

## CASE 1-1

### Red Ball Express

George Harry, CEO of Red Ball Express, was frustrated and upset with the latest quarterly report on profit margins and overall level of profit for the company. Increased fuel prices were a concern for several of the previous quarters during the current year, but George thought that this quarter would be better since fuel prices had declined somewhat. However, Red Ball's operational costs were approximately the same this quarter as the previous three quarters. Just then, Dave Smith, one of his newest hires, came into his office without knocking, which was unusual. George could tell that Dave was excited and then Dave exclaimed, "Wow, George, did you see the latest issue of *Motor Carrier News*?" George indicated that he had not had the opportunity to review the magazine, and asked, "What is so darn exciting about it?" "Well, our biggest competitor, Roadway Carriers, was featured in an article for their cost-saving initiatives. They are expected to make a significant improvement in their profit for the last quarter. Our shareholders are really going to be upset when they see our quarterly results." George wondered how Roadway did it and immediately asked Dave that question. Dave indicated that the article discussed some new technology that they were using to improve equipment and driver productivity. Specifically, he mentioned RFID tags and GPS systems. George was not familiar with the new technologies and asked Dave to prepare a report on technology that Red Ball could employ to help them address their challenges with equipment management.

### CASE QUESTIONS

1. Help Dave prepare this report by providing some information on the benefits of RFID tags and GPS systems in the transportation industry.
2. Are there additional technologies that Red Ball could implement to help them improve efficiency? Explain.