PACKAGING

with **Baris Tasdelen**

Business Intelligence and Packages — Part 2

In the first part of this article, which appeared in the July-August digital-only issue, I went through the basic BI (Business Intelligence) tools that one can utilize to increase efficiency and reduce costs on your parcel operations. Now we will examine how dimensional weight can affect billable weight based on the chart below. A similar chart can show how dimensional weight impacts your operation, enabling you to take the necessary actions to reduce transportation costs.

This chart is based on data from an apparel retailer who has negotiated a high DIM divisor. The total length of the bars shows how many packages fall into that weight break. The green part of the bar shows packages not affected by dimensional weight — where the actual weight of the package is the same as the billed weight. The orange to red parts of the bar show the packages that are charged at a weight higher than their actual weight. The different colors show how big the delta is between the actual weight and the billed weight. According to this chart, the shipper's most widely used boxes have dimensional weights around 31-35 pounds. Since this shipper has negotiated a high DIM divisor, only a small portion of packages are billed at 10 pounds or more above their actual weight.

Other sources of data such as transportation management and customer relation management software can be of great use. When the order numbers are tied to tracking numbers, a damaged package can be traced back to the shipping station and the individual who packed it. If a certain shipping station shows a high frequency of issues, necessary precautions such as training can be applied. One important point is to assign everyone their own user names and passwords instead of utilizing shared user accounts. Otherwise, it will be impossible to trace the package to the packer.

Another possible area to examine is average package weights for each packing station. If one or few stations routinely turn out uncommonly large package weights, it might make sense to investigate why. Possible causes could be the overuse of packaging material, or the use of unnecessarily large boxes.

For harvesting data, there are many tools in the market ranging from MS Excel to custom-built BI (Business Intelligence) tools to web-based applications. You can select a tool based on your budget and targeted use. The examples provided here are packaging centric; however, a good dashboard would provide visibility to a variety of aspects of shipping, such as service mix, weight and zone distribution, accessorials, surcharges, lost/ delayed packages and more. For further reading on dashboards, check out Edward Tufte and Stephen Few, two respected authors with numerous publications on data visualization and dashboard design. Also feel free to contact me regarding any data visualization questions you might have regarding parcel and packaging. ■

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Dimensional Weight