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Dock Appointments Program & Loading Efficiency Executive Summary

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Duncan, Adrian, "Dock Appointments Program & Loading Efficiency Executive Summary" (2014). *Master of Science in Logistics & Supply Chain Management Capstone Executive Summaries*. Book 1.

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Adrian Duncan
Capstone Project
NewPage Dock Appointment Program &
Loading Efficiency

Executive Summary

NewPage Corporation houses a total of seven facilities in the Central Wisconsin region. These sites include manufacturing and warehousing facilities in, Stevens Point, WI, Biron, WI and Wisconsin Rapids, WI which also houses a distribution center (DC). Jointly, these NewPage locations ship a daily average of \$11 million in outbound freight via truckload, less-than-truckload (LTL) and intermodal transit modes. This volume results in an average of 279 individual shipments to be planned, staged and loaded on a daily basis.

All Central WI locations currently load drivers on a first-come first-serve (FCFS) basis with no procedures in process to align the staging and loading of product with expected driver arrival times. During peak loading times of early mornings, driver wait times average 2.8 hours to be loaded. Industry standard allows a carrier to charge driver detention at a rate of \$150 per hour per shipment after wait times exceed 2 hours. When wait times last overnight, an additional layover charge of \$150 is incurred in addition to any detention charges. In 2012, NewPage received a total of 7,923 requests from carriers for detention and layover fees, in which 4,262 were approved for payment totaling **\$317,849.67** of incurred costs. In addition to industry constraints, federal law prohibits a driver from being behind the wheel of his truck for over eleven successive hours, regardless of if the driver is physically driving or not. Therefore, this 11 hour restriction includes any time the driver is in line at a shipper waiting to be loaded. As a result, available drive time and transit time to service NewPage freight decreases as wait times increase. Due to federal drive time restraints, there were 938 instances in which a driver had to "fall off" of a shipment due to reaching their 11 hour run time while waiting to be loaded. As a result, NewPage incurred over **\$478,000** in expedited charges to recover and secure a new carrier in order to still meet on time delivery for customer due dates.

Implementation of a Dock Appointment Program, which requires carriers to adhere to a prescheduled loading appointment time, will allow NewPage to level out its preloading and liveloading volume throughout the day, thus mitigating the spikes that occur in liveloading and preloading volumes. Having a scheduled dock appointment will allow NewPage mill and logistics personnel to produce, plan, stage and load against a prescheduled driver arrival time, thus increasing efficiency in all of these processes. In addition, required dock appointments will eliminate bottlenecks and drastically decrease driver wait times, therefore directly decreasing the costs assessed against NewPage for driver detention, layover charges and expedited freight charges. Total costs savings as a result of implementing the Dock Appointment Program are expected to exceed **\$750,000** annually.