Innovative Profitability Analysis Tools (I-PAT)

Provided by TCG

"The I-PAT solution will give us a closer look at the positive and negative trends in our operation much faster, and let our sales and management teams capitalize on that information."

Steve Hall, *President, RRR Express*

Transportation Costing Group

What is I-PAT?

I-PAT, Innovative Profitability Analysis Tools, is the product made possible through an integration relationship between Transportation Costing Group (TCG) and Innovative Computing Corporation (ICC). I-PAT is designed to enable motor carriers using Innovative Enterprise Software® (IES versions R7 and higher) to seamlessly transfer IES® data to TCG's Truckload Cost Information System (TL/CIS™). The extracted data provides financial and operating information that is used to develop actual cost and profitability information on each and every load in a given period including full reconciliation to the General Ledger.

How does I-PAT work?

The interface between Innovative's software and TCG's TL/CIS solution enables motor carriers to transfer accurate financial and operating data to the cost analysis system. Among the areas that differentiate TL/CIS from other analysis systems are its sources for costs and cost allocations, including the general ledger, which is the primary source point for costing, along with specific data from the payables. Also, the system uses actual driver pay and purchased transportation costs for each load, and makes full overhead allocations based on direct costs and resources used for each load.

innovative® computing corporation

"ICC has been working very closely with TCG to provide our clients with an accurate and practical solution to profitability management. I-PAT is the result of these efforts, and is now already being used very beneficially by a growing number of our IES clients."

Ernie Betancourt, *CEO, Innovative Computing Corporation*

Find the answers you need to get the results you want with I-PAT, provided by TCG.

Why should I use I-PAT? What are the benefits of using TCG over other cost-based analysis systems?

By enabling the seamless transfer of accurate data from Innovative's IES® enterprise management system to TCG's TL/CIS solution, I-PAT allows users to see, from a total cost standpoint, how profitable each load, driver, customer, or lane actually is, and treats each of those as a distinct profit center. This information assists carriers in determining a set of best practices, including the types of freight they can afford to accept and to make changes in rates and/or operations on lanes where profit is low. Using true costs, not averages, TCG's detailed cost history becomes an effective tool for rating and determining profitability on each prospective load or lane.

I-PAT results for motor carriers include:

Actual Direct & Overhead Costs of each load, which are retained categorically.

Full Network Balance Adjustment, a comparative system analysis that makes the actual profitability of all loads possible and adds significantly to the data's credibility.

Actual Profit or Loss of each load moved by company drivers, owner operators, local fleets, or outside carriers is calculated and accessible.

Bid & Pricing Capabilities using anticipated costs and profits in the context of other similar loads to help analyze new bid and rate opportunities based on the realities of operations, costs, and profitability improvement expectations.

Utilizing I-PAT provides quantified data for every load moved with full cost allocation. Producing verified results means that virtually every department – no matter how large or small the carrier – can readily understand how the Key Measurement Factors they follow may be impacting the bottom line of the company and approach the business from a more structured profitability management focus.

Who is TCG?

What differentiates TCG from other costing systems is that it is a true activity-based costing solution with full reconciliation to actual financial and operational data. Other systems rely on cost profiles and assumed average costs per mile which are then used for profitability analysis. Transportation Costing Group is the provider of the most widely used suite of Activity-Based Costing models to the motor carrier industry. TCG provides models tailored to specific carrier operations.

Information on the Activity-Based Costing Models and services offered by TCG can be obtained by contacting them at **(800) 328-9700** or **info@tcgcis.com**. For general product information please visit **www.tcgcis.com**.

Getting to the bottom line.

Transportation Costing Group

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February 2007
Printed in the USA