

Kronos for Trucking

Uncover hidden capacity with Kronos for Trucking

Today's trucking companies are feeling pressure from all sides — driver shortages and high turnover, potential wage hikes, fierce competition, and an oppressive regulatory environment. Carriers are struggling to maintain sufficient capacity in their networks to take on new business, but that means having enough drivers in the right places to move loads. It's a balancing act of having the flexibility to adapt to today's omnichannel demands while protecting razor-thin margins.

These mounting challenges are prompting trucking companies to look for new ways to increase capacity and drive profitability. More effective workforce management is the place to start. The workforce is critical to providing the capacity carriers need to take on new business and meet existing service levels, increase profitability, and operate safely. And with labor costs already the largest operational expense for most companies, the wage increases necessary to attract and retain the best drivers will squeeze margins even further.

Many carriers have invested in technology to optimize routes and fuel consumption and improve the safety and efficiency of their fleets. However, if you're not investing in optimizing your workforce, you're missing perhaps your greatest opportunity to improve profit and service levels. When you optimize employee productivity and control labor costs, you're able to uncover hidden capacity, increase margins, and gain a competitive edge.

Drive profitability by controlling labor expenses

Labor and other operational costs, such as fuel and equipment, are on the rise and unpredictable at best. While temporary increases in rates can help ease the pressure on margins, reducing controllable costs — such as labor — is the best way to drive profitability.



Key Benefits

- » **UNCOVER HIDDEN CAPACITY AND CONTROL LABOR COSTS** by optimizing workforce productivity and reducing labor expenses
- » **MINIMIZE THE COST OF DRIVER TURNOVER** by tracking, measuring, and monitoring the right set of metrics to optimize and retain your labor force
- » **DELIVER QUALITY SERVICE** by integrating labor performance data with incentive-pay programs
- » **REDUCE COMPLIANCE RISK** by facilitating compliance with industry and government regulations



Kronos® for Trucking helps you curb labor costs by increasing paycheck accuracy and decreasing payroll inflation. Managers receive alerts when employees are approaching overtime so that they can make more cost-effective scheduling decisions without jeopardizing service levels or delivery deadlines. In addition, you can reconcile labor hours to payroll data for 100 percent job costing — including the labor costs incurred in moving freight — which is critical to meeting profitability goals with competitive bids.

Kronos also helps you manage the costs associated with planned and unplanned employee absences, such as sick time, vacation, and other leaves of absence. By accurately tracking approved and unapproved time off, companies can not only control the costs of employee absence, but they can also better mitigate the impact on their business by responding with qualified, best-cost replacements or making hiring and scheduling adjustments for longer-term planned leaves.

Minimize impact of driver turnover

Having enough capacity to meet service level and profitability goals is directly tied to your ability to keep safe, qualified drivers in your trucks. But recently, driver shortages, expected to reach 175,000 by 2024, have limited capacity for many trucking organizations.¹ And as more and more of the aging driver workforce retires from the industry (taking some of the most seasoned drivers with it), carriers are increasingly competing for a smaller pool of qualified drivers.

Regulatory measures such as CSA (Compliance, Safety, Accountability) have pushed even more drivers out of the industry. As a result, turnover and churn among carriers continue to remain at high levels, subject to fluctuations in the market, while employee loyalty appears to be at an all-time

"We've realized \$600,000 in annual labor cost savings through the reduction of indirect labor by using Kronos."

Frank Schutte
Vice President, Information Technology
High Companies, LLC

"With Kronos, we feel confident that we're paying more than 22,000 people accurately every week. [And] having access to timely labor information helps our operations team better manage our staff and facilities."

Bryan Beazley
Project Manager
Con-way

low, hurting both capacity and profitability. And the costs of constant churn quickly add up. In fact, the American Trucking Association estimates it costs on average \$5,000 in lost revenue and replacement costs for just a single driver.²

Kronos for Trucking helps manage the controllable aspects of the employee lifecycle. Hiring workflows help automate the HR process to source drivers to maintain enough capacity. Managers can use alerts and reports to view trends and resolve problem areas quickly. Consistent application of policies helps reduce turnover and increase employee satisfaction.

Kronos provides visibility into the costs associated with turnover and hiring, allowing you to understand where problems are trending and take corrective action. The system also provides analytics on where your best candidates and top performers were sourced to help improve hiring effectiveness. Effective labor management can help you retain, manage, and optimize your drivers to maximize capacity, productivity, and revenue.

Optimize productivity and increase quality service

Hiring the right drivers and frontline employees is the first step toward delivering quality service, but you must also make sure the right workers with the right skills are properly allocated to meet delivery deadlines and maintain customer satisfaction.

¹ American Trucking Association, *Truck Driver Shortage Analysis 2015* (October 2015), at 6.

² U.S. *Truck Driver Shortage Getting Worse, Turnover Figures Show*, found at http://www.joc.com/trucking-logistics/labor/us-truck-driver-shortage-getting-worse-turnover-figures-show_20150401.html.

Kronos for Trucking helps you uncover your hidden capacity with detailed labor performance data to identify lost time and indirect labor, allowing you to take appropriate action to reduce waste and become more efficient. Incentives with pay-for-performance plans can increase quality of services and productivity. With detailed insight into the relationship between labor costs and productivity, you can monitor value-added projects and understand the true cost of labor to drive bottom-line results.

Minimize compliance risks and avoid penalties

The trucking industry today must navigate a complex regulatory environment that regularly affects its workforce. In addition, Hours of Service (HOS) regulations strain capacity by limiting driver productivity. Carriers must ensure their service levels are met while staying in compliance with HOS restrictions in order to avoid penalties.

With Kronos for Trucking, supervisors and dispatchers can run real-time reports on hours worked and quickly assign shifts to eligible workers to optimize workforce productivity and minimize risk of noncompliance. It can integrate with other systems (such as electronic onboard recorders and logging devices), allowing you to reconcile on-duty time with drive time for a single source of truth on all hours worked. Kronos also facilitates compliance with the Fair Labor Standards Act (including the Motor Carrier Exemption) as well as legislative, union, and corporate requirements. It allows you to track CSA regulations, manage certifications and licenses, and apply safety, regulatory, and union policies all from a single centralized platform.



Gain a competitive advantage

Without question, the trucking industry is at a very critical juncture. The labor decisions trucking companies make now will affect profitability and market position both now and in the future.

Implementing a Kronos solution can help you reduce costs, uncover hidden capacity, boost profit margins, and deliver quality service. Let us help you manage your most valuable and expensive strategic asset — your workforce — for a competitive edge in today's high-stakes trucking market. With thousands of installations in organizations of all sizes, **Kronos delivers Workforce Innovation That Works™**.

Put Kronos for Trucking to work for you:
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