



delivering new solutions

OLD DOMINION FREIGHT LINE

SAP BUSINESS TRANSFORMATION STUDY

AT A GLANCE

Industry	Transportation and logistics provider
Revenue	US\$1.3 billion
Employees	12,322
Location	Thomasville, North Carolina
Web Site	www.odfl.com
SAP® Solution and Services	SAP® ERP application
Implementation Partner	SAP Consulting

Headquartered in Thomasville, North Carolina, and founded 73 years ago in the “Old Dominion” state of Virginia, Old Dominion Freight Line, Inc. is the sixth largest less-than-truckload (LTL) carrier in the United States. With more than 12,000 employees, 5,000 tractors, and 19,000 trailers, Old Dominion provides direct service to 47 states through 188 service centers and generates US\$1.3 billion in annual revenue.

Key Challenges

- Support global growth objectives by replacing legacy software written in late 1980s
- Leap generations of old technology to enable an integrated enterprise resource planning solution
- Provide a platform to support the company’s evolution into a global transportation and logistics provider
- Align business information from legacy systems for easy information access and user-friendly reporting

Why SAP Was Selected

- Support for both domestic and global business
- Best fit compared to Lawson, PeopleSoft, and Oracle
- Flexibility to expand into new lines of business, such as warehousing
- Solid, growing company with huge customer base and support network
- Ability to speak the same language with customers and vendors who are already SAP users

Implementation Best Practices

- Full corporate management commitment and support for the implementation project from start to finish
- Fast rollout to service centers by using ASAP methodology and toolset
- SAP® software now part of company culture following rollout to 188 service centers

Low Total Cost of Ownership

- Lowered implementation costs by achieving go-live in 9 months for major applications
- Lowered support costs by upgrading technology
- Reduced maintenance costs by replacing workflow application, OLAP engine, and reporting tools with a single solution
- Maintained IT integrity via analysis and monitoring

Financial and Strategic Benefits

- Gained ability to conduct business with customers and suppliers in currencies other than the U.S. dollar
- Improved payroll tax compliance in over 100 tax jurisdictions in 47 states for company’s weekly payroll cycle
- Streamlined hiring process by automatically capturing, editing and centrally processing applicant forms
- Gained strategic advantage by reducing the hiring cycle
- Significantly improved reporting and analyses
- Enabled external auditors to conduct faster audits

Operational Benefits

Key Performance Indicator	Impact
Payroll reconciliation time	-75%
Interview-to-hire cycle time	-80%: from 1-2 weeks to 2-3 days
Compliance audit time	-80%: from 1 week to 1 day





“SAP applications provide a superior platform to launch and support our global growth objectives without limitations, and that was the primary reason we chose SAP.”

John P. Booker III, Vice President – Controller, Old Dominion Freight Line, Inc.

“We leaped several generations of software to partner with SAP.”

John P. Booker III, Vice President – Controller, Old Dominion Freight Line, Inc.

Rolling Out New Technology to Prepare for Global Growth

As one of America’s oldest and largest less-than-truckload (LTL) carriers, Old Dominion Freight Line, Inc. is accustomed to managing complex logistics. Growing from a single-truck operation in 1934 to the sixth-largest LTL carrier in the country, Old Dominion is no stranger to change.

In 2003, when Old Dominion set its sights on growing beyond domestic LTL service and becoming an international logistics provider, the company realized its 15-year-old financial software could not support its growth ambitions. “We were not getting the information and functionality we needed from that system,” says John Booker, Vice President - Controller at Old Dominion. Poised to move into the Canadian market, Old Dominion needed to replace its antiquated business software with an enterprise resource planning (ERP) solution capable of supporting international business, while enabling the standardization of business processes at the company’s 188 domestic service centers spread across 47 states. This strategic requirement for growth was the cornerstone of corporate management’s commitment to the ERP project and to finding the right ERP solution provider.

Old Dominion Chooses SAP ERP – For As Many Reasons as a Truck Has Wheels

Old Dominion compared solutions from Lawson, PeopleSoft, Oracle, and SAP. SAP led the way in the breadth of software functionality and its network of support, which the company determined was critical to be successful in the fast-paced world of transportation and logistics. The company also appreciated the disciplined approach afforded by SAP® software to improve data integrity, change management, and security.

Old Dominion recognized the value of security and control provided by SAP software, which was beneficial to their external financial and IT auditors. “Many of our external auditors were familiar with SAP controls and processes, which reduced the amount of time required for the audit,” says Booker. “In addition, they were able to leverage audit tools developed for other clients using SAP software.”

Old Dominion Rides High on Business Benefits

Following go-live and stabilization, Old Dominion reached that “sweet spot,” as Booker calls it, where benefits begin to roll in. These began with annual savings of US\$65,000 resulting from automating the payroll deduction process for employee advances, which reduces manual forms processing. Using the SAP ERP application’s workflow and imaging functionality, Old Dominion developed an innovative applicant information kiosk at its service centers, which automates information gathering and reduces interview-to-hire cycle times from 1 to 2 weeks down to just 2 or 3 days. SAP strengthened the company’s regulatory compliance and reduced the risk of penalties and the administrative time to resolve reporting issues. Moreover, with the SAP NetWeaver® Business Intelligence component, Old Dominion has improved data access and reporting accuracy with the ability to drill down easily into operational and legacy system data.

“We leaped several generations of software to partner with SAP,” says Booker. This partnership has transformed Old Dominion into a company that is ready to manage the challenges of change. “When I look back on our choice of SAP,” Booker concludes, “I know we made the right decision for the long-term growth and health of Old Dominion.”