

Preparation questions for Transportation National Group

1. What challenges does TNG face in managing its leases on trailers?
2. What is your assessment of TNG's current lease performance measures and controls, especially its use of ROI measures?
3. How might TNG implement revenue management? What ideas or approaches seem most viable in a business like this?
4. Based on the data for the Yakima branch, what is the potential revenue opportunity at this location from optimally controlling the availability of leases of various durations? That is, suppose TNG knew the demand; then what lease decision should TNG make? The spread sheet with the data from Exhibit 5 has been posted. (Note there is a small, inconsequential discrepancy between the spreadsheet and the exhibit in the case – just use the data in the spreadsheet.)
5. If TNG wanted to implement revenue management, what recommendations would you make going forward and how would you prioritize your recommendations?