



## *Averitt Express Adopts TCG's LTL and Truckload Profitability Management Systems*



### *Data accuracy and general ledger reconciliation eliminates second-guessing and improves carrier's profitability*

#### **Summary**

Established in 1971, Averitt Express is a leading provider of freight transportation and supply chain management with international reach to more than 100 countries. The company specializes in delivering customized solutions with a single source of accountability for service offerings that include less-than-truckload, truckload, time-critical, importing/exporting and supply chain management. Backed by successful execution for hundreds of customers, Averitt's supply chain management capabilities include dedicated fleet operations, warehousing services and transportation management.

In North America, the company operates approximately 4,000 tractors and 11,250 trailers from more than 100 service centers.

#### **Needs**

In both its LTL and truckload operations, Averitt Express was employing cost analysis software that did not meet its needs for data accuracy nor did the solution reconcile against the company's general ledger, leading to second-guessing. "We needed to gain a better understanding of specific cost applications that could be reconciled at the shipment, service center and corporate levels," Mark Davis said. "That capability and accuracy would allow us to develop more relevant measurements and exercise more productive decision making."

*"After a considerable number of discussions, presentations and participation in a TCG users group meeting, it was obvious that the TL/CIS® and LTL/CIS® systems would be our choice for a costing software upgrade. TCG is superior over other cost analysis systems because they provide visibility into components of cost for each shipment and because cost inputs are traceable to specific general ledger accounts."*

**Mark Davis**

VP-Pricing & Traffic, Averitt Express

## Solution

Interested in the development of its costing capabilities, Averitt fully explored all of the alternatives offered by suppliers and found that the LTL Cost Information System (LTL/CIS®) and Truckload Cost Information System (TL/CIS®) from Transportation Costing Group (TCG®) offered the best solutions for its operations. After several months of internal data cleanup and testing of each product, followed by on-site training conducted by TCG personnel, the carrier started using the less-than-truckload product in mid-2006 and the truckload product in early 2007.

“Some of the features that were particularly attractive to us were that the TCG systems calibrate back to the general ledger, which should provide credibility of the results,” Davis said. “Also, unlike other solutions, TCG’s products allocate overhead costs in a much more specific and accurate manner. Last but not least, the TCG systems’ reporting capabilities are extensive, allowing us to conduct profitability analyses by customer, service center, lane, sales representative, shipment size, and numerous other factors.”

At Averitt today, Pricing Analysts use the LTL/CIS and TL/CIS solutions to analyze existing business as well as prospective business. Price concessions, proposals, bids and rate increases are constructed using these tools, Davis reported. Monthly reporting and ad hoc queries are also utilized to help make daily business decisions, and currently under development are methods to enable relevant analyses for Sales and Operations functions.

## Results

For its truckload and LTL operations, Davis said that the TCG solutions will enable comprehensive yield management and revenue growth and profitability analysis capabilities. “The TL/CIS and LTL/CIS systems will provide accurate, specific cost information for pricing, and for traffic, profitability and operational productivity analysis,” he stated. “There is no doubt that the CIS systems will become highly effective business management tools for us. They will not only help Averitt make pricing decisions. We also expect that with use of a universal measurement tool will provide more specific direction that will lead to a more efficient and profitable organization.”

*“Other systems we’ve used lacked comprehensive data and the ability to accurately account for circumstances affecting costs. The TCG system also has superior reporting capabilities that provide extensive analysis of profitability.”*

**Mark Davis**

VP-Pricing & Traffic, Averitt Express

## About TCG

Transportation Costing Group (TCG) is the provider of the most widely used suite of profitability management tools and Activity-Based Costing models to the motor carrier industry. TCG provides models tailored to specific carrier operations. Information on services offered by TCG can be obtained by contacting (800) 328-9700 or [info@tcgcis.com](mailto:info@tcgcis.com). For general product information please visit [www.tcgcis.com](http://www.tcgcis.com).



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Getting to the bottom line.