

DATAMARK CASE STUDY

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Top 25 Nationwide Transportation Company Eliminates Waste and Reduces Costs in Order-to-Bill Cycle

DATAMARK[®]
INCORPORATED

**Freight & Transportation Solutions
that Move Your Business Forward**

Through our focus on people,
processes and technology,
DATAMARK drives efficiency
at a rapid pace,
maintaining quality control
and cost reduction
on the road to success.

CLIENT SUMMARY

This U.S.-based freight carrier has been in business for several years with a large fleet servicing the continental U.S. as well as the adjoining countries of Mexico and Canada. The economic downturn forced this carrier to reduce operational expenses associated with lower tonnage per shipping lane, volatile fuel costs, and increased competition due to excess capacity, all while maintaining its ability to deliver best-in-class service to its clients. The carrier turned to DATAMARK and its proven Transition Management Methodology™ to streamline workflow, create efficiencies through standardization, and leverage global delivery centers taking advantage of “Follow the Sun” principles to reduce billing errors and decrease the resulting revenue adjustments.

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BUSINESS CHALLENGES

The company was experiencing the following issues:

- Errors in critical fields required for load factoring and billing as well as Haz-Mat instructions and accessorial charges
- Limited training materials coupled with complex services made it difficult to maintain a competent, yet cost effective, work force
- Inbound and Outbound “cut times” were not being met
- Near round-the-clock processing requirements mandated staffing multiple shifts, which introduced additional costs and/or required unplanned overtime

The company realized that in order to continuously exceed its customers’ expectations and effectively manage its operating expenses, it must address these issues immediately.

Critical Need: Faster Turnaround Time

The company’s key service delivery and performance metrics are based on efficient bill processing on a daily basis. Delays have a negative downstream impact on several functions, including delayed customer invoicing, increased terminal time for drivers, delayed loading and unloading of trailers, unnecessary dock personnel overtime, and missed hot shipment guarantees.

THE SOLUTION

The company partnered with DATAMARK to implement a Freight Billing Services™ (FBS) solution leveraging its unique Transition Management Methodology ultimately producing a blend of skilled onshore and offshore bill entry resources that solved the company’s critical billing issues.

DATAMARK’s TMM leverages Lean Sigma principles in conjunc-

tion with deep experience managing customer transitions. TMM's core tenets of Quality and Innovation drive continuous improvement during both the transition and on-going production. DATAMARK's best practices for resource and asset management are coupled with Lean Sigma to eliminate waste and create highly efficient transactional processing. DATAMARK's domain expertise in operations and transition management facilitated a smooth and easy exchange from internal to outsourced business model.

RESULTS

1. Resource efficiencies

DATAMARK was able to quickly employ a blend of global resources whose transactional throughput steadily improved beyond the current corporate guidelines. DATAMARK employed groups of personnel working first and second shift in the U.S. and India to process bills 24/7. DATAMARK Best Practices show that keeping personnel on first or second shift reduces errors and unnecessary overtime.

2. Turnaround time improvements

DATAMARK employs a "Clean Desk" policy in all of its operations to ensure work is completed the day it arrives. The company had hard business stops for accounting purposes that required flexible staffing due to daily volume fluctuations and a variety of bill types. Prior to DATAMARK, these fluctuations were handled with part-time personnel or overtime, which DATAMARK eliminated. DATAMARK also instituted an activity-based compensation program anchored by quality, which rewarded employees for achieving higher throughput. As long as quality is within tolerance, then speed is measured for eligibility in this program.

3. Error rates reduced by more than 10%

At transition, error rates at the customer's end were far above industry norms. DATAMARK's compensation coupled with its extensive analysis and corrective action program steadily reduced error rates over the first six months of the project and still do so today. Part of TMM is to develop a unique training curriculum for every customer that certifies DATAMARK associates in a stair-step fashion with each progression introducing additional complexity. During this phase, trainees are 100% audited and only after meeting strict quality and throughput criteria are they placed in a production operations role.

4. Company's expenses reduced

Improved accuracy and throughput reduced the company's business costs as it quickly eliminated billing errors that led to wasted trips and shipment charges, wrong address delivery,

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driver layover time, and dock personnel overtime. In order for company freight to be efficiently transferred from a city rig to a line haul rig, bills must be entered to create unloading manifests. Only after the manifests are created can freight be unloaded and reloaded for shipment to its destination.

A manifest includes specific information such as the destination of each shipment, the identity of the consignee, and the number of pieces of freight in each shipment, which means that dock personnel must have this document in hand in order to unload the trailer. With DATAMARK, productivity has increased as dock personnel no longer face significant delays waiting for the manifest to be created.

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5. Customer satisfaction and bottom line revenue impact

The net result for the company is that it has been able to focus on its core business while offering its customers greater value in terms of faster turnaround and nearly error-free billing. The company views this partnership with DATAMARK as a key competitive differentiator because it improves customer service and directly supports their customer loyalty programs. Equally important, this partnership has already delivered six-figure cost savings and significantly reduced the number of revenue adjustments.

ABOUT DATAMARK, INC:

DATAMARK, Inc. is a U.S.-based business process outsourcing firm that provides end-to-end, back-office processing solutions for Fortune 1000 companies in the Freight & Transportation, Healthcare, Finance & Accounting, and Government Sectors. DATAMARK's core services include Document Processing, Document Management, and Consulting. With a flexible workforce of over 2,000 employees worldwide, DATAMARK offers multiple cost options and versatile services that can be tailored to each client's unique requirements.

If you have questions about outsourcing your company's billing processes for quality, reliability, and cost savings, contact:

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