The How-tos of Building a Parcel Dashboard

In building a parcel dashboard, I recommend that it consist of three components: Cost/Volume, Service Level and Cost Analysis. Visual displays (charts, graphs, dials, etc.) will also help communicate the information clearly and immediately.

Start with the basics: shipping spend and package volume. This will help lay the ground work; however, the total cost doesn't provide much information. You should break out spend by type (see figure 1).

When your costs go up and you're left scratching your head, it's easier to identify why. For example, fuel surcharges increased during the month. Keep in mind that these are the basics. Once the basics are being measured, it's easy to identify other KPIs and incorporate them into your dashboard: average package cost; fuel surcharge percentage; and accessorial fees as a percentage of total spend.

The next step in building a dashboard is to measure activity and spend by service level. Measuring the volume, spend and weight by service level can provide quite a bit of details in your dashboard. See figure 2 on how to create a service level analysis.

The Final Step

Cost/Volume and Service Level Analysis give you a snapshot of what's going on and provides great visibility. However, it's missing a critical element for taking action to reduce your costs. Grouping all fees together to find what you're being billed for is incredibly helpful.

How do you do this? With UPS, it's much more difficult. Data needs to be standardized, meaning UPS may have 30 different descriptions for address corrections. As you try and manage your address corrections, you won't care how many are 2nd Day vs. NDA. The goal is to group them together to find your spend on address corrections for any period.

Many fees can be controlled to some degree, especially the highlighted descriptions above. Most companies are surprised and even embarrassed by seeing the fees in this light for the first time. I've even seen controllers shrink down in their chair after pointing out tens of thousands of dollars in late payment fees for the year. By making a few small changes in their payment process, they eliminated that expense moving forward. That's what it's all about! Gaining visibility and making improvements to reduce costs and control the expense more effectively. ■

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Figure 1	Jan	Feb	Mar	Apr	May	Jun	Jul
Total Packages	39,835	46,956	56,591	61,657	93,153	50,189	38,839
Total Spend	$532,780	$605,206	$650,061	$649,363	$916,908	$471,336	$368,666
Transpor. Charges	$554,540	$644,003	$782,932	$815,376	$1,166,400	$634,898	$502,795
Discounts	($151,232)	($169,221)	($287,241)	($290,742)	($416,883)	($241,034)	($196,858)
Fuel Surcharge	$36,369	$31,006	$45,309	$44,203	$62,935	$19,423	$10,154.70
Accessorial Fee	$93,102	$99,417	$109,062	$80,526	$104,456	$58,049	$52,574.39

Figure 2	Count	Amount	% of Total	$ per lb.	Weight	Avg. Wt.	Avg. Cost
Early AM	4	$68.80	0.01%	$17.20	4	1.00	$17.20
Next Day Air	6,053	$138,566	14.87%	$4.57	30,340	5.01	$22.89
Next Day Air Saver	31,173	$525,673	56.42%	$3.45	152,339	4.89	$16.86
2 Day	7,675	$79,038	8.48%	$2.04	38,792	5.05	$10.30
3 Day Sel.	1,331	$16,865	1.81%	$2.18	7,754	5.83	$12.67
Ground	30,924	$171,222	18.38%	$1.11	153,593	4.97	$5.54
International	11	$311.10	0.03%	$6.76	46	4.18	$28.28
Total	**77,171**	**$931,744**	**100%**	**$2.43**	**382,868**	**4.96**	**$12.07**