TransCore® Load Boards

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WHITE PAPER





A Shipper's Guide to Load Boards

Table of Contents

What is a Load Board? 3

Posting a Load 3

Searching for Carriers 4

Why Use a Load Board? 4

The DAT Network 5

A Safe Place to Move Freight 6

What is a Load Board?

An easy way to think of a load board is as a web-based bulletin board service for the transportation industry. Shippers, carriers and their intermediaries use load boards to advertise their services, whether those services are offering freight to be shipped or a truck in need of a load. Kind of like an internet dating service for transportation professionals, load boards are where companies with freight meet new carriers looking to haul loads. Indeed, a good load board will come with research tools that make the relationship between shipper and carrier a business arrangement rather than a blind date.

For an example of how this works, imagine a trucker working for a large carrier who finds himself at the end of a long haul and needing to drive home, but without a load to fill his truck. Wanting to avoid running an empty truck, the trucker's dispatcher might turn to a load board to find a one-time freight shipment going the same direction as the trucker. He would then call the shipper directly to arrange a deal, fill the truck, and avoid the cost of driving empty.

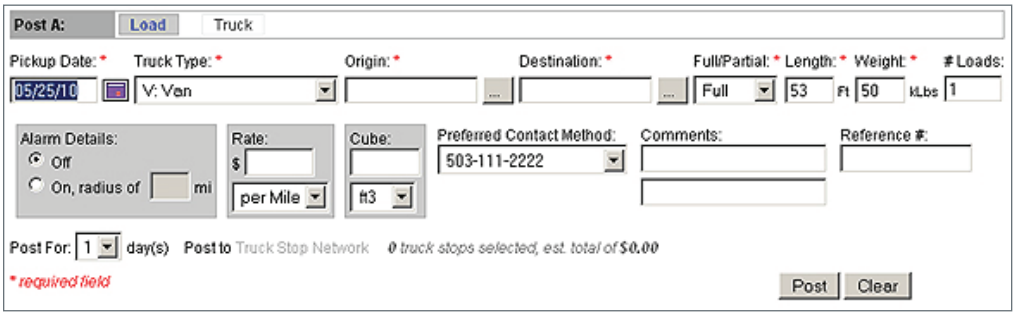
Likewise, a shipper might have "exception" freight that is not covered by a standing contract. If the usual carriers are unavailable, the shipper could advertise his freight on a load board, and find a reliable carrier willing to haul it. With the right tools, these impromptu shipping arrangements can be made securely and efficiently though a load board.

In aggregate, shipping deals made via load boards constitute the spot market. You can read our Spot Market Overview by clicking here.

Shippers use load boards to perform two basic actions: posting loads and searching for carriers.

Posting a Load

Posting a load on a load board is comparable to posting a personal ad in the classifieds. Carriers describe the equipment type needed to haul their freight, where the freight is, and where it needs to go. Once posted, the load will be visible to thousands of carriers



DAT FACT

1,000,000,000: The number of transactions made on the DAT Network since 2001. That's 1 Billion. With a B.

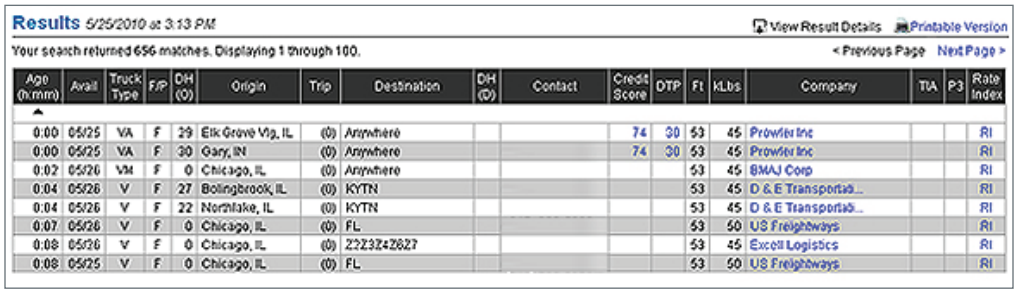
with millions of trucks who are searching for compatible loads and calling load providers to negotiate a deal. The image below is an example of the load posting screen in TransCore's 3sixty Express, a web-based load board tool.

The spot freight market tends to move quickly, and good load board tools emphasize simple yet thorough posting features. Notice, for instance, that the number of required fields is fairly small. This design facilitates greater efficiency in load posting, and means that freight spends less time stuck in a warehouse.

Searching for Carriers

Carriers actively search load boards, hoping to find freight to match their needs. They also post their trucks, so shippers and their intermediaries can find them and contact them directly. In this way, load boards offer shippers the chance to meet new business partners as needed, to move excess freight in a timely manner.

Many trucks, for instance, don't have a specific destination in mind. Many carriers are willing to go anywhere as long as they are guaranteed a good load at a fair rate. Carriers often search for freight to fill a "back haul" or a return trip from a previous destination. It is common for carriers – especially small companies – to search for loads without posting their trucks. That is because they prefer to call the load providers instead of answering inbound calls. Below is a sample of what a truck search results screen looks like.



Results 5/25/2010 at 3:13 PM — View Result Details — Printable Version

Your search returned 656 matches. Displaying 1 through 100. — < Previous Page — Next Page >

Age (h:mm)	Avail	Truck Type	F/P	DH (D)	Origin	Trip	Destination	DH (D)	Contact	Credit Score	DTP	Ft	kLbs	Company	TIA	P3	Rate Index
0:00	05/25	VA	F	29	Elk Grove Vlg, IL	(0)	Anywhere			74	30	53	45	Prowler Inc			RI
0:00	05/25	VA	F	30	Gary, IN	(0)	Anywhere			74	30	53	45	Prowler Inc			RI
0:02	05/26	VM	F	0	Chicago, IL	(0)	Anywhere					53	45	BMAJ Corp			RI
0:04	05/26	V	F	27	Bolingbrook, IL	(0)	KYTN					53	45	D & E Transportati...			RI
0:04	05/26	V	F	22	Northlake, IL	(0)	KYTN					53	45	D & E Transportati...			RI
0:07	05/26	V	F	0	Chicago, IL	(0)	FL					53	50	US Freightways			RI
0:08	05/26	V	F	0	Chicago, IL	(0)	22Z3Z4Z6Z7					53	45	Excell Logistics			RI
0:08	05/25	V	F	0	Chicago, IL	(0)	FL					53	50	US Freightways			RI

Notice that the top three results are trucks that have listed "anywhere" as their destination. This means that if you're a shipper based in Chicago with surplus freight to move, there are three good trucks willing to take your load anywhere you need it to go. Remember, there may be as many as 20 times the number of carriers looking for loads as there are truck postings – so shippers should always post loads first, before searching for trucks.

Why Use a Load Board?

Fleet Owner is one of many publications predicting a carrier capacity shortage as the economy recovers. They report that "[In 2010] the demand for trucking services will

likely outweigh the supply and truck rates will be under upward pressure [because] carriers have been reducing their fleet sizes, getting rid of trucks and not buying new ones."

It's now obvious that the recession drove many smaller carriers and owner-operators out of business. As the economy rebounds, shippers once again have exception freight to move, but are finding that their regular carriers don't have enough capacity to meet their needs. Many existing carrier partners may begin to report truck or driver shortages in the near future – if they have not done so already – especially if fuel prices spike again as they did in 2008. This means that for many shippers, freight could begin to back up and languish.

Compounding the economically-driven capacity shortage are new Federal carrier safety guidelines, called Comprehensive Safety Analysis (CSA 2010), being implemented this year by the Federal Motor Carrier Safety Administration (click here to read our CSA 2010 whitepaper). The new regulations create strict metrics for carriers and driver behavior. CSA 2010 is expected to further reduce the pool of available drivers and limit available truck capacity.

In short, the industry is experiencing increases in freight volume while capacity becomes constrained. If a shipper finds that their existing carrier partners do not have the capacity that they did a year ago, load boards offer a safe, convenient alternative and can provide a venue for building new partnerships.

As freight picks up, activity on the spot market is increasing accordingly. In fact, it's increasing at a faster rate than trucking freight overall. This means that a larger portion of freight – perhaps as much as 1 billion tons per year nationwide, or 20% of all commercial truck freight is being moved on load boards. If you currently use freight brokers to meet your shipping needs, chances are some portion of your freight is being moved on a load board already.

DAT FACT
20,000,000: The number of individual trucks posted on the DAT Network every year.

Even when capacity is limited, load boards offer shippers the reliable assets and the trusted partnerships they need to move freight. For example, the DAT Network has over 20 million trucks from over 220,000 carriers, and the validation tools needed to thoroughly vet prospective partners.

The DAT Network

TransCore's DAT® Network began in 1978 as the Dial-A-Truck (DAT) load finder service at the Jubitz® truck stop in Portland, Oregon.

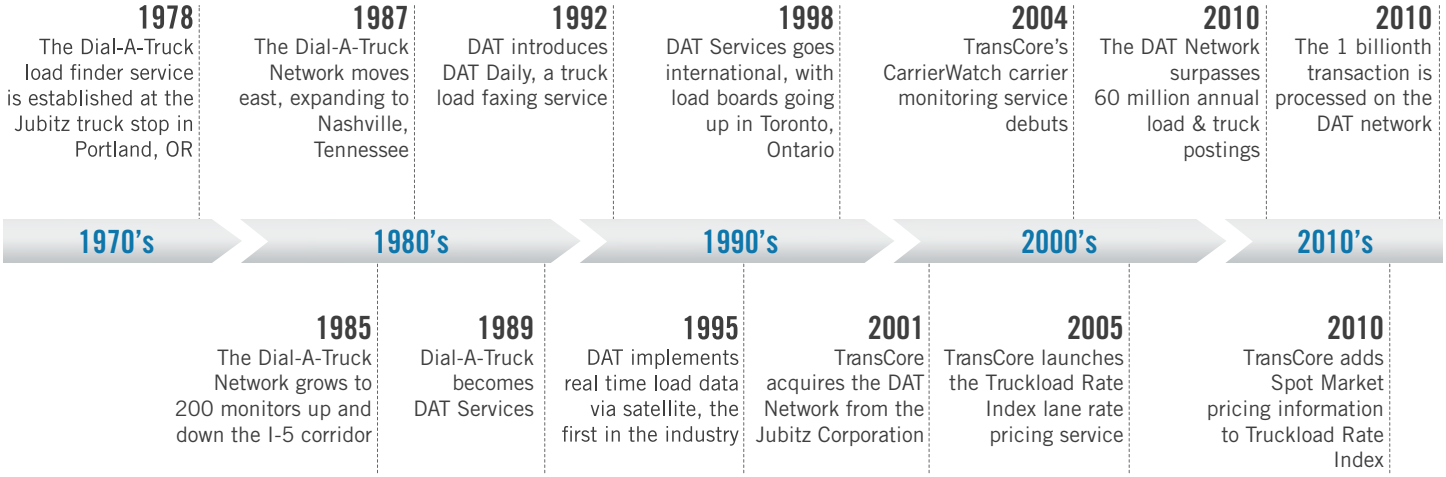
Originally, the 'load board' was just that: a board covered with index cards advertising available loads to for-hire drivers waiting at truck stops.

Over the past three decades, the DAT Network has grown to become the primary place where transportation professionals meet and transact business in the spot market.

The Network is a vibrant marketplace for 60 million trucks and freight loads per year, and has become the industry standard for internet load boards. The DAT Network also serves as the backbone of TransCore's load board products, 3sixty Freight Match and TruckersEdge.

A Safe Place to Move Freight

The best load boards are those that implement security protocols and offer due diligence tools to create a secure and transparent marketplace for their customers. For example, TransCore's Load Board Compliance Director oversees a staff who checks the credentials of every participant and monitors activities on the Network, to ensure that participants comply with legal and ethical standards.



TransCore also provides tools to enable customers to perform comprehensive due diligence procedures. One such tool, CarrierWatch, actively monitors more than 200,000 carriers' insurance and safety ratings from FMCSA and alerts customers of any status changes. It also provides access to detailed insurance information, including images of insurance certificates so shippers can check coverage details online.

These tools support the shipper's carrier validation process, and often form the first step in a long term, mutually beneficial business relationship.

Shippers have found that safe load boards offer a cost-effective alternative to moving freight through established carrier partners, when those partners are short on capacity. Quality load boards will provide all the tools a carrier needs to qualify new partners, minimizing paperwork and streamlining the negotiation process.

To learn more about Shipper Load Boards, contact TransCore:

800.474.8059
TransCoreFreightSolutions.com

TRANSCORE
Freight Match

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