

How shippers can beat the tech jitters and choose a winning supply-chain partner

A SupplyChainBrain White Paper by Transfix

The news is full of reports of new technologies that will impact the transportation and logistics industry. All transportation depends on technology, one way or another, of course; whether it's the wheel, the jet engine, or the computer chip. Transportation is a system of technology, people, services, financial flow, and more, but advances in technology play a key role in shaping our transportation systems and how we use them. Corporations have invested millions of dollars in improved transportation technology, but it remains an area, for most, that is somewhat mysterious and mercurial. How can you be sure you're choosing the right solutions and services that keep you up-to-date and competitive, without becoming an expert in subjects way beyond your core operations?

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Park the fear of technology

Whether you're in the business of retail, CPG, food and beverage or manufacturing, transport technology isn't your main field of expertise, and it shouldn't need to be. Here at Transfix, we think choosing a transportation technology partner should involve being able to understand what services they offer rather than the technology that makes it tick. We recommend that you focus on the results, and the day-to-day experience of interacting with that partner's technology. Any company involved in providing technology, or services based on technology, has learned that if their users aren't comfortable in their interactions with the service, it could be the most brilliant solution in the world, but it won't serve its purpose.

In our case, Transfix aims to eliminate waste and inefficiencies that exist through a deep understanding of the dynamics that exist today for the world's leading shippers

and the 3 million truck drivers in the U.S. that move their goods. We offer a comprehensive suite of both broker and full visibility services to Fortune 500 shippers in retail, food and beverages, manufacturing and other major industries. Transfix is able to identify blind spots where data can fundamentally transform the way shippers and carriers work together, giving them enhanced visibility, more control, less worry, and a competitive advantage.

A partner that has a central focus on technology can come up with innovations other transport providers might not have thought of, or are capable of implementing. Many businesses, particularly Fortune 500 companies, are making the effort to get and stay smart about data management technology, because they are aware it can help them solve inefficiencies in the supply chain and make considerable savings. But internal logistics departments are not necessarily keeping up with the best that supply chain technology has to offer. Think of all the companies out there that have been making cars for decades – they didn't think to make up a ride-hail service like Lyft. It took a group of people with another focus, another vision. It's tough to go out and build something completely unique when it's not your core business. Since we are both a technology and a logistics company, we hire a lot of folks looking to solve problems with technology, which adds useful and new perspectives to those of the experienced logistics professionals who also work at Transfix. We combine the best of both areas of expertise.

Lose the preconceptions

Despite these pressing needs, and the advantages sophisticated technology solutions offer, we still find a level of nervousness around advanced IT among shippers. We understand that it is a daily struggle for even big, well-resourced companies to keep up with the solutions available out there. Frankly, many shippers find themselves at a loss as to where to start. They know they need to make some sort of step into technology, but they mistakenly believe they need a lot of resources to make it happen. They anticipate hiring or expanding a team that can handle integration, and envision a massive onboarding process that takes months and involves changing the way everything is done. That powerful set of beliefs leaves them stuck in their old ways. It honestly doesn't have to be that way, but some service providers make it more complex than need be. Often, shippers end up vetting track and trace services and platforms as an extra that costs more and requires separate integration, or accepting that a 3PL can only provide these capabilities on an ad hoc, customized, expensive add-on, when a company like ours provides it as part of our core capabilities. Again the important point is to focus on the service rather than the underlying mechanisms.

There's a complicated mosaic of service offerings out there when it comes to managing FTL shipments between DCs and warehouses. Working with a provider that combines logistics excellence with great technology, offering a centralized service for assigning shipments to vetted carriers while at the same time giving you easily-accessible, holistic visibility really is the best way to go.

Focus on the pain points

What we see driving the hunger for services supported by great, innovative technology is that there are persistent pain points for those managing supply chains.

1. Visibility.

Even in the case of the Fortune 500 shippers we work with, it's amazing how poor visibility into the supply chain has been in the past. Shippers need insight in real time into where their goods are at any time. And yet they often have to work hard to get that information. Many of these shippers have to make a phone call to their brokers to track where their goods are, and the answers are not clear. Even when the information is good, gathering it is time-consuming. With Transfix, a simple integration with your existing TMS system is all that is needed to benefit from visibility, exception management alerts, and whole lot of time savings.

2. Costs.

Another big factor is the pressure to lower costs. The bottom line is a top concern these days. Shippers can lower costs by saving time via a centralized tracking system, with analytics added so they can get a clearer picture of where there are bottlenecks and other problems. When employees spend less time tracking shipments via phone and fax, you save money, plain and simple.

3. Complexity.

A further powerful need is to wrangle the endless complexity of a large company's supply chain so that it can be realistically managed into a single viewpoint. We like to see ourselves as helping alleviate shippers' struggles to manage all their moving parts in the supply chain world. They can not only see where they are with regard to carriers and truck drivers, but also what's going on with warehouses and vendors – all from one information source. Instead of going through many different channels, you go to one dashboard on your PC, tablet or smartphone. You only have to go to one place to get all the information you need – easy and accessible. A powerful element of this is the ability to receive exception management alerts, in case something happens. When there's a delay, we send an immediate alert to the shipper so they can react and make appropriate changes on their end.

Our business model is different – we combine advanced visibility and data analytics with the flexibility of an online brokerage powered by a huge community of pre-screened FTL carriers -- and it works well for large shipper customers. Often these shippers have established relationships with 3PLs that have limited or no technological capabilities. One advantage the brokerage model offers is that it gives shippers access to a much larger network of carriers than any 3PL; the second is that most 3PLs simply don't offer the same track and trace sophistication, or depth of reporting.

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