



CIS: The Cost Information System for LTL Motor Carriers

Every shipment is a unique combination of weight, handling units, density, origin, destination, and other factors. This all makes average-cost calculations meaningless. The TCG Cost Information System provides motor carriers with the cost of moving each shipment from origin to destination, utilizing their company's expenses and operating information. This is supplemented by TCG's industry database of P&D stop-time and cross-dock handling performance.

CIS has two purposes: developing projected costs for moving prospective freight for both bid response and spot-pricing, and producing an ongoing costed database of actual freight. That database is used to analyze the profitability of customers and other traffic segments.

Your Cost Model

TCG develops and delivers a model of each carrier's operations and service areas directly from their operating expenses and statistics, mapped to TCG's unit cost categories, so that ongoing updating can be performed quickly and efficiently. Multiple models for various accounting periods, and projected future levels of costs and performance, can be easily established using TCG's maintenance software. The model will:

- Include the carrier's freight terminals with locations and sizes for local and cross-dock operations
- Reflect performance for Pickup and Delivery (P&D) areas served by the carrier's drivers and equipment
- Use rates charged by cartage agents for any areas served by third parties on the carrier's behalf
- Include interline revenue split tables for freight moved with partner carriers
- Populate the carrier's linehaul network from actual dispatches to properly reflect miles, load, cube, specific operating costs (such as tolls and singles/doubles/triples) and, critically, adjustments for balance
- Include standard extra-cost codes, which can be set up and then applied to recognize notification, temperature control, residential deliveries and a wide range of other costs incurred in addition to the movement of freight

Prospective Cost Analyses

Several tools are available in the user software for the Cost Information System to develop the cost of prospective freight.

- **Interactive:** An easy-to-use shipment data entry routine for costing one or more shipments with a minimum amount of key entry via a template feature, selection lists and worksheets
- **Rate Analysis:** This is used to develop custom, cost-based rates (geographically based on weight, cube or pallets), or to evaluate existing rate tables. This routine lets users set up rate groups for various origin and destination combinations
- **File Importing:** This allows users to map columns and then read-in shipment data from files, adding other information where available, for efficient bid-response

These different methods of delivering shipment data to the Cost Information System, which include sophisticated editing capabilities for making "what if" and other data adjustments to large numbers of shipments, allow for precise shipment descriptions, leading to more accurate shipment costs.



Let's get started

All you need is:

- Your chart of accounts
- Your general ledger and statistics for your latest financial period
- A Linehaul Dispatch file with all moves for the same period
- Your points list with all service areas
- Freight terminals and sizes
- Any local P&D performance data you currently collect
- Rates charged by cartage agents

TCG will provide their Startup Kit with all specifics and source file requirements

Pricing/CIS

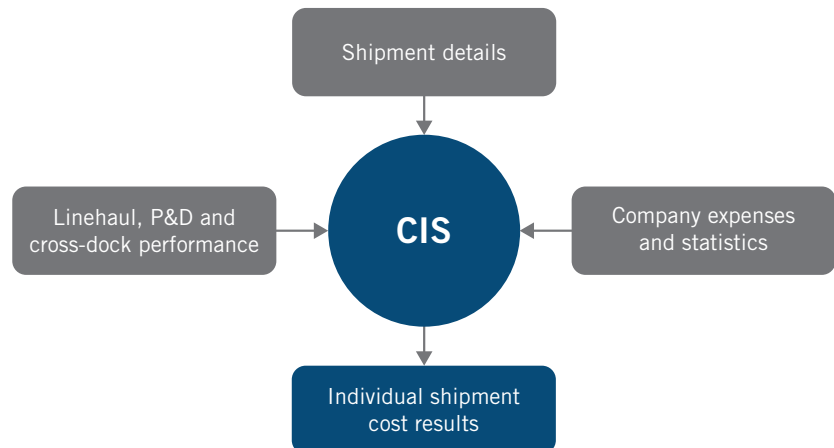
The cost system interfaces with SMC³'s RateWare[®] XL. This allows shipments in a cost file to be rated at the same time they are costed, via user-selection of the tariff required for a proposal, allowing shipment discount, fuel surcharge, and/or minimum charge manipulations to determine the most profitable response to customer requests for proposals.

Traffic/CIS

Each carrier's cost model, once established, is used to cost all the carrier's freight on an ongoing basis, providing a costed traffic database of all business, reconciled each financial period to actual expenses and payroll hours. Standard month-end reports are automatically generated, ranking customers by size and profitability. The CIS user software includes a reporting tool to allow analysis of freight by weight, area, density, distance, and dozens of other factors users can drill-down to the cause of both profitable and unprofitable traffic segments, or even to the individual shipments.

Want to know which customers give you profitable freight and which don't?

The Cost Information System provides these answers.



Why TCG?

TCG, an SMC³ Company, is the premier activity-based costing and Profitability Management software provider for the LTL carrier looking to achieve superior profitability. TCG cost models are tailored to specific carrier operations. Information on services and systems offered by TCG can be obtained by contacting at 800-328-9700 or via email at info@TCGCIS.com. For general product information, please visit www.TCGCIS.com.

Copyright © 2018 Southern Motor Carriers Association, Inc. SMC³ and RateWare are registered trademarks of Southern Motor Carriers Association, Inc. PI# 23001-L 01/2018