FAST ROI

The Hard and Soft Dollar Savings of Dock Scheduling Software
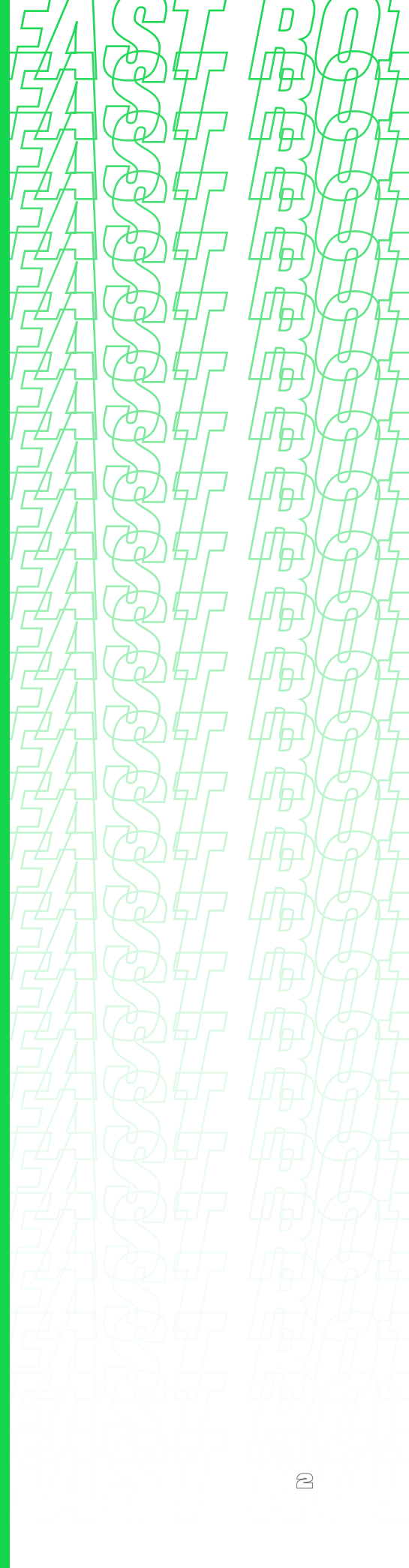
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The benefits of technology to a business typically include a lot of savings, and dock scheduling software that automates the appointment scheduling process is no different. But before you make such an important technology investment, you should understand the ROI.

Doing so, however, will take more than the typical vague statements about how technology will save you time and create efficiencies. Although those sentiments may look good, convincing stakeholders such tools are worth the cost will take a more compelling and detailed argument.

The good news is that when it comes to dock scheduling software, your ROI is easily justified thanks to the potential for hard and soft savings. Here, we'll explain ROI in simple, objective terms to help you make informed decisions for your dock.

What's at Stake By Doing Nothing?

One result of the pandemic has been a new appreciation of the importance of the supply chain when it comes to company profitability and customer service. And since everything supply chain-related moves through a shipping dock at some point, this part of a company's operation has make-or-break importance.

One option is for companies not to change anything and continue without a dock scheduling software. But, without robust and organized processes on the dock, companies are setting themselves up for failure in several ways. Here are a few:
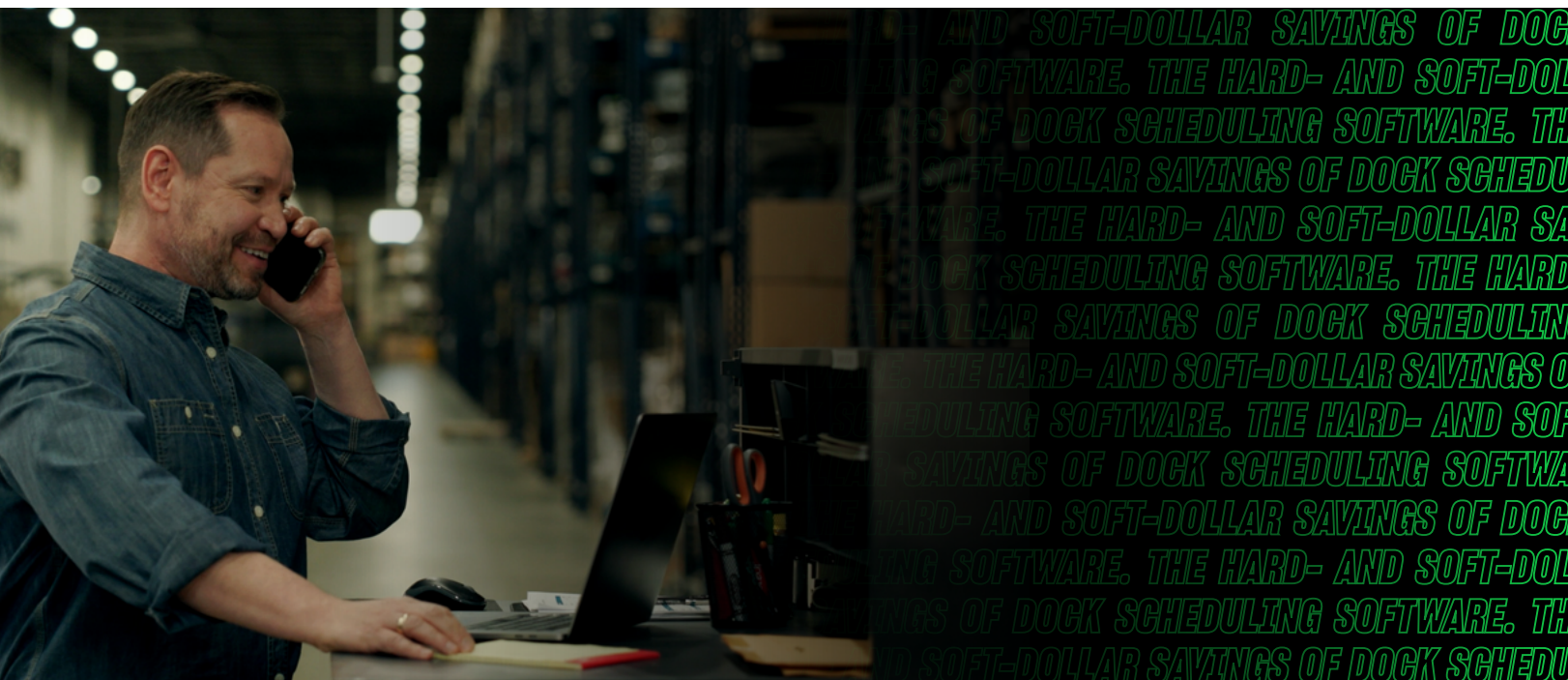
- **By placing additional strain on already tight labor resources**

- **Incurring unnecessary costs and penalties, such as detention**

- **Losing 'shipper of choice' status, the most competitive rates, and access to capacity**

- **No opportunities to measure carrier performance and drive improvement**

What Does It Look Like When These Problems Are Fixed?

A well-run shipping dock avoids those problems. Any company looking to improve its dock operations will know it's making progress when specific things start to happen:

- **Trucks get loaded faster**

- **There's a more consistent, easier-to-manage flow of trucks**

- **Greater visibility into dock appointments along with easier staff planning**

- **Quick access to data that measures performance and can hold carriers accountable**

How does a company get to this point? It's almost effortless with the help of a dock scheduling solution.

Easy to Quantify ROI: The Hard Savings

As we noted, getting buy-in to add such technology doesn't come without discussing cost and the expected ROI. Much of the early savings technology can offer comes by eliminating or reducing the time spent on three shipping-related tasks and issues: **detention, scheduling, and updates.**

An easy part of justifying the ROI of a dock scheduling software involves avoiding penalties like detention because driver wait times are immediately reduced. Since the average detention time is $66 per hour, the potential for cost savings adds up very quickly.

Another is reduced labor costs by helping employees better utilize their time. The appointment scheduling process is tedious when it's managed through phone calls and emails. Plus, there is a lot of extra time spent providing shipping updates and dealing with problems on the dock when things go sideways.

A recent Loadsmart survey of warehouses and carriers showed that when it's done manually, it takes an average of five minutes to coordinate one appointment. Then an average of an additional three minutes is spent providing updates and other back and forth to coordinate the shipment across emails and phone calls.

As an example, a facility that ships 500 loads a month has the potential to save over $1,150 per month based on minimizing the time spent on the three areas (scheduling, detention, updates) outlined above. With this example assuming staff only spend 8 minutes scheduling & providing updates per appointment, along with only 1% of appointments experiencing detention. Note that the potential savings from reducing detention is significantly higher at facilities experiencing long dwell times.

| | Cost of Scheduling | Hidden Costs | |
		Detention Fees (1%)	Providing Updates (30%)
Appointments	500/mth	5	150 appts
Avg. time	5 min/appt	1hr	3 mins
Avg. cost	$ 17/hr	$66/hr	$ 17
Cost summary	$710	$330	$128
True cost		$1,168	

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> MUCH OF THE EARLY SAVINGS TECHNOLOGY CAN OFFER COMES BY ELIMINATING OR REDUCING THE TIME SPENT ON THREE SHIPPING-RELATED TASKS AND ISSUES: DETENTION, SCHEDULING, AND UPDATES.

There's More To it, The Soft Savings

The ROI of dock scheduling software doesn't stop with the opportunities we outlined above. For one, carriers recognize when a shipper is good to work with, and as a result, will offer lower freight rates over time.

The term Shipper of Choice can be overused, but it's a real thing. Reliable and consistent loading at the dock shapes a carrier's experience and is a big part of that perception. Carriers recognize freight that's good for them. The benefits to shippers who can offer it include lower rates and better access to capacity when trucks are hard to come by.

This type of technology captures and makes available meaningful data, too. When companies track performance such as facility load/unload times, truck on-time percentage, and no-shows they can better manage their entire supply chain and make better strategic decisions.

Obviously, any dock operation based on loading carriers that arrive 'whenever' is not good for either party. So, even seemingly small things like the scheduling software's ability to make details such as operating hours and other yard rules more accessible are meaningful.

Keeping things running smoothly within the shipping dock's operations is just as important. Poor processes and disorganization negatively impact staff as much as the carriers. Technology helps facilities and their teams have a live view of inbound/outbound traffic and what's to come in the coming hours or days.

Centralized dock scheduling software also provides enterprise-wide visibility across all facility locations and departments. With it, other company stakeholders such as production, sales, and procurement are more in the loop on what's moving in or out. A standardized platform that can be tailored is good for everyone. This allows companies to maintain the same scheduling process and instructions yet still be flexible enough to accommodate differences.

Answering the ROI Equation

The cost of any software has to be justified by the value it provides. Dock scheduling software offers direct and easy-to-quantify savings by reducing penalties like detention and improving employee utilization. And other slower-to-be-realized savings come through better rates and delivery service performance.

Together, the hard and soft savings can be hard to calculate upfront, but will become significant and tangible quickly.

Of course, the ROI for any individual company is unique. **Visit www.opendock.com to understand the ROI of your dock.**

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Loadsmart pairs advanced technologies with deep-seated industry expertise to fuel growth, simplify operational complexity, and bolster efficiency for carriers and shippers alike. Transforming the future of freight, Loadsmart leverages artificial intelligence, machine learning and strategic partnerships to automate how freight is priced, booked and shipped.

Shippers move more with less by integrating their Transportation Management System (TMS) with Loadsmart Link to access instantly bookable guaranteed capacity with one dynamic rate. These vital TMS integrations allow rates, tenders, tracking and invoicing to flow automatically between Loadsmart and shippers, delivering unmatched visibility to the shipments.

As a one-stop-shop logistics solution for dynamic freight, Loadsmart offers mode optimization services, identifying opportunities to secure the most favorable mode in real-time.

Learn more