

E 6 Roadnet Technologies

A critical challenge in managing any company's supply chain is effectively and efficiently tracking shipments. UPS understood this when in 1986 it purchased the technology company Roadnet Systems Corporation. At the time, UPS was growing its third-party logistics services (3PL) and recognized that the solutions provided by Roadnet would be of interest to UPS 3PL customers.

The acquisition grew into what became UPS Logistics Technologies, employing about 145 people focused on supply-chain solutions, such as routing and fleet management. In 2010, UPS sold its subsidiary to Thoma Bravo, LLC, a private-equity firm. Thoma Bravo has since returned the portfolio of technologies and services to the original branding, and the company now operates as Roadnet Technologies, which also joins the family of supply-chain solutions companies known as Omnitracs.

Whether operating as UPS Logistics Technologies or Roadnet Technologies, the challenges and solutions are similar: how to make truck movements efficient and visible. To address the problem, Roadnet offers a range of products and services. Customers include Frito-Lay Corporation, Häagen-Dazs, and Nestlé. An example of these technologies is the Roadnet® product family. Using cell phones or handheld devices with global positioning system (GPS) capabilities, companies can keep track of where their vehicles are and can record precise arrival and departure times. The information is captured on the Roadnet Anywhere® and MobileCast® platforms—essentially a centralized database accessible by the companies using the technology. This allows companies to monitor all pickup or delivery routes with real-time, up-to-the-minute updates.

Roadnet promotes a number of benefits from using its Roadnet® Transportation Suite:

- **Real-time route execution.** This capability shows how effective the delivery network is with actual versus planned data, plus customer arrival and departure times.
- **Increased driver productivity.** Because the system uses GPS tracking, companies obtain reliable data to track driver activity.
- **Manager by exception.** This capability allows a dispatcher to handle interruptions in the planned delivery schedule.
- **Proactive customer service.** By having real-time delivery status, companies can update customers ahead of time, should there be any anticipated disruptions or changes in delivery.

- **Automatic integration.** The data collected through the Roadnet technology can be integrated into a firm's management information system for better decision making.
- **Management reports.** Companies can view reports of actual versus planned delivery activities, such as route exceptions and driver performance.

A number of industries rely on daily delivery of products to retail stores or consumers. Beer distributors are an example. Daily, drivers make numerous stops, picking up and dropping off products. Distributors need to effectively manage this process or risk becoming less competitive, either due to high costs or lack of customer service.

Tucson-based Golden Eagle Distributors realized that developing the delivery tracking capability in-house would be too expensive and would likely not represent the latest technology, so the company adopted the Roadnet technology for its 26 trucks and 14 vans. Overall, it calculates the cost savings of outsourcing the technology at \$100,000. In addition, the company eliminated one sales position and canceled two vehicle leases—mostly due to the 10 to 12 percent reduction in mileage driven.

Associated Food Stores provides another example. Headquartered in Salt Lake City, the company delivers groceries to 600 stores throughout the Midwest. The company had already implemented a freight-tracking/routing system but recognized its complexity was a challenge to getting the most efficiency. The older system was replaced with solutions from Roadnet, resulting in the elimination of two to three daily routes and an overall reduction of 400,000 miles. The company's on-time performance was improved to 96 percent. Associated Food Stores used other Roadnet technologies, such as Territory Planner®, a "what-if" scenario planner, to optimize delivery routes.

Starting with UPS and now Roadnet Technologies, these solutions have gone global. Over 52 countries worldwide use the Roadnet solutions. The applications have been translated for easier use by non-English-speaking customers into 14 languages, including Spanish, German, Arabic, and simplified Chinese. Roadnet works with international partners to market and install its technologies locally. An example is ALCIS, a Brazilian company based in São Paulo (www.alcis.com.br). ALCIS not only sells into Brazil, but also Argentina, Chile, and Venezuela. Another partner is Allcash Technologies (Pty) Ltd in South Africa (www.allcash.co.za). Allcash represents a number of international companies generally in the area of cash protection equipment and asset tracking products. Roadnet has also formed its own subsidiaries, such as its office in Shanghai. Roadnet's success internationally demonstrates that supply-chain challenges are encountered by companies worldwide.

Source: www.roadnet.com

Questions and Research

1. What problems did UPS and Roadnet address in creating the Roadnet Transportation Suite?
2. Visit www.roadnet.com and navigate to the case studies section. What are other examples of companies using Roadnet technology? How has the technology assisted with Roadnet's supply-chain management?
3. Visit www.roadnet.com and research other products and solutions. What additional services does Roadnet provide? How would a company use this technology in support of its supply chain?
4. Roadnet Technologies is part of Omnitracs Enterprise (www.omnitracsenterprise.com). Visit the Omnitracs website and research the products and solutions of one of the other Omnitracs companies. How would an international company use these services to improve its supply chain? Does this company offer its services globally?
5. Roadnet is not alone in providing these types of technologies and services. Find another transportation tracking provider. Research its products and services that compete with Roadnet. How are the company's services similar? How are they different? Is the company also global?