



Case Study

PAN AMERICAN EXPRESS AND FLEETLOCATE:

Pan American Express Saves Over One Million Dollars in One Year with FleetLocate Asset & Trailer Intelligence

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Since Implementing
FleetLocate,
Pan American Express
Has Seen A Noticeable
Difference.

BACKGROUND

When Customers Demand Visibility, How Do You Deliver?



Since implementing FleetLocate, Pan American Express has seen a noticeable difference in accuracy and timeliness of information regarding the location and status of their trailers and their customers' freight.

Headquartered in Laredo, TX, Pan American Express, Inc. owns and operates a fleet of more than 600 dry van trailers that travel south-to-north routes from Mexico to Canada. Most of the companies traveling these routes are automotive parts suppliers serving the nation's major manufacturers, including Chrysler, Toyota, Honda and General Motors. These suppliers operate on a just-in-time model, making on-time pick-up and delivery absolutely critical to business success.

"Our customers have about 60 to 72 hours to get their parts from the warehouse to the assembly line," explains Pan American Express's CEO and President, Ric Guardado. "Which means they need complete visibility of their freight location and progress."

And they were relying on Pan American Express to provide this visibility. This was creating a substantial challenge for Guardado, as well as for Sal Verazzi, Pan American Express's Operations Manager.

"Ninety percent of the freight our trailers carry comes out of Mexico," explains Verazzi. "So when our customers were asking for a status on trailers, we were having to rely on one of our partners in Mexico to manually provide us a written communication."

"We basically had to take this information on faith," adds Guardado. "Many times, the information was off by two or three hours and wasn't accurate. We were the ones being held accountable for this potential misinformation."

With FleetLocate,
We're Able To
Identify Inactive
Trailers And Free
Them Up

THE CHALLENGE

Manual Processes Mean Outdated Information

Providing accurate and timely information to their customers was Pan American Express's number one priority. But the company also wanted to improve the efficiencies and visibility of their internal operations as well. This need was particularly apparent in two areas: detention billing and yard checks. In both cases, Verazzi had to rely on manually generated, time-consuming and often flawed second-hand information, that was costing the company in wasted resources, revenue and time.

"For our yard checks, we had to depend on someone — often times our customer or a third-party service provider — to manually perform them," Verazzi recalls. "This created a lag time that impacted the accuracy of the counts. We had dozens of reports coming in from dozens of different people. By the time we put together an inventory check, the count was twelve hours old and not accurate anymore."

The need for greater visibility and increased efficiencies drove the company to look for a better trailer management solution. Their search brought them to Spireon's FleetLocate Asset & Trailer Intelligence Solution.



"With FleetLocate, we're able to identify inactive trailers and free them up. This allows us to get better utilization of our equipment, be more efficient, and provide better service to meet our customers' needs."

— Sal Verazzi, Pan American Express Operations Manager

THE SOLUTION

Finding A Custom-Fit Solution

After comparing several trailer tracking systems, Guardado and Verazzi agreed that FleetLocate Asset & Trailer Intelligence had clear advantages over the competitors’ products. One of the initial deciding factors for Guardado was FleetLocate’s extensive coverage and customer service.


“FleetLocate’s trailer management platform provided dependable tracking in Mexico, better than the other providers we looked at,” he explains. “That was a demand our system had to satisfy and FleetLocate has lived up to it.”

Guardado also cites ease of installation, flexibility and cost as the other key reasons he chose FleetLocate. “For what we get with FleetLocate, and what we’re able to do with it, the system is very competitively priced,” he says.

As the person in charge of Pan American Express’s daily fleet operations, Verazzi was drawn to FleetLocate’s intuitive simplicity. “The system is very user-friendly, easy to learn and to use,” he says. “It’s a great trailer management tool.” Guardado agrees that FleetLocate has proven to be a powerful business asset. “We use it every day for trouble-shooting and problem-solving,” he says.

“For me, the alerts that I get on my phone and through email provide me with actionable information,” adds Verazzi. “I use my cell phone four to five times a day to get reports on what’s going on with my trailers. I have specific alerts for key customers that let me know where equipment is at a moment’s notice so I can meet those customers’ needs.”

Verazzi recalls being asked how many people he has on staff to manage Pan American Express’s operations. He just pointed to his cell phone and said, “This is it.”



Cell Phone Alerts Let Me
Know Where Equipment
Is So I Can Meet
Customers Needs

One Million Dollar Savings

Because of the increase in trailer utilization driven by FleetLocate, this is the first year that Pan American Express will not be purchasing 10% more trailers. The resulting savings should exceed one million dollars.

Responsive from the Get-Go

Guardado and Verazzi also commend the FleetLocate team for being a critical part of the decision process. “From the get-go, they were very responsive,” recalls Guardado. “They listened to what we wanted and demonstrated that they understood. They showed us how FleetLocate would satisfy and exceed our needs.” Guardado adds that the FleetLocate team continues to be available and accessible whenever they need them, accommodating special requests as they come up.

When Spireon first learned that Pan American Express was looking for a trailer management solution, the FleetLocate team got to work on a thorough needs assessment. The FleetLocate team assessed Pan American Express’s key pain points and cost areas, including lack of real-time visibility into their trailers and the inefficiencies of their manual processes. Working closely with Pan American Express’s leadership, the FleetLocate account team presented them with a solution tailored to meet the company’s specific challenges and needs.

The team also demonstrated where Pan American Express could expect to see payback and process improvements after implementing FleetLocate. Since implementation, those projections are becoming realities.



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— Sal Verazzi,
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Operations Manager

A Noticeable Difference In Accuracy And Timeliness

90% of the freight carried by Pan American Express trailers comes out of Mexico. When customers ask for the status of their freight, Pan American Express had to wait for written communications from their Mexican partners, often resulting in outdated information.

THE RESULTS Keeping Their Customers Connected

Almost immediately after installing the FleetLocate Asset & Trailer Intelligence system, Pan American Express saw a significant increase in the real-time visibility that they needed, and that their customers were demanding. Since implementing FleetLocate, Verazzi has seen a noticeable difference in accuracy and timeliness of the information regarding the location and status of their trailers and customers’ freight. “We’ve also noticed a lack of complaints from customers,” he adds.

Rather than having to wait for a third party to provide written status reports, Verazzi has instant access to real-time rich trailer data. “Now we can open up FleetLocate and spot the trailer’s exact location,” he explains. With FleetLocate’s trailer management platform, Verazzi can even provide his customers with their own logins so that they can view their freight status for themselves, whenever they need or want to.

This allows Pan American Express to let customers know the status of their freight immediately, which has greatly improved customer service and satisfaction. “Because of the time-sensitive nature of their service, our customers expect us to deliver this kind of real-time rich information on demand,” says Guardado. “Now we can give it to them without blinking, and be certain of the data’s accuracy. Being able to tell a customer on the spot where a trailer is, down to the block, is important in our industry.”

“For what we get with FleetLocate, and what we’re able to do with it, the system is very competitively priced.”

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Increased Productivity Equals Increased Revenue

Leaner Fleet, Larger Revenue

Instant access to real-time rich trailer data has resulted in another significant benefit as well: increased trailer utilization.

“I’m now able to free up equipment from pools that hoard that equipment and find trailers that have fallen into a black hole,” Verazzi explains. “This ability to redirect underutilized trailers to locations where they’re needed has allowed us to lean up our operations and load more freight. Our trailers are our inventory. The velocity and efficiency with which we turn these trailers north and south increases our productivity. Increased productivity equals increased revenue.”

Pan American Express has also captured substantial savings as a result of implementing FleetLocate.

“Every year, we typically increase our trailer inventory by 10 percent,” Guardado estimates. “That translates into around 50 trailers, at \$27,000 to \$37,000 per trailer. This is the first year we didn’t have to do this. Instead, we’re counting on a 10 percent increase in utilization of our existing trailers with FleetLocate.” By not having to purchase those 50 new trailers, Pan American Express expects to save over one million dollars annually.

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Helping Customers Identify Waste

Detention billing is another significant area of improvement for Pan American Express. The FleetLocate trailer management system enables the company to track and see the actual inactive time for trailers at their customers’ locations and share this information with their customers. This has resulted in more accurate detention billing as well as minimized disputes.

The improved visibility into inactive trailers benefits Pan American Express’s customers as well. “By sharing

this data with our customers, they’re able to see where they’re losing money on unnecessary or avoidable detention billing,” explains Verazzi. “What’s more, we’re able to identify those inactive trailers and free them up. This allows us to get better utilization of our equipment, be more efficient, and provide better service to meet our customers’ needs.”



Taking Yard Checks Out Of The Yard

Since implementing FleetLocate's trailer management system, Pan American Express has also seen a dramatic improvement in the accuracy and efficiencies of their yard checks. FleetLocate has allowed the company to automate the time-consuming and inaccurate manual yard check process, which means they no longer have to wait for a third party to do the counts and submit reports.

"FleetLocate's Rich Data gives us the ability to run yard checks anywhere, anytime, to see where our inventory is," says Verazzi. "This has significantly improved the flow of information to the right party at the right time. We share this information with our customers and planners to help us respond more efficiently and quickly to our customers' needs."

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Simplifying Compliance

One of the unexpected benefits of FleetLocate has been the effect it's had on the company's Customs-Trade Partnership Against Terrorism (C-TPAT) certification. A voluntary supply chain security program led by the U.S. Customs and Border agency, C-TPAT certification requires cross-border companies to meet a comprehensive 42-point checklist in order to be considered a reliable and secure vendor for partners. C-TPAT certification verifies that a company has taken every precaution to prevent theft and misuse of trailers when crossing borders between the U.S. and Mexico. One key requirement of C-TPAT certification is the ability to provide accurate and timely tracking of trailers' locations, routes and stops.

"FleetLocate's trailer management platform has made it easier for us to satisfy this requirement, by providing not only visibility into real-time location, but also a history of stops and route histories with breadcrumb trails," says Guardado. "This has been an added benefits that reaffirms our decision in choosing FleetLocate."



Run Yard Checks Anywhere To See Where Trailer Inventory Is With 100% Accuracy

Moving Forward

Based on the initial results the company has seen from its FleetLocate investment, Guardado expects to see continued return down the road. He and Verazzi have seen the flexibility of FleetLocate's rich data and features in action, as well as the FleetLocate team's ability to quickly tailor the solution to meet Pan American Express's evolving needs. One area Guardado plans to explore next is the system's ability to help automate Preventative Maintenance (PM).

"We'd like to use FleetLocate to help us keep better track of PM, to automate this process and capture savings by performing more timely and efficient maintenance," says Guardado. "I think this will go a long way towards helping us meet federal safety and inspections requirements as well."

From increasing real-time visibility into trailer location and status, to improving customer service, to reducing costs associated with new trailer purchases and manual inefficiencies — Pan American Express has already seen a significant return on their investment using FleetLocate's Trailer Management platform. "We look forward to a long and fruitful partnership with Spireon and FleetLocate," says Guardado. "We knew choosing FleetLocate was going to be a win for us. And they're proving us right."

FleetLocate gives Pan American Express the ability to instantly run yard checks anywhere, anytime to see where their trailer inventory is with 100% accuracy.

THE HIGHLIGHTS

Since implementing FleetLocate Asset & Trailer Intelligence, Pan American Express has seen an improvement in real-time tracking, visibility, trailer utilization, and efficiencies. With FleetLocate, Pan American Express now has instant access to the rich data they need to:

- Tell customers the exact location and status of their freight at a moment's notice
- Identify underutilized equipment and redirect it to locations with higher demand
- Increase turns, productivity and revenues
- Lean out their fleet and save over \$1 million annually in additional trailer purchases
- Improve detention billing and minimize disputes
- Help customers identify and prevent unnecessary detention billing costs
- Provide more efficient and responsive customer service
- Improve accuracy and timeliness of yard checks