

# A Case Study of Bison Transport

## The Effective Use of Profitability Management Tools®



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*Don Streuber, Bison Transport President and CEO*

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Transportation Costing Group



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**Bison Transport is driving its own success by using the Truckload Cost Information System from Transportation Costing Group to better understand its business and more effectively impact its profitability.**

### Summary

The Truckload Cost Information System® (TL/CIS®) from Transportation Costing Group (TCG™), specialists in Profitability Management Tools® for the transportation industry, has been in use at Winnipeg, Manitoba-based Bison Transport since 2002.

Having adopted the activity-based cost analysis solution and fully integrating it with its enterprise management and financial systems, the truckload motor carrier is optimizing its operational planning and decisions by gaining a more comprehensive and accurate knowledge of its business and changing its way of thinking about what drives its success.

### The Criteria

Before adopting TL/CIS, Bison Transport's objective was to find a product that would provide opportunities to help improve its business in several ways:

**1] In-Depth Analysis:** For many years, Bison had used internally developed reporting solutions to analyze data on operational productivity and cost efficiency, but did not have the level of detail it required. "As we grew," said Dave Fulawka, Director of Business Development, "we needed data mining capabilities that would allow us to not only answer questions on qualitative elements of our operation but also dig deeper. We needed to change our focus to include quantitative analyses of profitable customers, as well as unprofitable, lanes and loads."

**2] Culture Change:** More than looking for a tool to analyze profitability, Bison desired an application that could act as what Jeff Pries, VP Sales & Marketing called "an agent of change of culture within the company." The goal, he explained, was to utilize software "to create a new language that would change our mindset and empower our internal stakeholders to better understand what drives our business and helps ensure our success."

**3] Adaptability to Changing Business Model:** To remain competitive, noted Dave Fulawka, Bison has to understand the major components of its costs. "If the playing field is virtually level," he said, "being nimble is critical. What we sought in a cost analysis application was a tool that would help us see and understand the changes that are impacting our business and react to them effectively and in a timely fashion."

**4] Partnership:** Having already invested in premium enterprise management and financial systems, as well as a highly trained and dedicated IT staff, Bison also knew it needed a supplier with the time and resources necessary to implement its cost analysis solution. Experience had taught the carrier that integration challenges were to be expected, noted Mike Ludwick, VP IT. "With a partner that was prepared to fully support our efforts," he stated, "we would have the ability to effectively and efficiently manage the process."



Bison's ABL (Asset Based Logistics) Center in Winnipeg, Manitoba Canada.



## Getting to the bottom line.

### The Solution

The TCG TL/CIS activity-based costing solution has turned out to be a valuable addition to the wide-ranging efforts to enhance profitability at Bison Transport:

**The data integrity and detail:** The information provided by TCG's TL/CIS solution provides Bison with the ability to ask effective questions and get accurate answers, according to Dave Fulawka. "This deeper analysis goes beyond raw numbers," he said. "TL/CIS gives us possibilities we couldn't have realized by developing a solution in house or by using any other system on the market."

**A new way of thinking:** "We want our sales team to take a business development approach to the regions and customers they serve," Jeff Pries stated. "The information we get from TCG's solution helps educate us about profitable lanes, loads and accounts as well as areas where we are falling short. We now use that information to make better business decisions and foster sales growth by looking at the different pieces in each area individually and collectively, and finding ways to balance or improve lane mix or negotiate better pricing."

**The value of good data:** With a range of external factors impacting its cost structure, including fuel prices, maintenance expenses and driver turnover that leads to the need for a comprehensive recruiting, hiring and training effort, the value of TL/CIS in evaluating Bison's business model and costs cannot be understated. In short, Dave Fulawka said, the software is "credited with helping to better understand the ongoing health of the entire organization."

**Dedication to success:** "Our style is to give everything we have to a project, and with TCG, we found that same devotion and work ethic," stated Mike Ludwick. They willingly dedicated considerable resources to identify data preparation needs and put processes in place to streamline the integration and shorten the time it took for us to begin seeing real value from TL/CIS. TCG is an excellent supplier because they're not interested in just selling their product but rather in seeing it be successful."

### The Benefits

**Increased Profitability:** The most critical contribution of TL/CIS for Bison has been to provide a foundation on which to effectively evaluate its business and act on the profitability factors that impact growth. In its first year of use, for example, the system quickly became harmonious with the carrier's enterprise management solutions, enabling the company to begin finding ways to use its information to contribute to profitability with the cooperation and full understanding of all stakeholders.

**Improved Customer Relations:** TL/CIS data also helps Bison interact more effectively with its customers, noted Jeff Pries. "By knowing what parts of our business work well, we can equip our sales team with the ability to approach our customers with a full understanding of how things function and how we can achieve better results," he said. "The information we have from TL/CIS is helping us reduce costs and improve margins by engendering trust with clients during rate and pricing negotiations."

**Proactive Decision-Making:** "Ongoing benefits of TL/CIS for us," Dave Fulawka said, "include the ability to use the TCG data on a historical basis to track trends in profitability. If we understand what drives our profitability we can react proactively. TL/CIS gives us the ability to see opportunities and respond more quickly with effective decisions. We know we're more profitable today because of this software."

### Conclusion

"TCG's TL/CIS solution provides us with an in-depth analysis of the cost and revenue factors that make up our operating ratio," stated Don Streuber, President and CEO. "It allows us to effectively mine data, and produce accurate profitability information by customer, lane and region that



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## About Bison Transport

Incorporated in Winnipeg, Manitoba, Canada in 1969 to provide local cartage services to the construction industry, Bison Transport now fields over 800 tractors. One of the largest motor carriers in Canada, the company offers heated, dry van and refrigerated truck-load service, full service logistics, dedicated fleet services, yard management and warehousing and distribution to customers across Canada and in the 48 United States.

## About TCG

Transportation Costing Group is the provider of the most widely used suite of Profitability Management Tools™ and activity-based costing models to the motor carrier industry. TCG provides models tailored to specific carrier operations. Information on services offered by TCG can be obtained by contacting (800) 328-9700 or [info@tcgcis.com](mailto:info@tcgcis.com). For general product information please visit [www.tcgcis.com](http://www.tcgcis.com).

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