



Business Intelligence and Packages — Part 1

In order to be effective, data must be strategic, accurate, and collected and analyzed regularly in a format that is readily understood. In this two-part series, we will examine some of the types of information businesses can measure within their transportation operations — and the changes they can then institute for competitive advantage.

Current transportation management systems and carrier invoice files (EDI or e-bill) provide data; however, data by itself is not of much use. It has to be harvested and organized into reports that help managers and C-level executives make sound operational decisions. BI (Business Intelligence) provides easy-to-understand tables and charts with summaries and exceptions across operations. A good BI application should provide the necessary information in the smallest area possible while refraining from images and gadgets that are visually appealing but otherwise worthless. Unfortunately, there is no “one size fits all” BI application. The information that is important for each operation is different, so the reports required differ as well.

From a packaging and parcel perspective, there are many opportunities when data is mined and processed promptly. For example, package weight distributions can be easily charted and analyzed. The chart below depicts parcel weight distribution over three months. The color ranges from white to red to show changing package counts or frequencies for a certain weight break. White means there were no packages in that weight break and time, while red corresponds to a high number of packages. The horizontal dashed line is the date when dimensional weight rule went into effect.

Companies must take a disciplined approach to assessing the metrics critical to their organization and set up the tool to directly measure and report on these metrics. Experienced, dedicated internal resources and /or knowledgeable consultants can make a significant difference in the effectiveness of any BI application.

This particular chart belongs to an auto parts shipper with a mix of low weight packages (high-intensity on the left side) and high-volume boxes that are being rated with dimensional weight (high-intensity lines at certain weight breaks). We can see how the shipper's higher weights moved from three certain weight breaks (30, 70, 90 lbs) to a variety of much higher weight breaks due to dimensional weight calculation. I selected this chart as an example, even though it is outdated, because it clearly shows a drastic change in package weights over a short period of time. Based on the findings of a chart like this, management can take actions to negotiate a better dimensional divisor, adjust shipping pricing or revise their box strategy to alleviate the effects of dimensional weight.

In the next article, I will offer other ideas for analyzing packaging. Feel free to send me your questions regarding information you'd like to see visualized for your own operation. ■

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Weight Distribution Over Time

