

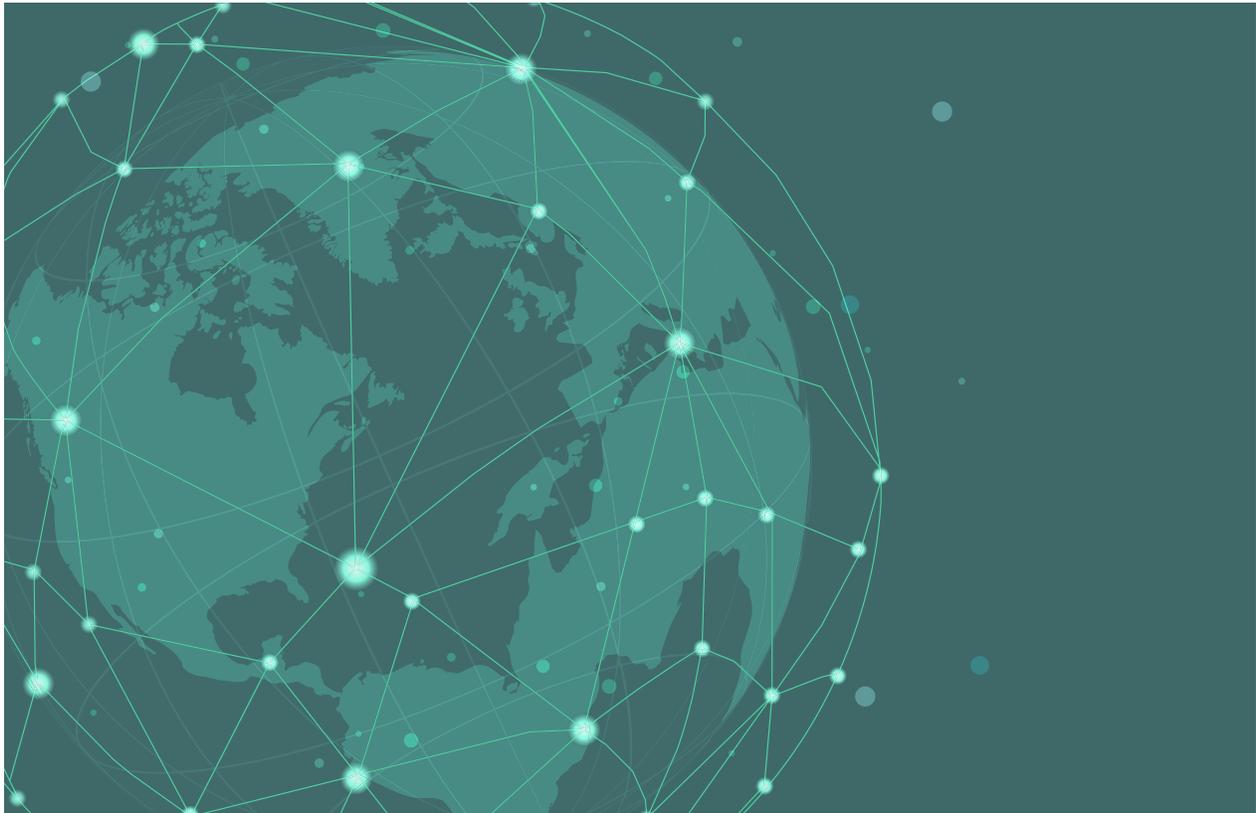


## Digital Load Matching— a Win for Everyone

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Successful integration of technology in supply chain transportation operations works best when there is a return on investment (ROI) for all parties: shippers; carriers; and drivers.

With mutual ROI, tremendous efficiencies can be realized. Consider the ongoing driver shortage. Estimates range from 50,000 – 150,000, but the fact is that there are fewer drivers than the North American trucking market needs to fulfill demand.

Whatever the actual figure is, technology can close the gap by helping people do their jobs more

efficiently, rather than replacing them. That promise can be stymied, though, if technology drives down costs in one area without creating a benefit for everyone it affects.

Fortunately, just the opposite is true when it comes to blending technology and people in the trucking sector. In fact, increased efficiency can actually result in lower costs for shippers and trucking firms and higher total earnings for drivers. Plus, shippers will realize other significant benefits including better visibility, greater inventory control, and—ultimately—higher customer satisfaction.

Sounds too good to be true? It isn't, and the proof is apparent for those who have adopted best-in-class load-matching solutions. In the highly competitive trucking arena, greater efficiencies are being achieved along with improved ROI for shippers, carriers, and drivers.

As shippers seek to optimize supply chain operations, technology allows for innovation to meet that need. This is what has prompted the recent rise in shipment visibility providers. The most efficient solution, however, is digital load matching which integrates supply chain technologies—including

visibility—with machine learning and artificial intelligence.

### How It Works

Automated matching is at the core of digital load matching. It reduces friction every step of the way:

1. Auto-bidding and self-service quote engines limit manual price negotiations;
2. Sophisticated carrier-matching algorithms recommend the best carriers for each load, speeding internal work flow; and
3. Mobile tracking and communications with carriers provide real-time visibility with limited human intervention.

By taking waste out of trucking with digital load matching, more shipments can be handled in a shorter period of time, resulting in reduced costs for shippers and greater total earnings for drivers. In addition, the automation of tedious tasks frees up time for people working in the supply chain to focus on more important issues.

The numbers speak for themselves. Load matching process steps typically require two to six hours for a traditional broker to complete. Today, a digital load matching service can cut that time to under one hour. In the future—with further advances in machine learning—the processes will occur instantaneously.

By fully automating this process, users accomplish the twin goals of lowering costs while increasing ROI for trucking service providers and their customers, who also benefit from resulting service improvements.

Asset-based carriers are much more interested in the utilization of their trucks than they are in

mileage rates. Even if a driver accepts loads at a lower cost, she or he can handle more of those loads in a given week or month, resulting in greater total compensation.

“You can provide drivers with a solution that gives them more income and enables them to select loads that can enhance their quality of life, says Transfix CEO Drew McElroy. “You do this by reducing things like waiting time and time away from home. Drivers will naturally make those choices.”

Savvy shippers who improve efficiency at their docks—potentially lowering internal costs—will be able to attract drivers faster even if offering loads at a lower rate than competitors who are known to keep drivers waiting for hours. Being an attractive customer for carriers also means being able to reach the ultimate consumers faster, and with greater reliability.

### Better, Faster Decisions

In traditional freight brokerage, manual processes are not able to optimally match loads with available trucks in real time. For instance, comprehending the specific opportunities within a list of 100 available loads and 100 available trucks is not possible for one person—or even groups of persons. The possible combinations are simply too great to manage instantaneously. Furthermore, without technical sophistication, traditional brokers will typically match loads to carriers based on their past relationships, and not necessarily on the quality of the carrier or whether they best fit the shipper and the load itself.

Because trucking is a significant generator of “big data,” the visibility that digital load matching generates is best managed through machine learning and artificial intelligence. This gives

technology-based brokers the ability to quickly and efficiently load match.

During the past several years Transfix, a leading digital freight marketplace, has seen total driver pay increase up to 20 percent thanks to higher productivity and improved asset utilization. This holds true even though these same drivers are accepting individual loads at lower rates.

In the same period, empty miles have dropped dramatically, by half or more compared to the industry average for the carriers Transfix serves. This is the change that is enabling carriers to provide shippers with lower rates and better service.

### 65 Billion Divided by 2 = Big Savings

The promise for the overall trucking industry is tremendous. Currently, North American trucks travel 65 billion empty miles a year. Imagine the benefits if load matching were to cut that number in half, which is actually an achievable goal. In addition to tremendous savings for the industry, such a reduction would also have real sustainability benefits, which are becoming increasingly important as corporate America rises to the challenges of climate change.

As technology has spread through the trucking industry, drivers have become comfortable with and adept at using it. In fact, today’s trucker tends to be tech-heavy in the cab, with a smartphone and a tablet enabled with load-matching apps along with Wi-Fi, GPS, ELD, and even live news and entertainment streaming to make downtime more pleasant and productive.

The growth in the application of mobile technology to optimize truck transportation will only ac-



celerate. For example, the smartphones now carried by many drivers include accelerometers and gyroscopes. These features can be activated to document how individual driver habits put physical stress on shipments, providing shippers with a new tool to select drives whose driving is more likely to prevent damage.

### **Load Matching to Consumer Expectations**

The importance of increasing efficiency is more critical than ever given evolving consumption habits — the retail consumer today shops in a wholly different way than was the case 10 or even five years ago. Today's high-tech freight marketplace is rapidly evolving to disrupt the inefficient practices that have typified freight brokerage in part because manual load matching can't keep

pace with the complex demands of retail omnichannel fulfillment.

Digital brokers accelerate the processing of truckloads, and at a reduced transactional cost. It all comes down to bringing a better ROI to each partner: carrier; truck driver; and shipper. Once that is accomplished, optimized supply chain performance results in faster and less expensive delivery of goods to consumers who will more likely continue shopping with retailers that consistently meet their expectations. Therefore, companies that develop best-in-class digital load matching capabilities can expect to be the preferred service providers of those retailers.

### **People Doing What They Do Best**

The efficiency created by technology is not just about reducing costs. It's also about allowing people to

focus on more important issues. According to McElroy, "We're taking the best of the old school and best of the new school and blending them together".

People, he emphasizes, will always be a critical part of successful supply chain execution. "People, for one thing, are much better at dealing with other people including drivers, dock workers, and customers," he says. "We don't have technology that replaces that. We can just enhance what people are doing and help them deliver service at levels they know are needed."

"Brokerage as we knew it has been disrupted," he says. "Yet it's also important to keep in mind that it's people who are developing today's technology, and it's people who will continue to benefit from it."



To learn how your organization can benefit from digital load matching, contact [info@transfix.io](mailto:info@transfix.io)

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