Currently, Schneider National is working with Qualcomm to develop a trailer-tracking system. It too is wireless. Each trailer has a radio frequency identification tag, which is read by devices that are placed at various points along the rail lines and in the rail yards. The data are directly linked to Schneider National’s fleet management and logistics systems. They tell the dispatchers and the customer reps if the trailers are empty or full and if they are hooked onto a cab, sitting in a yard, or rolling on a train. “Ultimately, revenue is the measurement of how well we load and move these trailers,” said Paul Mueller, president of Schneider Technology Services, a unit of Schneider Logistics. “It is not uncommon to have to send drivers off-route to get [empty] trailers. When they arrive, the trailer isn’t there or it might be loaded.” Schneider National sees the new trailer-tracking system as a way to improve customer service through more on-time deliveries and better in-transit knowledge. It should increase drivers’ satisfaction by increasing their billable miles and so their earnings. Ultimately it will increase trailer utilization and efficiency. The company does not intend to use it to reduce the number of trailers it owns because its orders are increasing. However, it does want to reduce the number of new trailers it needs to purchase so that it can use the saved funds elsewhere.

Schneider’s Global Scheduling System (GSS) helps to optimize the use of both the company drivers and the loads throughout the country. The system processes about 7,000 load assignments daily, looking at all the possible combinations of drivers and loads on any one day. It accesses more than 7,000 possible combinations of drivers and loads per second, and of course the loads and trucks are at different locations each day. Its primary value is servicing customers by satisfying their requests to move freight. However, the GSS can also save the company money because fuel is expensive, and the system makes it more likely that when the trucker delivers his or her load, the next load to be picked up is close by.

Information technology is also being used to help Schneider retain drivers. There is an industry shortage of 80,000 to 100,000 drivers a year. The company’s Touch Home program uses the existing in-cab computer technology to give the drivers e-mail access via satellite. The system thus enables drivers to stay in contact with their families.

The company is forging ahead. For example, currently it is working with Network Computing magazine on a Web site in which the entire logistics transaction will be accomplished electronically, including the order, its acceptance, pickup, delivery, billing, payment, and reporting. “Then order management will be a no-touch process from front to back,” declared Steve Matheys, Schneider’s vice president for application development. “That’s a huge cost-saver and customer satisfaction play.”


CASE STUDY QUESTIONS

1. Analyze Schneider National and its business model using the value chain and competitive forces models.
2. What business strategy did Schneider National adopt? What is the role of telecommunications and information systems in that strategy?
3. How did Schneider’s information systems change its business processes?
4. What management, organization, and technology issues did Schneider National have to address when information technology became so pervasive in its operations?
5. Has Schneider National’s reliance upon information systems been successful? Is the company transforming itself into a digital firm? Why or why not?