting to be unloaded, and which have been in the yard for more than 24 hours.

THE LAY OF THE LAND

Continental implemented *YardView* in the spring of 2007, soon after Sepanski joined the firm. Getting it up and running was simple, he says, but the main task was explaining various yards' layouts to Cypress Inland. "We had to set up a strategic structure for shipping locations," he says.

Developers also needed a list of the company's carriers. It took about two hours to relay the information Cypress Inland needed to configure the software to Continental's requirements.

As part of the *YardView* setup, the user also defines the roles of different people on the system and the activities that each one is allowed to conduct.

"For companies with a well-defined yard process, configuring the software happens quickly," Harris says. Often,

though, companies don't have delineated procedures for managing their yards. "Usually, installing *YardView* is the first time everybody's had to agree on how they operate," he says.

Companies can run *YardView* on their own hardware or have Cypress Inland host it for them. Continental Tire uses the hosted solution to manage outbound trailers at its factories and both inbound and outbound trailers at the eight North American DCs.

The primary users are security guards, who enter data in the system each time a trailer enters or leaves a yard. Also, as yard spotters move trailers from one location to another, they use walkie talkies to report those moves to the facility's office, where a worker enters data about the move. At the Mt. Vernon plant, Continental spotters use PCs installed in yard tractors to enter data about moves.

Sepanski uses *YardView* to run reports on the status of trailers in all the company's yards. He uses the reports during weekly conference calls with facility managers, identifying trailers that need quick attention. He also runs a report on

the past week's activities so he can evaluate each yard's performance.

AUTOMATED AUDITS

Continental originally implemented *YardView* as a standalone system, but now it's working with Cypress Inland to create interfaces to its transportation management system (TMS), enterprise resource planning (ERP) system, and freight payment provider's software. This integration will allow the freight payment provider to audit detention charges just as it does other charges on freight invoices.

The freight payment service currently can't audit a detention charge automatically because the carrier doesn't calculate the charge until the trailer leaves the yard. For every charge, a Continental employee has to check *YardView* to make sure the carrier and the software agree on how long trailers stood in the yard.

With the interfaces in place, the

ERP system will use data drawn from the TMS and *YardView* to calculate detention charges. "Then it will transmit the information to our freight payment provider so it can automatically verify the charges, the same way linehaul shipments are verified," Sepanski says.

When this project is complete, yard managers also will be able to view real-time information about their trailers, color-coded to indicate costs.

"If a trailer is incurring us money, it will appear as a red box on the screen. If it's about to incur us money, it will be yellow. Otherwise, it will be green and blue," Sepanski says.

Even without that interface, *YardView* is already saving money for Continental. The software has increased administrative efficiency because Sepanski no longer has to comb through spreadsheets to cull the data he needs. "It has also saved our carriers a lot of headaches," he says.

"They can log in and see their trailers without having to call us."

Besides giving carriers log-in privileges on the system, Continental also provides access to a customer in Canada that sends its own trailers to be loaded. "Instead of faxing forms back and forth with handwritten data, they can log into *YardView* and see a report of what trailers are loaded, their internal bill of lading numbers, and when they left the yard," Sepanski says.

Using *YardView* to close the information gap in Continental's freight yards has netted a big improvement over the old days of paper logs and spreadsheets. "It has changed our system from a manual-based structure to a technologically advanced reporting system," Sepanski says. "And it has saved a lot of time and money." ■



Cypress Inland Corporation
Phone: 281-469-9125
www.yardview.com
info@yardview.com