



R.E. West Inc. is Boosting Profitability with Cost Information System
Activity-based cost analysis and profitability forecasting tool from Transportation Costing Group® (TCG®) is Leading to a Ten Percent Jump in Profits.



R.E. West Inc., based in Ashland City, Tennessee, is an interstate and intrastate truckload carrier. The family owned and operated company founded in 1969 fields 140 tractors in two divisions. R.E. West's dry van division services the continental U.S. and Canada with major lanes of traffic from Tennessee to Michigan, Texas and California. R. E. West's Oversized Freight division offers service to the 48 continental states and Canada.

Needs

Knowing true cost per mile — The need for a profitability analysis tool that provided an itemized view of exactly what it costs to run its business led R.E. West to evaluate several different products. Most solutions, however, provided only estimations and averages, not the dollar-to-dollar correlation to its general ledger that the carrier was seeking. In addition, many of the available software packages did not account for the unique practices inherent in the company's diverse and specialized operations. An understanding of costs and profitability was needed to quantify successful freight and lanes and to fix those areas of the business that were underperforming.

Solution

R.E. West has fully integrated TCG's Cost Information System (CIS), into its business processes. Today, all of its departments, including accounting, purchasing, maintenance, sales, customer service, operations and information technology have access to this profitability

and cost analysis tool. At R.E. West, the capabilities of CIS includes a Freight Costing module that enables effective pricing, load and lane decisions based on highly accurate data from the company's general ledger.

TCG's reporting capabilities are also in use by the carrier to facilitate better communications within and between departments about profitability and costs.



"TCG offers us an excellent way to truly understand all the components of our costs and profitability. With TCG's CIS we can easily see our successes and failures and how they impact our bottom line. From top to bottom it's hard to find a piece of our business where it isn't used or doesn't make an impact. In approximately 18 months of using the system, we've seen an increase of ten percent to our bottom line that we can directly attribute to TCG's software."

Jenny West
 CFO, R.E. West Inc.



Results

Realizing gains in almost every facet of its operation — With TCG's CIS profitability analysis tool, R.E. West has realized a ten percent improvement to its bottom line in just 18 months. These savings are the result of pricing potential lanes more efficiently by looking at accurate, historical cost data to make better informed decisions about lanes, loads and customers, and to communicate more effectively about costs and profitability.

About TCG

Transportation Costing Group (TCG) is the provider of the most widely used suite of profitability management tools and Activity-Based Costing models to the motor carrier industry. TCG provides models tailored to specific carrier operations. Information on services offered by TCG can be obtained by contacting (800) 328-9700 or info@tcgcis.com. For general product information please visit www.tcgcis.com.

“CIS works with our current systems and provides an unparalleled level of accuracy. The TCG software ties to our general ledger so every dollar spent correlates to a dollar spent in the real world. TCG has helped us quantify costs and identify areas of success and where we can make improvements. It helps everyone here make more informed decisions that are backed up by hard numbers. This is truly is a tool we depend on every day.”

Jenny West
CFO
R.E. West Inc.



Transportation Costing Group

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Getting to the bottom line.