

CASE STUDY

Carrier Management

# Covenant Drives Profitability with Manhattan Profit Analyzer





[Covenant Logistics Group, Inc.](#), through its subsidiaries, offers a portfolio of transportation and logistics services to customers throughout the United States. Primary services include asset-based expedited and dedicated truckload capacity, asset-light warehousing, transportation management, and freight brokerage capabilities. Founded in 1986, Covenant has evolved from a traditional trucking company into a diverse transportation provider through a combination of acquisitions and organic growth.



## The Challenge

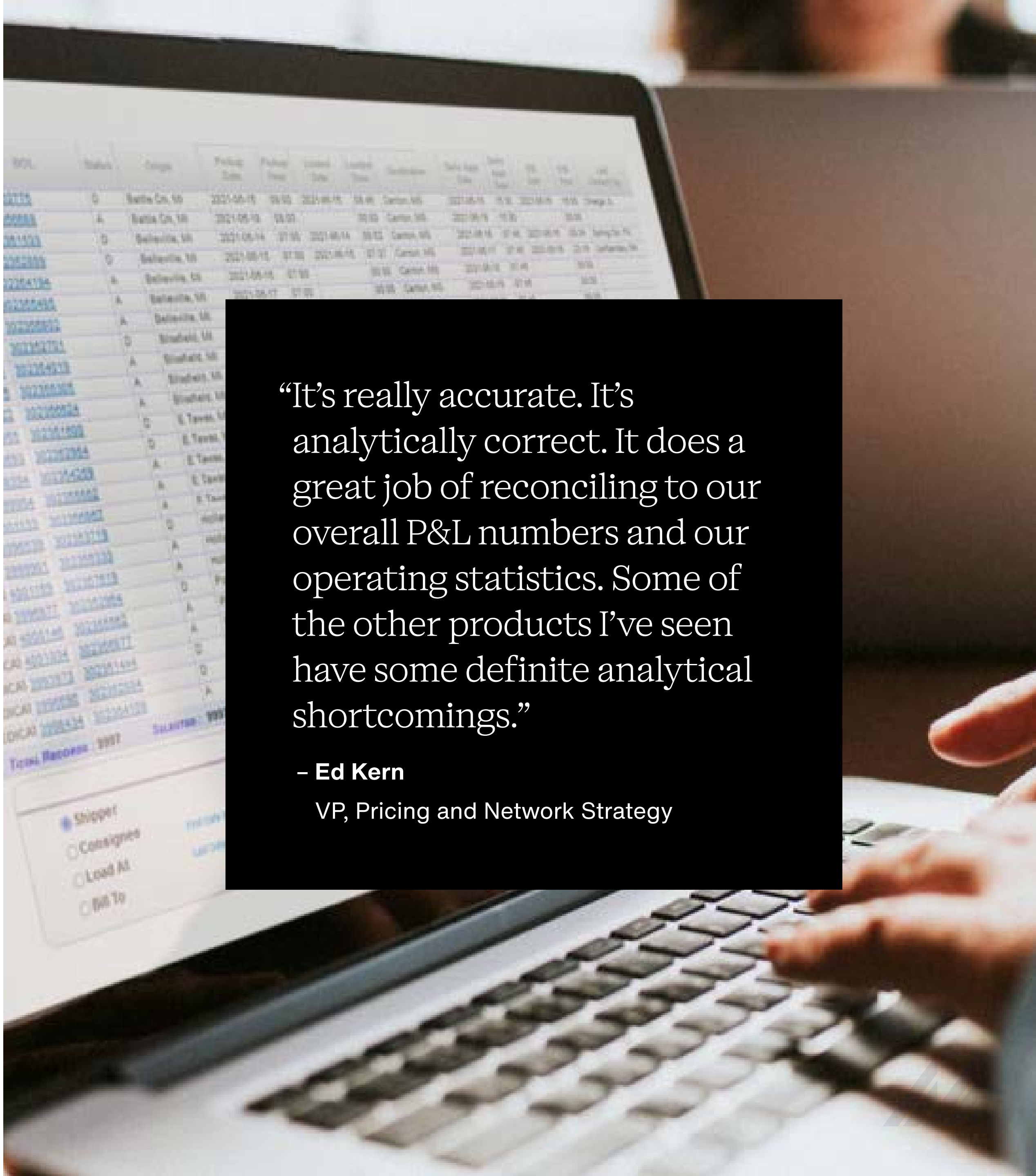
As Covenant expanded, they faced increasing complexity in managing profitability across their operations. Identifying the true costs and profitability of customers, routes, and business segments required a sophisticated tool. Covenant needed a solution that would deliver actionable data to improve decision-making, optimize operations, and ultimately increase revenue per mile and truck utilization.





## The Solution

Having prior experience with profitability tools, Covenant's leadership sought a proven solution that would integrate seamlessly with their existing systems. Manhattan's Profit Analyzer emerged as the ideal choice, offering robust analytics and accurate reconciliation with Covenant's overall profit and loss (P&L) data. The solution stood out for its analytical rigor and ability to provide a comprehensive view of profitability drivers, from individual shipments to overarching operational trends.

A close-up photograph of a person's hands typing on a laptop keyboard. The laptop screen is visible in the background, displaying a data table with columns for 'Ship To', 'Ship From', 'Ship Date', 'Ship Time', 'Ship Status', 'Ship Type', 'Ship Weight', 'Ship Volume', 'Ship Cost', 'Ship Profit', 'Ship Margin', and 'Ship Rate'. The table contains several rows of data, including dates and numerical values. A dark overlay box is positioned over the right side of the screen, containing a quote and the name of Ed Kern.

“It’s really accurate. It’s analytically correct. It does a great job of reconciling to our overall P&L numbers and our operating statistics. Some of the other products I’ve seen have some definite analytical shortcomings.”

– **Ed Kern**

VP, Pricing and Network Strategy

## Key Benefits

- › **Granular Insights for Informed Decision-Making:** Profit Analyzer provides Covenant with detailed statistical metrics, enabling teams to uncover unknown operational inefficiencies. These insights empower sales and operations teams to manage and improve business processes.
- › **Accurate Profitability Analysis:** The tool's precision and reconciliation capabilities ensure trust in its outputs, highlighting revenue drivers and cost contributors with unparalleled accuracy. Covenant's leadership noted that Profit Analyzer surpassed other solutions in avoiding analytical shortcomings.
- › **Operational Optimization:** By analyzing customer profitability and origin-destination pairs, Covenant can pinpoint cost drivers and make data-driven adjustments. For example, operations teams have leveraged Profit Analyzer to better manage trailer pools and optimize routes, reducing deadhead miles and improving load rates.
- › **Dashboards for Better Visibility:** Custom dashboards allow key stakeholders to quickly drill down into customer, market, and lane data, enabling comparisons by time period or trend analysis across years. This ease of access simplifies decision-making at every level of the organization.

“Profit Analyzer really gives you a wealth of information about pretty much any level of detail down to the shipment. It's helped by knowing what customers produce some of those undesirable cost characteristics and either trying to manage them better or gravitate away from that business toward business that fits better.”

– Ed Kern

VP, Pricing and Network Strategy





# Results

Covenant credits Manhattan's Profit Analyzer with significant improvements in profitability and operational efficiency:

- › **Revenue Per Mile:** Enhanced prioritization of profitable customers and business segments has directly contributed to higher revenue per mile.
- › **Truck Utilization:** Optimized routes and customer selection have improved mileage and revenue per week for Covenant's fleet.
- › **Decision-Making:** Leadership and operations teams now make better decisions based on detailed, reliable data, driving long-term business success.

Manhattan Profit Analyzer has become a cornerstone of Covenant's strategy to provide exceptional service while maximizing profitability. By delivering actionable insights, accurate analytics, and unparalleled visibility, Manhattan Associates has empowered Covenant to optimize their operations and drive sustainable growth.



