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Media Contacts:

Hiebing
Kimberly Stobb
(608) 256-6357
kstobb@hiebing.com

Schneider National, Inc.
Janet Bonkowski, APR
(920) 592-2865
bonkowskij@schneider.com

Nation's Largest Truckload Provider Utilizes Award-Winning Technology to Streamline Shipping, Assess Impact of Federal Regulation Proposals

Schneider National and Princeton University team up; develop simulation technology for real-world use

Green Bay, Wis. - Aug. 18, 2010 - When it comes to moving freight across today's global supply chain, shippers and carriers alike know that even the best-intentioned idea for improving efficiencies and managing costs may not deliver the desired results. Until recently the number of variables and unpredictability of human decision making made the analysis of supply chain adjustments and improvements more of an art than a science. But a new simulation model developed by Schneider National and Princeton University is helping the transportation industry address issues previous technology couldn't.

For three years Schneider National, premier provider of transportation, logistics and intermodal services, worked with Princeton University to develop the Tactical Planning Simulator. The TPS models characteristics of one of the industry's most dynamic freight networks (Schneider National's) and allows Schneider to troubleshoot for freight flow and driver capacity situations as well as determine the business impact of federal regulations and customer shipping requests. The innovative and dynamic nature of the tool earned it the 2009 Daniel H. Wagner Award for Excellence in Operations Research. The annual award, presented by the Institute for Operations Research and Management Solutions in honor of the late Dr. Wagner, emphasizes the quality and coherence of analysis, focuses on analytical content and practice successes, and recognizes individuals and their development of new methodology in the context of real-world applications.

Developed by Ted Gifford and John Nienow from Schneider National; Jeff Day, a former Schneider associate; and Hugo P. Simao, Abraham P. George and Warren B. Powell of Princeton University, the simulation tool replicates long-haul truckload operations and the behavior of Schneider's fleet of drivers and dispatchers. The simulator optimizes the movements of 6,500 drivers hauling 13,000 loads per week over a four-week planning period.

(more)

“With the TPS system, we are able to represent the large, complex problem of efficiently transporting various types of freight across a nationwide network, while taking into account specific driver and environment characteristics,” explained Gifford. “By accurately modeling the human-decision factors of our dispatch process, we are able to create a realistic simulation from which we draw conclusions about the potential impact of various conditions and strategies.”

The TPS identifies drivers as “resources” and full-truckload shipments as “tasks.” The TPS tool then matches each driver’s location, domicile, capacity type, scheduled time at home, days away from home, available time, geographical constraints and DOT hours of service with each shipment’s origin and destination. After the simulation runs, a solution is created and produces metrics and statistics on how efficiently and effectively the Schneider resource network can perform specific tasks for shippers.

“Application of our analyses has resulted in increased efficiency and cost reductions, improvements to internal processes at Schneider, and valuable insights and feedback provided to government regulatory officials,” added Gifford. “In one specific example, we used the tool to demonstrate to a customer how a modest reduction in the customer’s delivery windows would force an increase in the number of trucks required and number of empty miles driven to serve the account and a decrease in the utilization of available driver work hours. This kind of insight is invaluable to shippers.”

Replicating the company’s freight network allows Schneider to utilize the TPS as an external proactive thinker and provide a real-world impact analysis for federal regulations, including suggested hours of service changes.

“Schneider National is able to use the TPS to assess the myriad impacts of proposed changes to the HOS rules,” added Don Osterberg, senior vice president of Safety and Driver Training. “We were given the HOS proposal on a Tuesday morning and had to provide projections to the American Trucking Associations by Thursday. We ran the simulator and were able to provide timely and credible projections on a critical topic. The TPS provides decision support tools that project the first-, second- and third-order effects of contemplated decisions and help remove emotion and conjecture from the debate. It’s a powerful tool to have.”

Internally the TPS is used as a planning tool to study policies that affect the network, including hiring locations, driver time at home, setting appointments and cross-border driver management, which improves company driver recruitment and retention by creating strategies for where to hire.



About Schneider National:

Schneider National, Inc. is a premier provider of truckload, logistics and intermodal services. Serving more than two-thirds of the FORTUNE 500 companies, Schneider National offers the broadest portfolio of services in the industry. The company's transportation and logistics solutions include Van Truckload, Dedicated, Regional, Bulk, Intermodal, Transportation Management, Supply Chain Management, Warehousing and International Logistics services.

Headquartered in Green Bay, Wis., Schneider National has provided expert transportation and logistics solutions for 75 years. A \$2.9 billion company, Schneider National conducts business in more than 28 countries worldwide. For more information about Schneider National, visit www.schneider.com.

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