



Southern Refrigerated Transport, Inc.

## At Southern Refrigerated Transport (SRT), Infinit-i™ Increases Revenue, Improves Operating Ratio and Delivers ROI

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### Industry

Refrigerated Transportation

### Challenge

- Rising OR
- Growing A/R
- Inconsistent Training
- Poor Communication

### Solution

Southern Refrigerated Transport leveraged the Infinit-i platform to maximize ease of use and drive adoption of systematic approach of enabling behavioral change to achieve desired results.

### Results

- Improved MPG from 6.01 to 6.5 saving several millions of dollars per year.
- Reduced OS&D expenses by 75%.
- Reduced maintenance expenses by 14%.
- Lowered A/R by 50%.

At the time, it was simply an idea. A strategy that had never been executed.

That was 2 years ago, when SRT decided to implement the Infinit-i program from Vertical Alliance Group (VAG) that brings a systematic approach to aggressively target various line items in their business where it was perceived significant efficiencies and impact to their bottom line could be realized.

Since its inception 20 years ago, the 780 truck refrigerated carrier had rarely seen any vendor in its industry propose such a proactive approach. Traditionally, companies assumed a great deal of responsibility.

But in 2007, SRT broke tradition. The Texarkana, Arkansas-based company, redefined their organization to improve Operating Ratio (OR) and instill a new culture or new business-focused mentality.

Once they identified the targeted segments of their business including Fuel, OS&D, Maintenance, Driver Recruiting/Orientation and Accounts Receivable, SRT used Infinit-i to manage them more effectively. The company also needed to improve their safety training and improve communication. To achieve this goal, SRT required a common system that everyone in the company—from sales to maintenance and training—could use to access the system. "To have a world-class transportation company, we knew we needed a world-class organization to help us achieve our anticipated outcomes," says Tony Smith, President at SRT.

## Creating a Customized, Process-Oriented Solution

At first, SRT deployed an on-premise, client/server solution relying on strictly training videos in hopes of attaining that vision. Not only did the company find it difficult and expensive to implement, it also discovered that the traditional method of invoking behavioral change was unsuccessful. The complexity of this system resulted in poor user adoption, and the company's investment turned sour.

"This traditional approach was counterintuitive to our requirements," Dodd explains. "Our goal was 'no IT support.' We needed something user-friendly, something that anyone in the company could use self-sufficiently."

Jim Dodd has provided the following report on the success achieved through the use of the *Infiniti-i*™ Intelligence System in addressing the targeted segments of SRT's business.

**Jim Dodd:** "After review of our financial information and several conversations with departmental managers, we have agreed on the following savings that we all believe Vertical Alliance Group, Inc. (VAG) and the *Infiniti-i*™ system was integral in achieving. I have not spoken with any one at SRT that doesn't hold the company (VAG) in the highest regard and think that its services are an excellent value."

The following is a summary of the areas addressed.

... SRT to improve its average miles per gallon from 6.01MPG at the beginning of 2008 to over 6.5 MPG currently.

**Improvement in MPG: Jim Dodd:** "SRT created and established several programs to improve its fuel efficiency and cost. These actions have been instrumental in allowing SRT to improve its average miles per gallon from 6.01MPG at the beginning of 2008 to over 6.5 MPG currently." Specifically, SRT created educational videos designed to coach drivers on proper tire pressure monitoring, idling percentages, and the necessity for using SRT approved fuel stops. SRT created a video featuring one of their top "MPG" drivers who passed on his fuel saving driving techniques. The *Infiniti-i*™ platform allowed SRT to implement these training processes quickly and then monitor the training activity to ensure that all drivers had successfully completed the training."

... allowed SRT to reduce its OS&D expense by \$.08/mile driven in 2009 from 2008. This has produced a dollar reduction of over 75% for OS&D expenses.

**OS & D: Jim Dodd:** "The formalization of our OS&D process and procedures including the proper checking and reporting of temperature controlled shipments, the increased effort to properly secure the freight and an enhanced monitoring of OS&D incidents has allowed SRT to reduce its OS&D expense by \$.08/ mile driven in 2009 from 2008. This has produced a dollar reduction of over 75% for OS&D expenses." SRT, once again created custom content to address OS&D. A training module on "pulping the product" was created to teach drivers the proper way to check and report temperature controlled shipments. SRT also created a custom video to show drivers proper cargo securement and how to utilize the protective device used to secure locks.

## CUSTOMER CASE STUDY

These actions resulted in a decrease in approximately \$ .013/mile or a 14% reduction in dollars spent on maintenance and tires in 2009.

**Maintenance: Jim Dodd:** "SRT has increased the emphasis on pre and post trip inspections as well as pre and post maintenance inspections and worked diligently to train its maintenance personnel as well as standardize its maintenance practices. These actions resulted in a decrease in approximately \$ .013/mile or a 14% reduction in dollars spent on maintenance and tires in 2009." Once again, SRT caused a behavioral change in how maintenance procedures were done, by creating customized content to train their mechanics and service technicians as well as drivers on proper maintenance techniques.

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**Orientation and Recruiting: Jim Dodd:** "Orientation and recruiting expense are down in 2009 from 2008. We have experienced a decrease in overall cost of recruiting and hiring drivers during 2009. This saving has amounted to approximately \$.007/mile. Our recruiting and orientation expenses are approximately \$1600 per driver." SRT utilized the *Infinet-i<sup>tm</sup>* system to deliver orientation and training to drivers. A more consistent and less labor intensive orientation and recruiting process was created.

...in the last few months SRT has reduced its unbilled AR by 50% and has reduced over Accounts Receivable carried by over \$500,000.

**Accounts Receivable: Jim Dodd:** "We have instituted processes and goals to improve the accuracy of our billing and of Accounts Receivable during 2009. Some of the progress has been blunted by a substantial turnover in personnel. However in the last few months SRT has reduced its unbilled AR by 50% and has reduced over Accounts Receivable carried by over \$500,000. It has only been recently that we have started to monitor and report on billing accuracy so we do not have this metric at this time." Again, SRT utilized the *Infinet-i<sup>tm</sup>* system to deliver customized training about SRT's billing processes that helped to reduce billing errors and un-billed charges and increased the collection of past due receivables.

### ROI, Lower OR, Safety Training, and More

With increased efficiencies and improved communication, SRT has protected its bottom line. With the *Infinet-I* solution, the company contains costs while improving efficiency. Shortly after it was implemented, SRT achieved ROI in the first month.

"With *Infinet-I*, we experienced ROI immediately and continue to see it as we evolve," Dodd says. "Safety increases, sales efforts are more robust and efficient than ever before, businesses processes are more streamlined, and we have timely and accurate data to make informed decisions about our business."

"We brought in VAG for the big picture," Dodd says. "*Infinet-I* has allowed us to reinvent the way we think about our business