

The Green Mile

A White Paper On

Yard Management and Yard Management Issues

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Yard Management is a dynamic part of the supply chain resulting in broad positive impacts on the balance sheet and customer service.

Yard Management is the ability to track trailer's and container's pertinent data including who brought it in, who owns it, where it is, what's on it, how long it's been there and where it's supposed to be when, might be the most expensive mile in transportation.

Yard Management Software ("YMS") is gaining attention as companies see benefits from their investments in transportation and warehouse management software systems and now see yard management as the next bottleneck to remove. Manual and less than ideal yard management increases cost, hinders productivity and cripples supply chain visibility. Selecting the right solution starts with what problems need to be solved, where improvements can be made, and what software can accommodate the answers to these questions. Let's look at some of the problems, solutions, features & benefits of yard management and Yard Management Software.

Problems and Challenges of Yard Management

You may be surprised that large sophisticated companies use legal pads, grease boards, card racks and Lotus or Excel spreadsheets to manage hundreds of inbound and outbound trailers. Once a day physical inventories that become obsolete moments after completion make it difficult to manage a busy and dynamic environment. Problems created by poor yard management include stories of "lost" loads of Christmas trees "found" two days before Christmas where retail values are cut in half. Or lost time and money searching paper records for historical loads information, and detention charges on empty containers that get forgotten are other consequences of manual yard management. Efficient yard management becomes an even greater challenge with the growing use of outside logistics providers (3PL's). The people moving the equipment around the yard (yard hostlers aka jockeys, switchers, shuttlers) often work for the owner of the goods in the warehouse, but get their work orders from two outside vendors, a 3PL warehouse operator, and 3PL transportation provider.

Yard Management Software Can Improve Supply Chain Communication and Visibility

It's often a challenge to knock down functional silo's and gain visibility, cooperation and better communication between purchasing, warehousing, sales, operations and accounting in any company. The hostler often has to satisfy the owner while working through and reacting to two outside vendors who are trying their best to stay on top of everything. Yard Management Software helps the supply chain become more planful and make better decisions. Pre-planned movements communicated to all parties and browser viewed confirmation of received loads are two examples where operations become more efficient.

Who pays?

Another challenge in removing yard management bottlenecks is deciding who takes responsibility and who pays for it. One attitude is the hostler should be responsible because they should just be efficient. But, many hostler contracts are written either by the hour per driver or truck, or by movement. If efficiency problems were caused by lack of visibility and planning coming from the 3PL's and the owner, why would the hostler spend his money to solve the other guy's problems and end up with less revenue? This challenge is worth solving because better yard management results in improved warehouse and transportation efficiency, lower costs and better customer service.

Yard Management Software Solutions

Yard management software systems today have a great deal of potential to help remove bottlenecks, provide upstream and downstream visibility and planning tools, aid in measuring warehouse, transportation and hostler productivity while reducing cost. YMS can even help negotiate favorable transportation rates.

Features and Benefits of Yard Management Software

Let's look at an example using yard management software that continually updates online available reports with current status for all of a carrier's equipment on the yard. Entering a user name and password gives access to the online report generated from the YMS. The carrier sees 45 trailers, 23 ready to go with bills of lading and 2 have flat tires. Available 24 hours a day, phone calls and faxes are significantly reduced. Another example is a purchasing department, which buys various grades of raw materials. Due to a functional silo or two, information on what has been consumed by manufacturing doesn't always get to the purchasing department in a timely manner. With yard management software, purchasing logs on to see pre-configured views or custom sorts of trailers by raw material type, grade, vendor or any combination of fields, and immediately is aware of ordering needs and inventory overstocks.

Customer service improves when information is quickly available to communicate on time departures or allow proactive delay notifications. Warehouses can measure dwell time by individual or groups of dock doors and review dock-in/dock-out averages to see where productivity can be improved. Transportation can show carrier's reductions in the average number of "tied-up" trailers and maybe suggest the carrier forgo the rate increase until next year.

Yard Management Software can even provide automatic pager notification of high temperature or low fuel conditions on refrigerated equipment, and warn you of accruing detention charges on late container returns. Automatic tracking of Key Performance Indicators through automated daily reports and automatic notification to carriers who are short on empty commitments are other examples of time saving benefits.

Summary

The number of features and functions that can be incorporated in YMS is as large as your imagination. Wireless networks for in truck database updates, radio frequency identification tags ("RFID"), gate readers and expanding .Net technology provide a wonderful foundation to incorporate your specific needs and requirements.

There are a wide variety of yard management software products available from large warehouse management system vendors or companies who specialize in yard management. Prices range from a couple thousand dollars for spreadsheet alternatives, to a couple of hundred thousand dollars and more for applications using RFID devices, and customized to interface with warehouse, transportation and other programs and systems.

Yard Management is a busy and dynamic part of the supply chain where logistics improvements can have a broad positive impact on the balance sheet and in customer service.

About Cypress Inland Corporation

Cypress develops YardView yard management software, including YardView Light an economical spreadsheet and manual tracking alternative.

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