

Hardee transportation essay sample

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I. Major Facts

Hardee Transportation is a Class I truckload carrier with 12 dispatch centers in the United States. They have partnerships with truckload carriers in Mexico and Canada. Their largest customer is taking new initiatives to maximize manufacturing capacity and minimize stock-out at retail. They've operated in a reactive position for the last 75 years. Their tractors have Qualcomm Satellite Technology and are linked to their largest customers through EDI. Currently, Hardee does not use the internet for transaction management. Their overall operating ratio is at 96%, not leaving room for future price reductions. Hardee maintains excess rolling stock in trailer pools at major customer locations. Trailer to power ratio is 3: 1, one of the highest in the industry.

II. Major Problems

Hardee keeps trailer pools at customer locations, relying on customer requests to move product. This reactive approach is not ideal for Hardee. Although they use EDI with their largest customers, they are not set up for any transaction management through the internet. Hardee does not have any room for price reductions as they already have a 96% operating ratio. Bobtailing tractors from their dispatch locations to customers are adding additional costs. Hardee must change its operating model to reflect current trends, Jim O'Brien, operations manager, has no idea what this means for Hardee.

III. Possible Solutions

A. Hardee needs to acquire a Transportation Management System, which can be incorporated with EDI currently used. B. Hardee should consider live

loading/unloading to reduce trailer pools at customer locations. C. Dedicated fleets should be considered for large customers, where routes are stable and they will always have a load to backhaul.

IV. Choice and Rationale

If I were in Jim's position I would suggest he consider options A and C.

Although live loading and unloading may be acceptable with some large customers, others will not want constraints at/involving the dock. If a TMS is put into place, as well as a dedicated fleet, Jim can assess what routes are the best for each driver(s)/shipment(s). With a TMS, Jim can also be sure he can secure a backhaul for each run. The dedicated driver(s) can also be employed to work on-site, so they do not have to incur additional cost bobtailing to customer's distribution centers.

V. Implementation

To implement a TMS system, Jim will need to find a TMS provider that operates to give Hardee the most for their money. Jim should try to find a TMS system that can be integrated with their current EDI system. He will need to speak with Stacey Holmgren to see if dedicated drivers would be allowed to work on-site, so bobtailing can be factored out of the equation, removing those additional costs, which can be applied to technology investments.

VI. Appendix

1. Using the information presented in this chapter, what changes would you suggest to Jim? Jim needs to bring Hardee's operating model into the 21st century and have all transactions online. With a TMS system he can achieve

this as well as devising the best route and securing backhauls. Customers will have more transparency into their accounts, and account payable/receivables can post payments and credits quicker. With a dedicated fleet for Holmgren, Jim can be sure he retains Hardee's best drivers, allowing them to have a pleasurable experience. Drivers running a dedicated route engage more with dock workers they become familiar with and often like having a familiar route each day. 2. How would you suggest he present this scenario to the president of Hardee?

Jim must present this scenario to the president of Hardee and explain to him/her that if Hardee does not acquire more technology, they will fall back in the market. Customers want the best service, with the most transparency as possible, if Hardee does not invest in a TMS, this is not possible. Also, he must argue the point of a dedicated fleet. Hardee will save money with a dedicated fleet, cutting costs and rendering better customer service. They will no longer have to bobtail and backhauls can be secured, which will drive costs down. These new initiatives should be presented along with a new RFP from Stacey Holmgren's company.

References

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