



Dear Trucking Leader:

Asset based motor carrier performance is a reflection of the interplay between four key components: *people, capabilities, information and physical assets*. Successful companies excel using a strategic blueprint by which leadership optimally deploys these elements in the execution of an effective company strategy. From this results a competitive advantage and differentiated financial performance.

There are surprisingly few external constraints in arranging these pieces to produce intended results. Instead, the most common challenge lies within in the form of differing *opinions* of how to best utilize these *limited* resources. To achieve optimal performance, it is first critical to understand how your company 'measures up' across several strategic perspectives.

As business performance specialists for the trucking industry, we have designed the following *LTL Capability Assessment* for your consideration. We hope you will review these questions, either privately or with your management team. Even better, we invite you to share your responses with us as the beginning of a risk-free relationship that will dramatically enhance your company performance.

Sincerely,

Dave Ward - ThoughtDrivers

Robert Sullivan - Effective Management Systems



LTL Capability Assessment

Consider distributing to your executive team.

INSTRUCTIONS: The following are mission-critical capabilities that asset-based LTL carriers must possess to optimize their business performance. To benchmark your organization, please review each and choose the most representative response. If you would like us to contact you to discuss further, fax it to us at 412-542-1535, complete it on-line at <http://drive.ThoughtDrivers.com> or call us at 866-97-RESULT.

- 1. P&L Statement visibility including contribution margin detail by terminal, region and company.** Capability of tracking financial performance daily, enabling timely and proactive adjustments. No need to wait two or more weeks into the next month for a traditional P&L statement.

My company possesses this capability?	YES NO
If "YES" how do you rate this capability's effectiveness within your company?	Marginal Sufficient Proficient

2. **Terminal efficiency reporting for P&D, dock and linehaul.** Capability of knowing the excess hours for each terminal used daily in P&D and dock work, based on engineered standards for each terminal. Also, understand on a daily basis each terminal’s linehaul trailer utilization, empty miles and equivalent empty trailers.

My company possesses this capability?	YES NO
If “YES” how do you rate this capability’s effectiveness within your company?	Marginal Sufficient Proficient

3. **Objective driver performance scorecarding.** Capability of measuring individual P&D driver performance each workday, based on engineered standards for miles driven, hours worked and the amount of workload assigned by supervision.

My company possesses this capability?	YES NO
If “YES” how do you rate this capability’s effectiveness within your company?	Marginal Sufficient Proficient

4. **Objective management performance scorecarding.** Capability of determining whether supervisors assigned individual drivers enough workload—even route by route—based on the number of shipments, number of stops, freight density, unique miles driven, all versus actual hours worked.

My company possesses this capability?	YES NO
If “YES” how do you rate this capability’s effectiveness within your company?	Marginal Sufficient Proficient

5. **Engineered standards development by terminal for dock and P&D operations.** Capability of customizing engineered standards to reflect the unique character of each terminal operation, such as proximity to metro areas, actual driving conditions, dock shape and size. Operational nuances such as appointments, inside deliveries, distribution, sort and segregate are also incorporated into performance measurements.

My company possesses this capability?	YES NO
If "YES" how do you rate this capability's effectiveness within your company?	Marginal Sufficient Proficient

6. **Management of sales staff's effectiveness in supporting capacity utilization.** Capability of setting meaningful, measurable sales goals, based on improved utilization, even down to the truck, route and sales territory. Establish targets for sales staff that optimize profit by developing revenues that best utilize existing capacity.

My company possesses this capability?	YES NO
If "YES" how do you rate this capability's effectiveness within your company?	Marginal Sufficient Proficient

7. **Incentive/performance-based compensation program for terminal management and supervision, drivers and dockworkers.** Capability of establishing performance-based compensation programs for individual roles and teams, consistent with their respective contributions to profit improvement.

My company possesses this capability?	YES NO
If "YES" how do you rate this capability's effectiveness within your company?	Marginal Sufficient Proficient

8. **Nightly freight bill and customer costing every night.** Capability of costing every freight bill each night to determine the quality of revenue by customer and terminal—inbound and outbound.

My company possesses this capability?	YES NO
If "YES" how do you rate this capability's effectiveness within your company?	Marginal Sufficient Proficient

9. **Deeply understanding customer profitability.** Capability of understanding customer profitability by contribution dollar and contribution margin percentage. Identifying your most and least profitable business by customer and sales rep.

My company possesses this capability?	YES NO
If "YES" how do you rate this capability's effectiveness within your company?	Marginal Sufficient Proficient

10. **Cost simulation modeling.** Capability of performing “What If?” scenarios on potential business opportunities. Predictively modeling freight costs at 100% efficiency to understand break-even price. Minimizing unprofitable business, maximizing competitiveness and continuing to automate capacity management.

My company possesses this capability?	YES NO
If “YES” how do you rate this capability’s effectiveness within your company?	Marginal Sufficient Proficient

11. **Sound forecasting and capital asset management.** Ability to accurately and confidently forecast business volumes and timing. Effectively sequence and execute equipment purchases based on revenue projections and engineered standards.

My company possesses this capability?	YES NO
If “YES” how do you rate this capability’s effectiveness within your company?	Marginal Sufficient Proficient

12. **Institutionalizing a profit-based mindset.** Capability of educating your management team on the fundamentals of LTL profitability, namely cost, volume and contribution relationships. Central to this is revenue absorption of available capacity. Without this, variable and fixed costs are not covered and profit is not possible. Further, a common strategy and operating discipline replace a 'just moving freight' mindset.

My company possesses this capability?	YES NO
If "YES" how do you rate this capability's effectiveness within your company?	Marginal Sufficient Proficient

13. **Creating a confident, effective and efficient management team.** Capability of developing and recruiting new leaders thanks to the proven system, powered by a focused, transparent view on the company's health and strategy.

My company possesses this capability?	YES NO
If "YES" how do you rate this capability's effectiveness within your company?	Marginal Sufficient Proficient

Thank you for completing the LTL Capabilities Assessment. We will contact you within seven working days to review and discuss how we might help improve your business performance. Call us any time at 866-97-RESULT.



We are the business-performance specialists for the trucking industry. We deliver customized solutions to trucking companies that yield positive results and drive competitive advantage.