

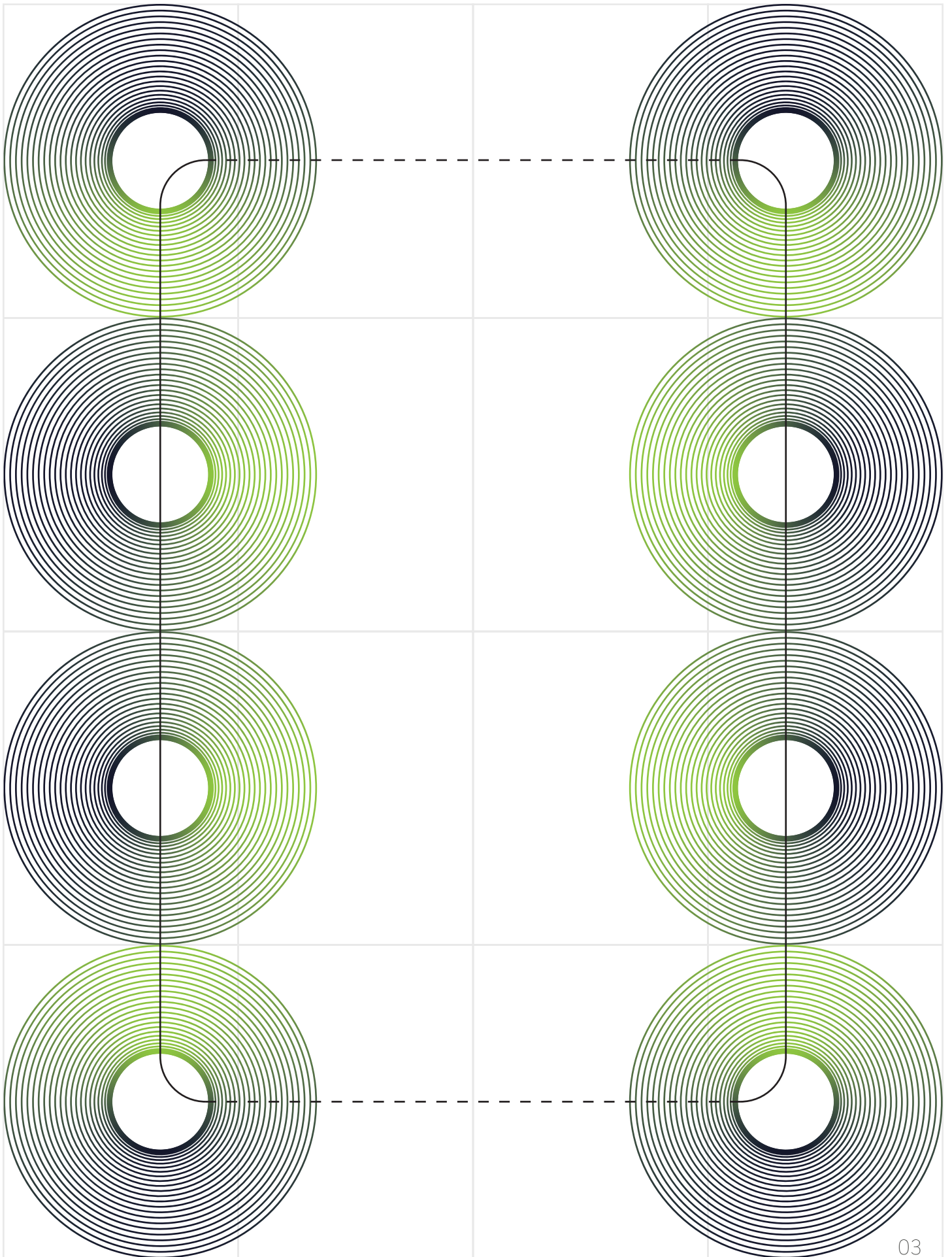
# Standard Logistics is Leveraging Artificial Decision Intelligence to Drive Growth with Optimal Dynamics

How one company assessed and calculated the viability of potential growth opportunities using decision analytics.

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## Overview

Standard Logistics, headquartered in Dallas, Texas, is an actively growing mid-market for-hire carrier, with close to 300 tractors across 17 locations throughout the country. As part of its mission, Standard Logistics continually innovates its operation with best-in-class technology. One such innovation was to invest in technology that can assist with operational planning and making future-focused, resilient decisions.

Using Optimal Dynamics' fleet management software solution, specifically the Strategic Simulation and Load Acceptance modules, over the last six months, Standard Logistics has been able to test new driver strategies, evaluate potential domiciles and uncover entirely new lanes. **The result has been faster-paced decision-making, guided by analytical rigor while optimizing operations and uncovering new revenue opportunities.**



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## Background

### **Over the past year, Standard Logistics has more than doubled the size of its business.**

“It became very apparent that there will be a lot more complexity added to our network that we had not seen in previous years” said President, Volker Bargenda, “So I said, we need to have a tool that allows us to optimize how we route our drivers, our assets, etc.”

Before entering this hyper-growth mode, they needed to find new innovative ways to manage their fleet and deal with the uncertainty associated with planning for new business.

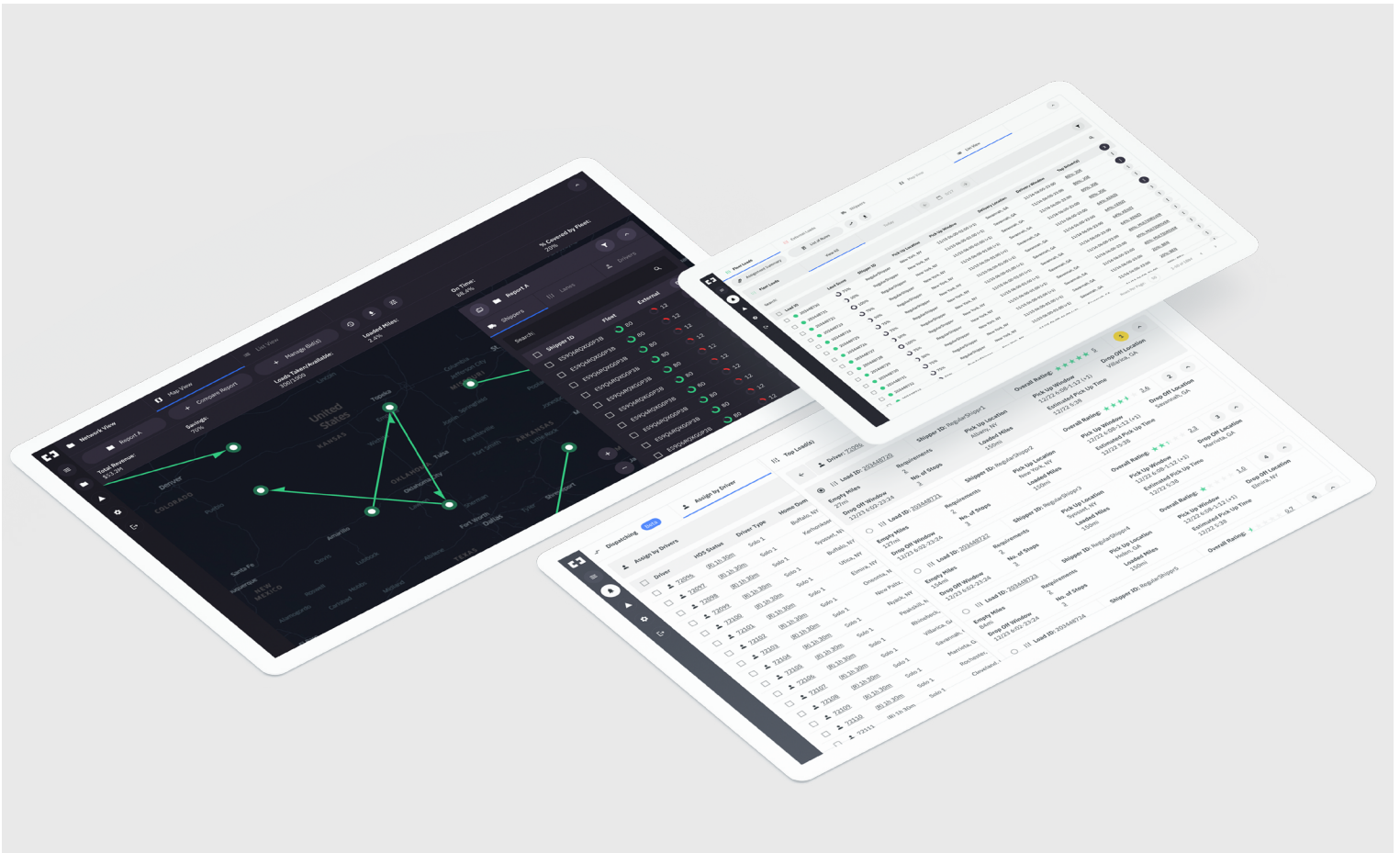
After conducting due diligence for technology solutions, Standard Logistics was intrigued by Optimal Dynamics.

“Once we went through that whole process last year and I saw what other alternatives were available in the market...it made me way more excited about [Optimal Dynamics] because there’s nobody out there doing this, trying to reimagine a technology for trucking companies.” said Robert Stevens, Manager - Fleet & 3PL Operations Analytics.

**“So I said, we need to have a tool that allows us to optimize how we route our drivers, our assets, etc.”**

**Volker Bargenda, Standard Logistics President**





Using Optimal  
Dynamics, Standard  
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Tested New Driver  
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**One of Standard Logistics' earliest uses of Optimal Dynamics software was an ambitious project on testing and evaluating potential options for driver growth, domicile expansion and optimal shipping lanes.**

Investing in new drivers and locations requires a large capital expenditure and the return on that investment is based on a lot of factors, including many that are uncertain. This is why many carriers turn to large research firms to collect data and deliver evaluations before they make investment decisions. This process is a long and expensive one, requiring long timetables and lots of interaction to reach usable conclusions.

Instead of this traditional approach, Standard Logistics used the digital twin of their network in Optimal Dynamics' Strategic Simulation module to run studies and evaluate their potential investments.

"You can run a scenario in 15 minutes. And at least get a huge head start on what else you would have to do to finish that analysis where, something that could take a week, ends up being you know, maybe an afternoon," said Robert Stevens, Manager - Fleet & 3PL Operations Analytics

**"One of the big benefits, especially when you're trying to grow, is just how fast you can make those decisions."**

**Robert Stevens, Manager, Fleet & 3PL Operations Analytics**

Over the course of two months, Standard Logistics ran multiple studies on driver expansion for their 17 domiciles, including 5 new domiciles. With the detailed analysis from the Optimal Dynamics model, Standard Logistics was able to make operational decisions for their fleet in record time.



## Drilling Down on Growth Opportunities

By using the Optimal Dynamics platform, Standard Logistics was able to assess specific expansion planning questions such as “how many trucks should you have there? And if you have them there, what specific routes should you be doing?”

According to Mr. Stevens, “one key kind of advantage of having [Optimal Dynamics] is being able to validate and back up a lot of these kinds of anecdotal decisions and assumptions that people make.”

For example, when expanding into Tuscaloosa they tested the “guestimation” of adding 20 drivers in that domicile. The Optimal Dynamics engine was able to validate the potential profitability of adding that many drivers and also allowed them to drill down and quickly decide how many of that new driver pool should be local or regional. Currently, they have added nine local and seven regional drivers in the Tuscaloosa area.



## Strategic Simulation Validates Growth Opportunities

**With the Optimal Dynamics solution, Standard Logistics is able to assess potential impacts on its network when new opportunities arise.**

In the early Spring of 2022, their team was approached with an opportunity to expand their driver pool into Columbus, GA, a domicile they had not previously considered. Standard Logistics quickly used Optimal Dynamics' software to see if this opportunity was potentially profitable and reasonably actionable for their network.

With a "digital twin" already created of their entire network within Optimal Dynamics' Strategic Simulation module, Standard Logistics was able to easily edit their operations and insert the contemplated new driver pool in Columbus, GA.

The software then immediately re-optimized its network for this new location and Standard Logistics was able to review a detailed simulated analysis that allowed them to evaluate the impact of this significant growth opportunity.

23%

Profit Margin  
Uncovered  
with Strategic  
Simulation

For example, in one instance the model showed that a particular lane would still be profitable for a regional driver despite incurring 190 deadhead miles on the way to the pickup location. The revenue per mile was high enough in this lane to give a 23% profit margin, despite all the deadhead. While typically companies try to minimize empty miles across their routes, in this case, the model uncovered profit where Standard Logistics may have previously passed up that opportunity.

Ultimately, the data those simulations provided gave Standard Logistics the confidence to begin hiring drivers and adding routes in that region, even routes they normally would not consider.

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## Greater Visibility Reveals New Revenue

The logistics ecosystem is constantly shifting and highly competitive. Finding opportunities and deciding to move on them quickly is essential to staying competitive.

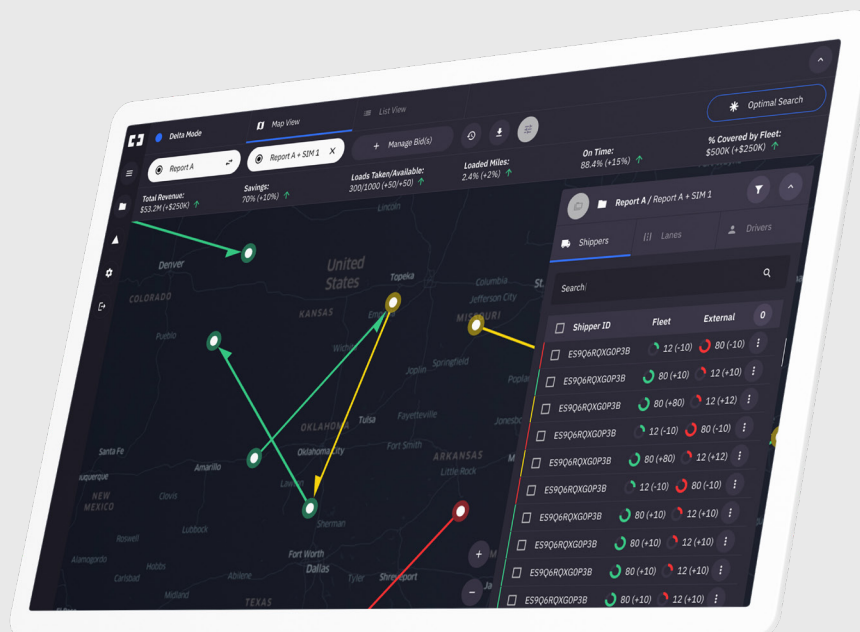
The Optimal Dynamics platform is constantly re-optimizing and on the lookout for new opportunities, as Standard Logistics found out while using the platform.

“Optimal Dynamics recommended a lane to Colorado when we had never considered it before. After taking some time to assess the lane, it looked like a really great decision and it made sense to send a driver. The hardest part was

convincing the driver to agree to it. But once it was completed we had such a good experience we’re incorporating it as a regular part of our business.”

-Ratinder Sandhu, Manager, Operation Services

The uncovered Colorado lane has quickly become a profitable route for Standard Logistics, currently bringing in 15% higher revenue per mile than their target. This one opportunity could potentially generate over \$1 Million in revenue per year pending the fleet’s capacity to meet the demand.



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## Driving Growth with Decision Analytics Technology

With Optimal Dynamics you can validate strategic business decisions before making them. You can assess the potential impact of those decisions in minutes. You can find hidden opportunities with the touch of a button. The power of Optimal Dynamics' Artificial Decision Intelligence provides carriers and shippers with these capabilities at their fingertips.

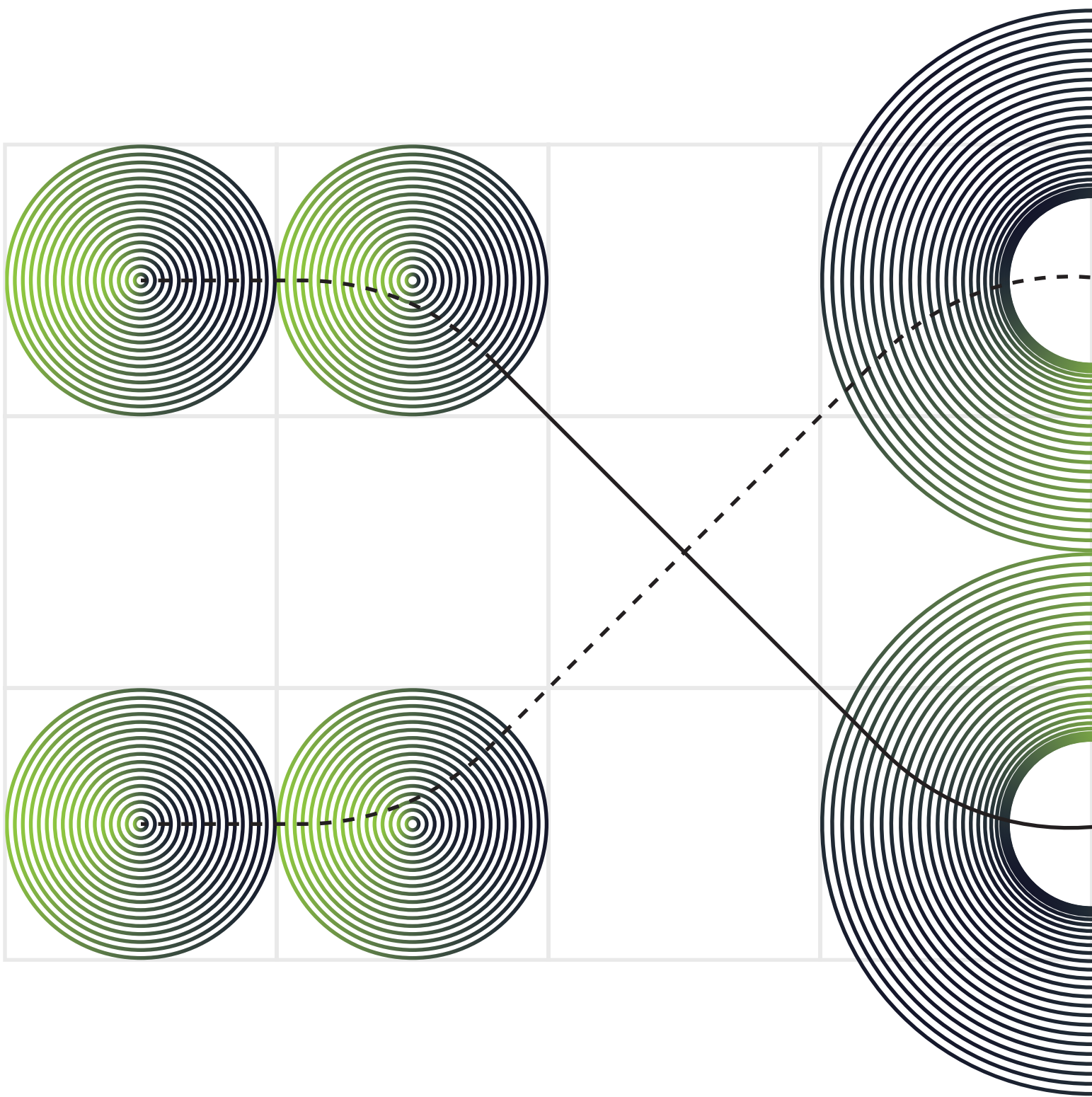
Optimal Dynamics is “challenging our current way of thinking when it comes to planning.” says Standard Logistics President Volker Bargenda, “It opens our eyes in terms of what else we can do to optimize our assets.”

Standard Logistics is using Optimal Dynamics' unique decision analytics technology to confidently drive growth, uncover new revenue streams and create greater value in their business.



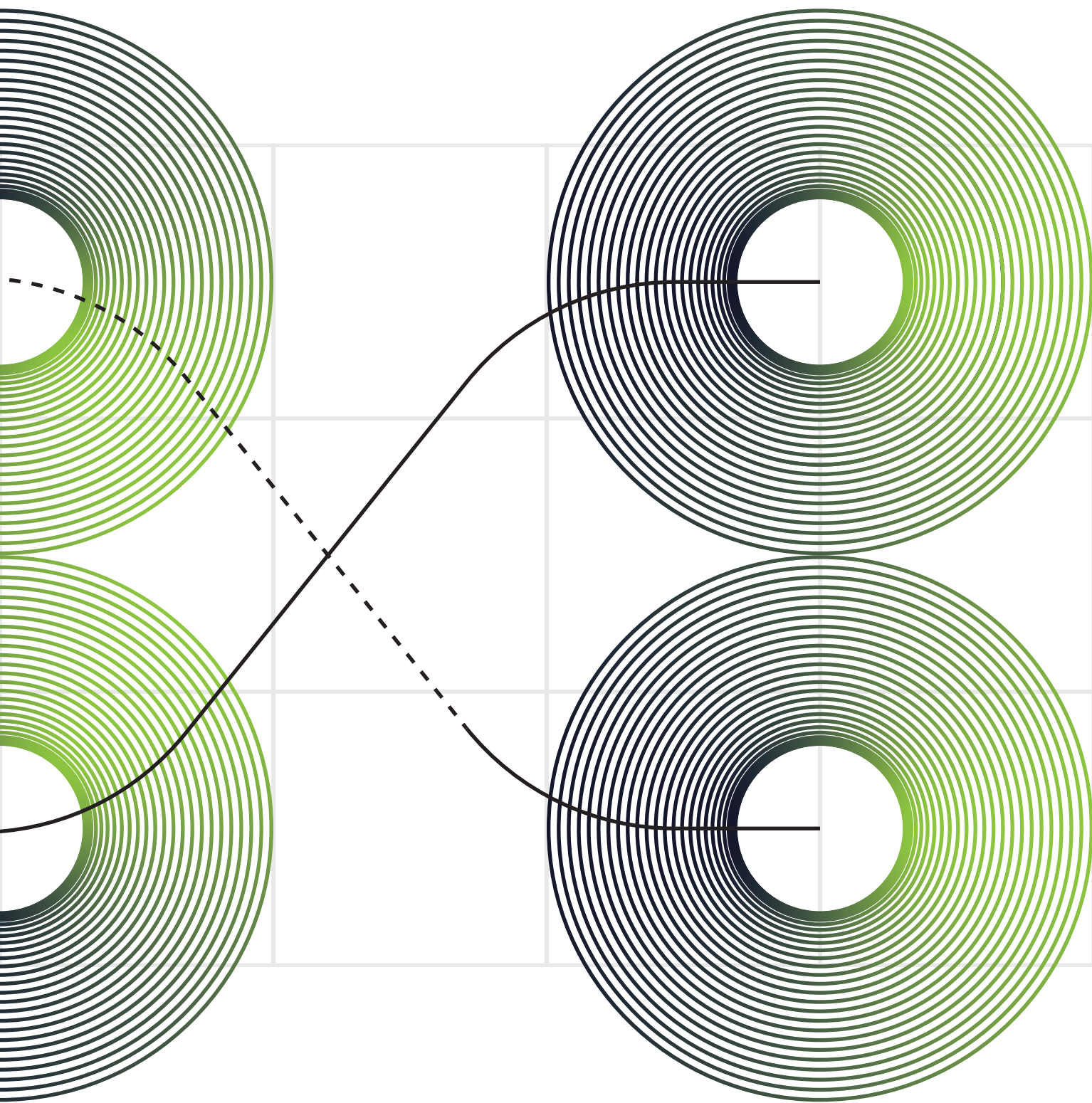


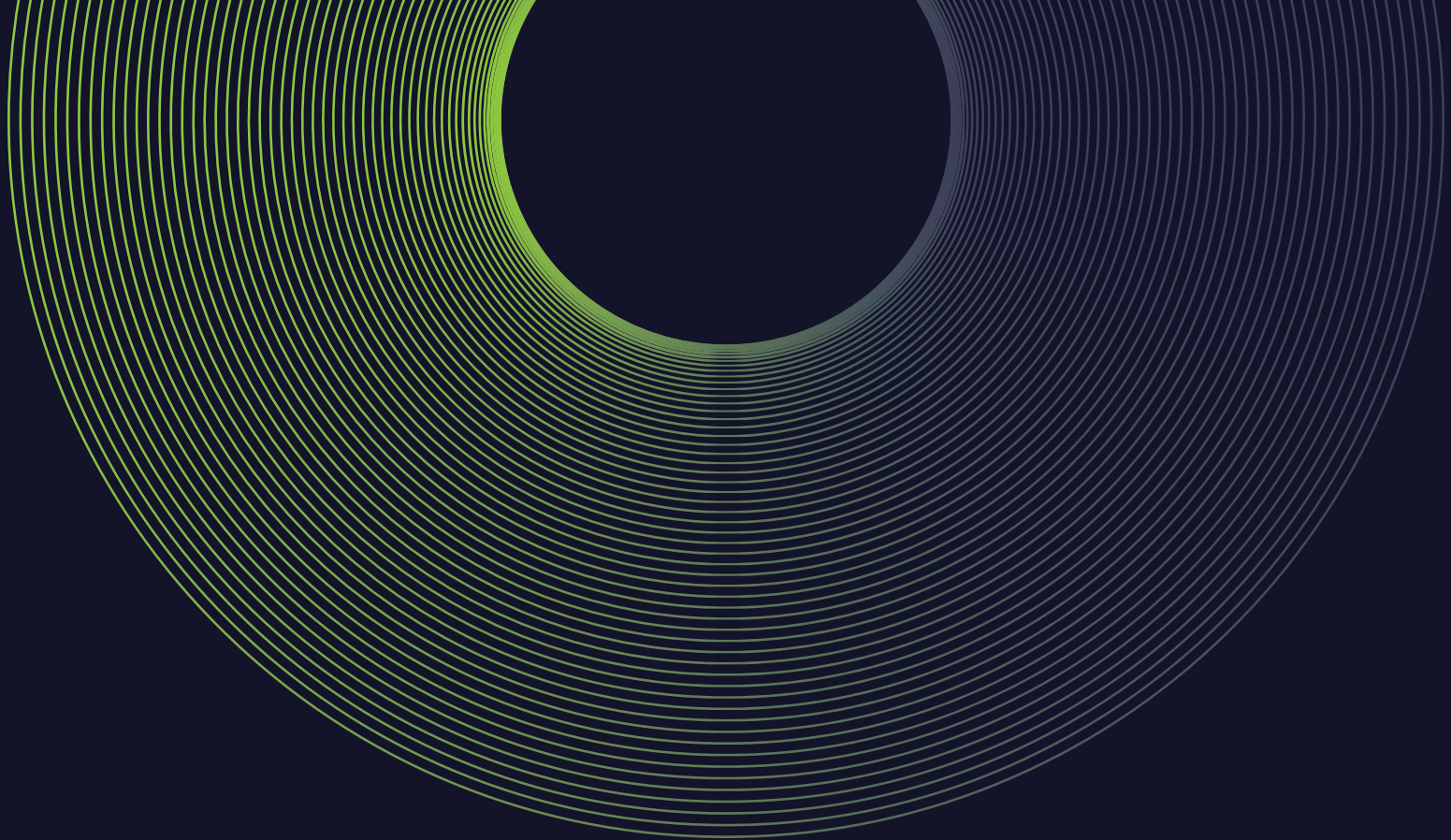




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