



## 5 Critical Steps to Ensure Executive Buy-In for Your Yard Management System (YMS)





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## Introduction

The never-ending pursuit of increased productivity continues to drive warehouse facilities, distribution centers (DCs) and manufacturers to higher and higher levels of efficiency. Without embracing a variety of technological tools, such achievements would be next to impossible.

Warehouse management systems (WMS) track and trace everything on the inside—from finished consumer goods to the smallest components in the global supply chain. And beyond a facility's yard gate, fleet management system technology is hard at work tracking and tracing incoming and outgoing trailer activity.

Carriers, in fact, are being forced—either by law or customer demand—to become increasingly efficient and accurate concerning loads on the road. For example, the Federal Motor Carrier Safety Administration (FMCSA) has mandated that all carriers are required to use electronic logging devices (ELDs) to more accurately record hours of service (HOS) by mid-December 2017.

As higher expectations concerning tracking, tracing and auditing have become the new normal, both sides of the facility yard seem well taken care of.

### Missing link that's often overlooked

In between, there exists an important, yet missing link that many senior executives often overlook. Whether managed by your employees or a third-party, your facility's yard operation is just as important as what's happening on the inside of your four walls and beyond your facility's gate.

Perhaps you've known for some time that something just isn't right with your yard operation. Or, you're just now discovering that your yard requires significant improvements. Realizing you need to make a change with a best-in-class yard management system (YMS) is one thing. But making the case to senior executives and other key decision makers to obtain their approval can be challenging if you're not properly prepared.

With the right approach, your chances of gaining approval are much higher. Better yet, by making the right YMS choice, your company could ultimately avoid excess or even unnecessary capital costs with a highly efficient yard operation.

Following are five critical steps you can take to ensure you're properly prepared to reach your goal of obtaining executive buy-in for your YMS solution.



## The Steps

### Step 1: Demonstrate

*How a best-in-class YMS will align with your company's strategic initiatives.*

While conducting research on how to improve your yard operation with a best-in-class YMS, and prior to presenting your findings to your executive team, it's vital that you have a firm understanding of your company's key strategic initiatives.

Without properly aligning your YMS project with your company's high-level goals and strategies—such as achieving the highest level of customer service possible—you may run the risk of stalling your project or, worse, seeing it canceled altogether. This initial step is critical prior to making your case to senior executives, especially if your initiative is competing with other projects for limited funds.

Thoroughly examine your yard operation and honestly assess what's not working. You may even establish that over-relying on a third-party yard service is contributing to your inefficient yard activity as well as providing unreliable data and information. Such a lack of cost control and management oversight can potentially undermine your company's overarching corporate goals and strategies.

### YMS just as vital

Take a look at your current technology investments. Chances are your company has already made a significant investment in managing and tracking the activity within the four walls of your facility via a warehouse management system (WMS). Various fundamental WMS functions—such as pick-to-light or pick-to-voice—can significantly increase efficiency, speeding up the time it takes to retrieve outgoing and organize incoming goods and products.

You may have also invested in automatic guided vehicles (AGVs), self-driving vehicles (SDVs) or are ensuring lift trucks are taking the most optimal paths using traffic control systems.

***A well-run yard operation, too, will have a direct impact on customer satisfaction and make a strong contribution to your company's bottom line.***

All of these efforts are expected to directly influence how quickly and cost-effectively your company is meeting customer demands. With that likely being one of your company's core strategic initiatives, a well-run yard operation, too, will have a direct impact on customer satisfaction and make a strong contribution to your company's bottom line.



With so much time and energy being invested in efficiency inside the warehouse, as well as optimizing inbound/outbound trailer traffic with technology such as a transportation management system (TMS) beyond the gate, be prepared to explain how efficiency via a best-in-class YMS is just as vital to your company's strategic initiatives.

### **Step 2: Build Your Case**

*ROI is important; however, it's not the only consideration for a best-in-class YMS solution.*

As with any significant capital investment, a projected ROI is one of the first concerns when making the case to senior executives.

While it's important to realize that the right YMS can potentially make such a significant impact on a business—a projected 12- to 18-month ROI is quite realistic for larger yard operations—it's not fair for small to medium-size operations to tie down a YMS investment to ROI alone.

If a large operation is using three to six yard tractors whose operators are purely relying on radios, clipboards, and spreadsheets to track several hundred trailers, achieving an ROI in possibly less than 12 months is achievable. A YMS, in this case, is essentially a given. An overall increase in efficiency with a YMS then translates to accomplishing much more productivity, but with less personnel and equipment.

### **ROI more narrow for smaller operations**

However, for small to medium-size yard operations, ROI becomes much more narrow. If you're managing 100 to 150 trailers on site and using only two yard trucks, you obviously can't cut staff or equipment by 50 percent. But with a best-in-class YMS, you'll still increase overall efficiency in the yard which will then have a positive effect on other areas within your company.

In such cases, effective yard management via a YMS reaches well beyond ROI due to a variety of factors that impact long-term cost savings, like:

- Deterring the need for more space (e.g., a larger yard, adding more dock doors or even adding to or constructing another warehouse, etc.).
- Reducing the need for excess trailer inventory.
- Improving trailer tracking accuracy internally vs. relying on a third-party service.
- Reducing mounting third-party overtime costs.



Consider as well your “hard ROI” versus “soft ROI” (i.e., due to lack of effective yard management, is your operation constantly running in crisis mode and causing undue stress on employees; or how is staff interacting and how often are they’re calling off ill). Other factors to consider include:

- Strategic initiatives in smaller operations are often intangibles that do not correlate directly with a hard ROI.
- There exists a strong potential to avoid massive ancillary costs with a YMS.
- A YMS can significantly impact avoiding potential losses and eliminate additional future costs.

### **Are you prepared for sudden changes?**

Also consider how congested your yard is now, or potentially how congested it might become due to a sudden increase in business demand. Where would the ROI be in deciding to spend a million dollars on building a parking lot to try to solve your trailer storage problem?

***Consider how congested your yard is now, or potentially how congested it might become due to a sudden increase in business demand.***

Additionally, manual trailer tracking can become a real problem in cases where contractual requirements mandate that you keep a certain number of trailers empty at all times. For example, you may be required to maintain 10 empties, but due to a sudden influx of business that requires those trailers, you come up short finding only seven. What if you learn in the process that three were used for other orders?

That leads to a “fire drill” scenario which quickly snowballs into contacting a carrier for extra empties, as well as expedite fees and other extra costs, customer delays and service issues. Then, to prevent that problem from reoccurring, you increase the number of 10 empties to 12 to play it safe. That 20 percent increase in more trailer inventory than you need results in added costs and even less room in your yard.

In this scenario, a best-in-class YMS would have optimized the process early on and alerted that the yard was short three empty trailers. Replacements would have been automatically ordered from the carrier and the “fire drill” would have never occurred. That will then eliminate unnecessary monthly trailer costs by optimizing just the right number of trailers in the yard at the right time. The key lesson here is that carriers simply can’t be relied upon to manage your yard’s efficiency level.



### Step 3: Explain

*Why WMS yard extension falls short at the door and in the yard.*

Quite simply, warehouse management system (WMS) yard extension doesn't provide the full YMS capability that many yard operations require. The primary reason for this shortfall is that WMS yard extension is too rigid, especially when attempting to keep up with a dynamic yard and dock environment.

WMS yard extension also lacks task/driver move logic. As a result, WMS yard extension relies too heavily on human decisions—often via third-party providers—resulting in minimal to no optimization. They simply provide yard drivers a list of moves on a computer screen in their cab, and the driver then picks the move they want to perform.

#### Drivers picking moves far from ideal

If you've invested in a WMS yard extension, you may think that you have best-in-class YMS, but in reality you don't. What you're missing are two huge capabilities that can only be achieved through real-time location system (RTLS) technology embedded within your YMS. Without RTLS, you're lacking:

- 1) **Automatic trailer locating:** ensures your yard drivers know where specific trailers are located, enables drivers to find them as fast as possible which, in turn, ensures that your yard is running as efficiently as possible.
- 2) **Automatic yard tractor locating:** the intelligent task logic built into your YMS that ensures your best yard drivers are assigned the best yard moves at just the right time.

With WMS yard extension, for example, as soon as a driver picks the move they want, the system blocks it from being taken by any other drivers in the yard. If a driver picks trailer A, that trailer will stay on the list (denoted with a change in color or other marking) until the move is completed.

The downside, in that case, is that the driver is picking the move they want, and not the system doing it for him in the most optimal way. In addition, once the driver picks the move, he must then spend wasted time actually looking for the trailer. That can result in tens of thousands of dollars in overtime expense. And on top of that, yards operated by a third-party company (as many yards today are managed) typically experience a high turnover rate among yard drivers themselves. That even further complicates your yard management efforts.



## Yard cleanup is time wasted

Consider also the following yard management challenges:

- Identifying trailers in the dark or during heavy snow storms.
- A yard full of trailers that all look alike.
- Trailers that weren't dropped in the proper locations by over-the-road drivers who merely drop trailers where it's the most convenient.

Zoning and re-sorting zones in such cases can't be relied on, and as a result, companies waste valuable time just cleaning up their yard. A best-in-class YMS solution can eliminate all of that.

***Relying on yard drivers to manually pick their own moves leads to no yard optimization whatsoever.***

In addition, third-party yard drivers are not necessarily concerned about your company, but only the requirements of their own company. Most likely, drivers are not concerned about or even aware of a company's yard they're working in. And newer drivers don't really have a firm handle on what's happening in the yard compared to the knowledge and skill of a ten-year veteran.

Thrown a list of moves via WMS yard extension, an inexperienced driver has no clue as to which move to pick. The end result? Relying on yard drivers to manually pick their own moves leads to no yard optimization whatsoever.

Bottom line, WMS yard extension, especially when combined with third-party yard services, do not have the controls, systems, or accountability that your own personnel and dedicated systems can provide. As a result, if you don't have proper reporting, you won't have the level of detail required to make good decisions for highly efficient yard, dock or gate management.

### **Step 4: Identify**

*Alleviate potential pain points before they become a problem.*

When it comes to managing your operation's yard, potential pain points are initially often hard to quantify. But be aware that if not proactively addressed, those pain points will eventually surface financially. These can include such challenges as:

- A gaping disconnect between your guard booth and warehouse.
- Problems with meeting process conformity and audit requirements.
- Maintenance of prioritizing and optimizing trailer movements, along with the resulting lack of yard space.
- Lack of integration and supply chain fluidity between IS solutions such as WMS, TMS, ERP, MES, as well as YMS, as a completely optimized and efficient system.



## The guard booth and warehouse disconnect

Huge gaps between the guard booth and warehouse occur when guard booth personnel simply record incoming trailer activity on a piece of paper. While this is occurring, the yard operator has no idea of what's in the yard until they get that piece of paper from the guard booth every hour or half hour to check the latest activity.

Once the yard operator examines the paper record to see what's arrived in the past hour, and live driver and drop trailer arrivals are not accurately recorded, problems can quickly mount causing confusion at the gate and in the yard. As a result, you won't have any idea how long a trailer's been in the yard until you get an annoying detention bill from your carrier.

***Huge gaps between the guard booth and warehouse occur when guard booth personnel simply record incoming trailer activity on a piece of paper.***

Contrast that to guard booth personnel properly inputting information into a best-in-class YMS. That information is then immediately transmitted via the YMS to the yard operator so he has a consistently reliable real-time handle on live loads versus drop trailers.

## Risk of lost business

In the food industry, especially, process conformity and audit requirements are only increasing. Left improperly managed, they can also quickly develop into a major pain point. One lost trailer containing a perishable food item, or a trailer full of paper or Styrofoam cups whose contents have become contaminated, can be devastating. Failing a food audit can cause a company to lose a key account and a significant amount of business.

## Not all yard management approaches the same

Again, WMS yard extension lacks proper functionality to prioritize and optimize yard movements. If you're relying on yard drivers to execute moves, and they do it independently, you have no way to optimize that activity in your yard. You'll then need to spend hours daily confirming completed moves on a piece of paper which can turn into a huge maintenance issue.

***Don't make the mistake of thinking that just because your current yard management approach is working that the same approach will scale properly for increased volumes.***

For yards that handle sea containers, as an example, optimizing and maximizing moves for increasing levels of activity can become a challenge if not properly managed. Don't make the mistake of thinking that just because your current yard management approach is working that the same approach will scale properly for increased volumes.



Handling four to five SKUs of products is one thing, but expanding that to 30 SKUs is altogether different as was the case for one large retailer with sea containers inbound from China. The end result was cramming sea containers into the same size yard using double, triple and quadruple stacking. That then increased the risk of losing a container or need to taking inordinate amounts of time just to locate a misplaced container that's somewhere in the yard.

### **Prioritization becomes unmanageable**

How do you properly manage prioritization if you're simply telling drivers in the yard to "pick the moves you want"? For instance, say both trailers and sea containers arrive at a yard (with sea containers having higher priority over the trailers) and drivers are given a list of ten moves. You have no control over what is moved first.

And with third-party yard services charging fines for containers they can't find, you also certainly don't want to add to personnel just to use them to locate lost sea containers or trailers. That ends up wasting time and money as well. Additionally, lost sea containers or trailers will ultimately lead to excessive demurrage charges that can quickly add up and eat into your profits.

It's important to carefully evaluate how much yard space you currently have and whether yard congestion has the potential to become a real pain point. That's because when a yard runs out of space, the first reaction from a CEO is typically, "Our yard is too small. We need to build a bigger yard." A critical decision like that can potentially run into the millions of dollars. Investing in the right YMS will ensure you avoid that.

### **Supply chain fluidity the ultimate goal**

Another critical pain point is the lack of integrating your yard data with IS solutions such as WMS, transportation management systems (TMS), enterprise resource planning (ERP) and manufacturing execution systems (MES). One of the inherent values with the right YMS is that it can fully integrate yard data to these critical systems.

If yard management is currently handled manually, via radios or other archaic methods, you can't effectively gather all of the valuable data that's available. Even if data is gathered and entered manually, resides on a spreadsheet, or in some other form, data management of visibility to loads, visibility to assets, or visibility to the trailers that are on your lot, is impossible. If your yard data is not integrated and optimized across different IS solutions, you're simply not going to have an efficiently run yard operation.

With TMS commonly integrating with WMS, it really makes no logical sense to manually run your yard management in between via radios and spreadsheets. And although a TMS tracks specific loads on the open road, once the load's contents enter your warehouse and WMS takes over, there's still an awkward gap in between.



As imperative as it is that you know where your product is out on the road—whether it’s on I-5 or I-95, if it’s in transit, or if it’s in a truck stop—you also need to know if it’s arrived in the yard, when it arrived in the yard, where it is in the yard and when it’s scheduled to be at the dock. The supply chain should be fluid all the way through.

### Step 5: Present

*Clearly communicate key findings to your executive team to obtain approval to move forward.*

Once you’ve done all your homework as covered in the previous steps, you’ll be well-prepared to perform the following for your operation’s executive team as part of your yard improvement analysis:

- Clearly demonstrate how a best-in-class YMS will directly align with your organization’s strategic initiatives. Along with IS solution investments such as WMS and TMS, a best-in-class YMS is just as vital to your company’s strategic initiatives.
- Effectively build the case that although ROI is important, it’s not the only consideration for a YMS. This is especially the case for small- to medium-size operations with strategic initiatives that are often intangibles that don’t directly correlate with a “hard ROI”.
- Thoroughly explain why WMS yard extension falls short at the dock and in the yard keeping in mind that WMS yard extension is too rigid, especially when attempting to keep up with a dynamic yard and dock environment.
- Proactively identify potential pain points that can be alleviated well before they surface financially and become a major problem, even though at first they might be hard to quantify.

### Illustrate with easy-to-understand scenarios

Potential scenarios like the following will also help you illustrate to your executive team how a best-in-class YMS can make a positive impact on your operation.

If your yard gets used as a carrier lot and you’ve run out of space due to extra trailers sitting around “just in case” they’re needed, and you’ve been faced with asking your CEO to build a new parking lot, you can now demonstrate how a YMS will eliminate the need to spend money on such a project.

***It only makes sense that you won’t need another warehouse if you increase the volume through your existing warehouse.***

If you’re faced with building a new warehouse, or even multiple warehouses, you could realistically delay or even cancel such a project by increasing the efficiency of your existing warehouse(s) on the inbound side with a YMS (for example, if it takes two shifts



to unload trailers for your operation daily, a best-in-class YMS can make you so efficient you only need one shift, literally doubling the amount of inbound freight into your warehouse).

As a result, it only makes sense that you won't need another warehouse if you increase the volume through your existing warehouse. And adding more dock doors won't be necessary either if you increase throughput in your yard and at your dock. In addition, eliminating live drivers and switching to a drop operation will also cancel out the need to expand.

## Conclusions

By properly packaging the aforementioned steps, you're that much closer to ensuring executive buy-in for your YMS project.

In turn, a best-in-class YMS will enable your company to avoid both small and large costs through the entire logistics supply chain: the small cost avoidance being that you need to throw another crew member on overtime next week because you're expecting a surge in orders and need to build more product, or a large cost being pressing requirements like a costly new parking lot, more dock doors or a new warehouse.

More warehouse space, trailers, personnel, or other resources are not always the best answer to your operational challenges. Optimizing what you have is often the most cost-effective solution. A best-in-class YMS can help you get there without requiring enormous capital expenditure. Throwing good money at a problem without knowing the real reasons behind the challenges you're encountering with your yard operation is never a sound strategy.

To learn more about yard management, as well as which approaches and solutions are best suited for your logistics operation, distribution center or warehouse, contact us by email: [info.4sight@assaabloy.com](mailto:info.4sight@assaabloy.com), or place a direct call to **866-691-1377**. You can also find out more, as well as gain access to an online calculator to project your own ROI, at [www.4sightsolution.com](http://www.4sightsolution.com).

Also, be sure to check out these other informative 4SIGHT Logistics Solution white papers:

- [Doing More with Less: Yard and Dock Management Systems From an ROI Perspective](#)
- [Choosing the Best Yard Management System](#)
- [7 Critical Questions Every Facility Manager Must Explore Before Investing in a Yard Management System](#)



### About 4SIGHT™

4SIGHT is an advanced yard management system that solves logistical challenges from the guard gate to the loading dock. 4SIGHT can also manage the doors and assets inside your warehouse. 4SIGHT combines the loading dock, the yard and the warehouse into one comprehensive unit, providing managers with the visibility, reporting metrics and productivity tools they need to increase efficiency and profitability.

4SIGHT is comprised of a module-based system which makes it easy to choose the solutions you need to solve your operation's particular challenges, and 4SIGHT modules can be integrated with your existing business systems. 4SIGHT is part of the ASSA ABLOY Entrance Systems portfolio of products, which brings even more well-known door and entrance control brands and experience. ASSA ABLOY Entrance Systems, based in Stockholm, Sweden, also expands our already extensive global presence and provides a larger platform of solutions to customers worldwide.