



## Averitt Express Adopts SMC<sup>3</sup>'s LTL and Truckload Profitability Management Systems

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

### NEEDS

In both its LTL and truckload operations, Averitt Express was employing cost analysis software that did not meet its needs for data accuracy. To make matters worse, the system didn't 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, vice president of pricing and traffic, said. "That capability and accuracy would allow us to develop more relevant measurements and exercise more productive decision-making."

### ABOUT AVERITT EXPRESS

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 4,600 tractors and 14,690 trailers from more than 100 service centers.

### 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 Intelligence System and truckload Cost Intelligence System from SMC<sup>3</sup> offered the best solutions for its operations. After several months of internal data cleanup and testing of each product, followed by onsite training conducted by SMC<sup>3</sup>, the



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

— Mark Davis | Vice President, Pricing and Traffic | Averitt Express

carrier started using the LTL product in 2006 and the truckload product in 2007.

“Some of the features that were particularly attractive to us were that the SMC<sup>3</sup> systems calibrate back to the general ledger, which should provide credibility of the results,” Davis said. “Also, unlike other solutions, SMC<sup>3</sup>’s products allocate overhead costs in a much more specific and accurate manner. Last but not least, the Cost Intelligence System’s reporting capabilities are extensive, allowing us to conduct profitability analyses by customer, service center, lanes, sales representative, shipment size and numerous other factors.”

At Averitt today, pricing analysts use the LTL and truckload Cost Intelligence System 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.

“After a considerable number of discussions and participation in SMC<sup>3</sup> Cost Intelligence System user group meetings, it was obvious that the truckload and LTL CIS systems would be our choice for a costing software upgrade. SMC<sup>3</sup> 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 | Vice President, Pricing and Traffic | Averitt Express

## RESULTS

For its truckload and LTL operations, Davis said that the Cost Intelligence Systems solutions have enabled comprehensive yield management, revenue growth and profitability analysis capabilities. “The truckload and LTL Cost Intelligence System solutions have provided accurate, specific cost information for pricing, and for profitability and operational productivity analysis,” he stated. “There is no doubt that the CIS solutions are highly effective business management tools for us. They not only help Averitt make pricing decisions; they also provide more specific direction that has led to a more efficient and profitable organization.”

## CONTACT SMC<sup>3</sup>

The Cost Intelligence System, which provides comprehensive insight into the profitability of individual shipments and loads, is backed by the expertise of a company with decades of experience in the industry. Adding to the strength of this expertise, SMC<sup>3</sup> also works to improve the CIS solutions by constantly talking to customers and measuring the trends and challenges in the marketplace. With its solutions, SMC<sup>3</sup> is on the front lines of the supply chain, adapting to changing needs to help LTL and truckload carriers use the latest and greatest tools to analyze costs and streamline their operations.

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