Trucker Tools

Adapt or Perish:
Why You Can't Afford To Delay Digital Transformation Another Year

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INTRODUCTION

Digital transformation is one of the primary strategies that companies are using to thrive, despite the volatility created by the COVID-19 pandemic. As Chris Howard, Gartner's Chief of Research wrote recently, "The current world context is pushing organizations to make better-informed, faster decisions to survive in a rapidly changing environment ." Technology is leading the way in helping organizations make these better-informed decisions quickly. If you're a logistics provider or freight broker who is avoiding technology, you do so at your own peril. It is impossible to adapt to new market conditions and make faster, better-informed decisions if you use manual tasks or a multitude of technologies in your operations, a truth confirmed by the massive surge in technology adoption this year.

A recent survey by Forbes Insights found that 62 percent of logistics, supply chain and transportation executives are now transforming their business strategies and operations with digital technology in response to the recent turmoil of global markets . In a recent Trucker Tools survey of brokers and logistics companies, 81 percent of those who responded reported that they hope to grow their businesses with digital freight matching and/or real-time digital load tracking, specifically. What makes this moment in time different from previous eras of technology adoption is the pace at which technology currently is being adopted. Industry analysts posit that the current pandemic has accelerated technology adoption and implementation as much as seven to 10 years.

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In this white paper, you'll learn why your logistics business can't afford to delay digitization any longer, no matter the size of your business. You'll gain an understanding of how manual processes and incremental use of technology may be putting your business at a competitive disadvantage – now and in the future. Discover why now is the time for your company to embrace digital transformation. Learn how to make your logistics business more adaptable, efficient and profitable with a unified approach to carrier technology that helps you build strong relationships with carriers, while helping you expand your customer base.

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1 CURRENT STATE OF FREIGHT BROKERAGE, LOGISTICS

As the authors of a February McKinsey & Company report note, "Some leading transportation and logistics companies are now using digital approaches to link their operations from end-to-end, providing significant improvements to visibility, performance and responsiveness ." According to this pre-COVID-19 report, digital automation and machine-learning tools offer logistics companies and freight brokers resiliency and less susceptibility to economic downturns.

This certainly proved true when the COVID-19 pandemic hit the United States in early 2020. In Q1 and Q2, manufacturers were forced to reduce their production volume and instituted new safety precautions to keep their employees safe. Freight volume coming into ports from overseas slowed down as a result of the

Coronavirus. At the same time, consumer behavior changed dramatically . Consumers began buying everything online or by phone, working from home more and travelling less. This confluence of factors and events caused a massive disruption to the supply chain. Some asset-based logistics providers and carriers took their trucks off the road in the first half of 2020 because of the low rates and uneven demand, while others went out of business.

In the second half of the year, rates and demand have risen considerably, especially for dry van and reefer freight, and outbound tender rejection rates are at historic highs. In September, FreightWaves reported that outbound tender rejections hit 25 percent, with one in four loads rejected by carriers. Truck capacity is tight and rates have risen in specific lanes and markets, while other lanes and markets remain stagnant.

If 2020 has taught the transportation industry anything, it is that the old way of doing business manually cannot match the resiliency that technology offers. The logistics and freight brokerage businesses that have experienced success this year are businesses that have embraced digitization. Brokers and 3PLs who digitized their operations before the pandemic have been able to withstand the rate, supply and demand fluctuations throughout the year. Digital tools such as digital freight matching, real-time load tracking and automated load booking provide a level of adaptability that cannot be otherwise achieved.

2 THE COMPETITIVE ADVANTAGE TECHNOLOGY OFFERS

Using technology in your logistics operations gives you a major advantage over your competitors who either don't use technology at all or who don't use it comprehensively. The reason why is rather simple: if a logistics business uses manual tasks in its operations, it is very difficult to increase freight volume, attract new shippers and/or shift to new lanes without increasing overhead significantly.

Consider the demand for reefer capacity this year. To capitalize on this demand, you need to be able to win and retain the business of shippers who need reefer capacity. If you use check calls to track loads, it will be difficult for you to win the business of these shippers. Many shippers now require a minimum of 70 percent visibility compliance, where 70 out of every 100 loads must have start-to-finish continuous visibility and stop visibility, as well. When you're relying on a carrier dispatcher or driver to call you back to confirm the location of the truck and load, you cannot provide that level of real-time, continuous visibility. It would require a phone call to the carrier dispatcher or driver every five minutes, which isn't realistic.

To capitalize on the demand for reefer, you also need to be able to secure truck capacity to move your shippers' reefer loads. Using load boards, phone calls and emails to find capacity is extremely time-consuming, particularly when truck capacity is tight as it is currently. During a capacity crunch, carriers also are more

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discriminating about the loads they haul and the brokers/3PLs with whom they will work, which makes it that much more difficult to secure truck capacity.

If you use real-time, carrier-centric digital solutions for capacity procurement, load tracking and load booking, you are better positioned to both win the business of shippers and to secure truck capacity. Real-time, digital solutions reduce human error, perform tasks quickly, and offer greater efficiency to shipper and carrier partners. Letting technology take over repetitive manual tasks also allows you to concentrate human resources on relationship-building with key shippers and carriers. In addition to adaptability, technology offers you the opportunity to increase operational efficiency. Greater efficiency helps you maximize profit margins and reduce your cost per load. The reason for this also is simple: spending less time and resources on covering, booking and tracking loads reduces the cost of moving freight.

Delaying technology implementation or ignoring tech advances altogether puts your business at a competitive disadvantage. The longer you delay digital transformation, the further behind your competitors you will be, whether you are a small, medium or mega-sized logistics/freight brokerage business. As FreightWaves CEO Craig Fuller recently warned, "If you think technology is going away, you're wrong. It's just going to become much more important. The reality is that technology is no longer an option."

3 UNIFIED TECHNOLOGY THAT ENGAGES CARRIERS, ATTRACTS SHIPPERS

The COVID-19 pandemic has intensified the driver shortage in the trucking industry. The pandemic has caused rates and demand to fluctuate wildly throughout 2020, forcing some truckers into early retirement and causing others to take their trucks off the road completely. In a recent Trucker Tools survey of owner operators and small carriers, 52 percent of respondents reported that they have had to shut down or take time off from driving due to lower demand and/or rates this year. The same survey reveals that drivers and carriers continue to struggle with reduced income, detention, restrictions at shipper facilities and reduced hours at truck stops, stores and restaurants.

When there's a driver shortage and truck capacity is tight and supply/demand are volatile, the technology that you use with

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As Geoff Turner, founder and CEO of Choptank Transport, notes, "Everybody assumes that carriers don't want to use visibility technology, but we've never really gotten that impression from carriers. They want to use one technology. Carriers get frustrated when because of a customer relationship, you ask them to use this specific type of tracking technology on a particular load and then tell them on this other load you need to use this other technology and then on the next load you need to do something else. Carriers get overwhelmingly frustrated with that part of it. They want to use one platform consistently."

The same holds true with carriers and loads. If it is difficult or time-consuming for carriers and drivers to find out what you have for available loads, to book loads, and/or to submit BOLs and PODs to you, they may choose one of your competitors instead. That is why providing a unified technology experience for carriers must be at the center of your technology strategy. Doing so makes carriers' own operations more efficient and can encourage them to continue working with you, which ultimately makes it easier to meet shippers' lane and capacity needs.

carriers may be the deciding factor in whether an owner operator or trucking company moves your loads. Using phone calls to track loads or requiring drivers and carriers to use a different single function load tracking technology every time they haul a load for your logistics business creates a fragmented user experience for them.

4 TIP THE SCALE IN YOUR FAVOR WITH TRUCKER TOOLS' REAL-TIME, CARRIER-FRIENDLY SOLUTIONS

You can win new shippers and attract high-performing carriers with Trucker Tools real-time, digital solutions that automate and digitize load tracking, load bookings, capacity searches and carrier BOL/POD document remittance. Trucker Tools' free driver app provides the unified technology experience carriers prefer, as well as added efficiency and value to their daily operations. Trucker Tools' technology helps you create a sustainable business and gives you the ability to scale for growth.

REAL-TIME DIGITAL VISIBILITY

With Trucker Tools' real-time visibility platform, you can easily meet the visibility consistency and compliance requirements instituted by shippers. Trucker Tools' visibility platform leverages the GPS technology in the trucker's smart phone to provide real-time digital load tracking updates every five minutes. Trucker Tools' visibility software provides 100 percent stop level visibility, which surpasses many shippers' visibility consistency requirements. The average visibility compliance rate for brokers/3PLs on Trucker Tools' load tracking platform is 72% from start to finish, while many hit and surpass the 90 percent mark, which exceeds many shippers' minimum visibility compliance requirements.

Trucker Tools' real-time visibility platform is used by some of the biggest freight brokers and 3PLs in business today, as well as by mid-sized and small logistics providers with only a handful of employees. This year, using Trucker Tools' real-time visibility platform, Traffix, one of the largest freight brokerage firms in the country, and Candor Expedite, a small broker with 12 employees, achieved visibility compliance rates in the 90s . The visibility results that brokers and 3PLs of varying sizes achieve are comparable because Trucker Tools' load tracking technology is scalable and designed to grow with your business.

Trucker Tools' visibility platform delivers real-time, automated updates on truck locations that can be viewed directly in your transportation management system or in the platform interface, eliminating or reducing check calls. Reducing or eliminating check calls increases operational efficiency for you and your carrier

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partners. Once the load is delivered, the driver can upload POD and BOL documents and send them to you digitally through Trucker Tools' driver app, which further boosts efficiency.

DIGITAL FREIGHT MATCHING AND BOOK IT NOW® AUTOMATED LOAD BOOKING

Digital freight matching reduces the time and human resources required for covering load. With Trucker Tools' digital freight matching platform, your shippers' loads are automatically matched with available trucks from your list of preferred carriers. Instead of using phone calls, websites, load board postings and emails to find and secure capacity, your staff members can cover loads with a few clicks on their computers. Digital freight matching makes your business more efficient and reduces your cost per load, which helps raise profit margins. Trucker Tools' predictive load matching gives you another competitive advantage because it allows you to search for and secure capacity for future loads before that truck capacity is posted publicly.

Digital freight matching benefits carriers, as well, because it simplifies how they find freight for their trucks. Instead of responding to load board postings or answering your emails and phone calls regarding truck capacity, they can search for and view your open loads in Trucker Tools' free driver app or free platform for carriers. Each load that you post to Trucker Tools' digital freight matching platform includes the lane, rate, weight, type of freight, number of stops and potential reload opportunities.

Carriers, whose schedules can be unpredictable, often prefer digital freight matching because they can view your available loads 24 hours/day, seven days/week.

Automated, digital load booking adds another layer of efficiency and convenience to the truck procurement process for you and the load booking process for carriers. With Trucker Tools' Book It Now®, drivers can book your open loads instantly in Trucker Tools' free driver app or free platform for carriers. Thanks to an integration between your TMS and Book It Now®, when a carrier books one of your loads, the truck is booked in your TMS automatically.

TRUCKER TOOLS' SINGLE, UNIFIED CARRIER PLATFORM: THE #1 DOWNLOADED APP IN THE TRANSPORTATION INDUSTRY

Trucker Tools' free driver app can function as the single, unified technology interface for all of the carriers and drivers with whom you work. With the Trucker Tools driver app, carriers can digitally track loads, as well as search for and book your loads. The driver app also provides truckers with real-time information on parking, fuel prices, routing, weigh scales, truck stops, rest areas, restaurants, showers, CDL legal protection, repair shops, medical services and more.

Truckers can use the comprehensive, all-in-one Trucker Tools driver app instead of seven or eight different apps in their daily operations. Thanks to the software integration capabilities of

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Trucker Tools' solutions, the Trucker Tools driver app can be integrated with most major TMSs. For carriers, this means they can use the Trucker Tools driver app with multiple brokers and 3PLs. The added value and efficiency that Trucker Tools' driver app offers carriers and drivers is unparalleled, which is why to date, more than 1 million truckers have downloaded the app.

Trucker Tools

To learn more about how Trucker Tools' solutions can make your logistics business more adaptable, scalable and attractive to carriers while increasing your operational efficiency, email sales@truckertools.com or call 703-955-3560 to schedule a free demo today.

https://www.gartner.com/smarterwithgartner/why-now-is-the-time-to-accelerate-digital/

https://supplychaingamechanger.com/the-digital-transformation-in-logistics-technologies-barriers-and-predictions/

https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19
-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever

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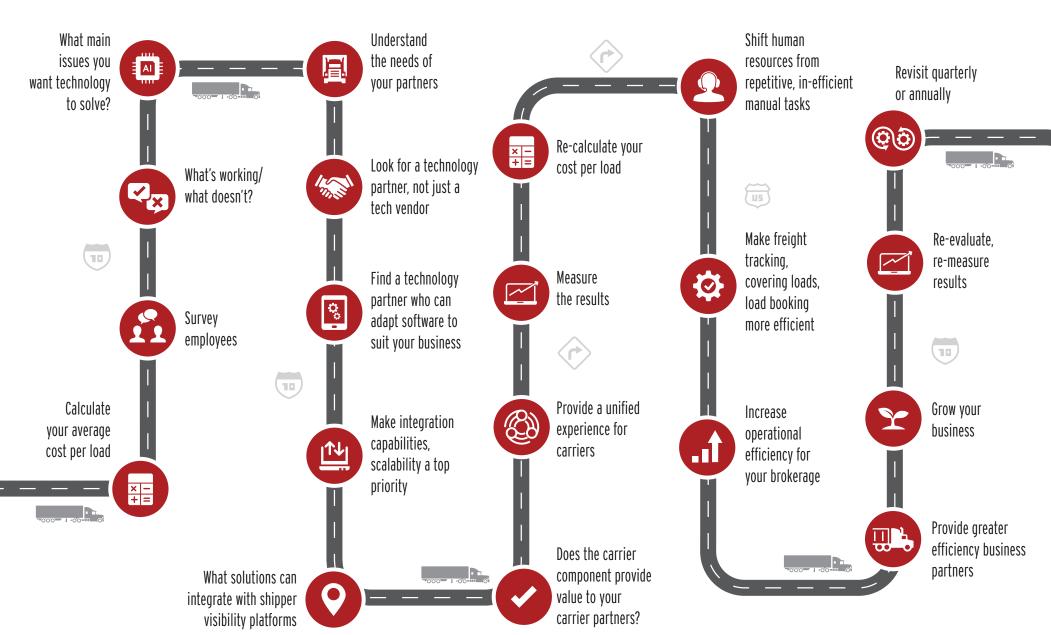
https://www.foodlogistics.com/transportation/press-release/21139206/surveys-reveal-significant-shifts-in-consumer-behavior-during-pandemic

Critical Issues in the Trucking Industry survey

https://register.gotowebinar.com/recording/7121813200170447873

https://www.truckertools.com/web/trucker-tools-q3-visibility-compliance-champions/

Roadmap for Successful Technology Implementation

What main issues you want technology to solve?

What's working/ what doesn't?

Survey employees

Calculate your average cost per load

Understand the needs of your partners

Look for a technology partner, not just a tech vendor

Find a technology partner who can adapt software to suit your business

Make integration capabilities, scalability a top priority

What solutions can integrate with shipper visibility platforms

Re-calculate your cost per load

Measure the results

Provide a unified experience for carriers

Does the carrier component provide value to your carrier partners?

Shift human resources from repetitive, in-efficient manual tasks

Make freight tracking, covering loads, load booking more efficient

Increase operational efficiency for your brokerage

Revisit quarterly or annually

Re-evaluate, re-measure results

Grow your business

Provide greater efficiency business partners

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