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#1 Source For Navigating The Freight Markets

In order to scale, tech solutions need to be adaptive

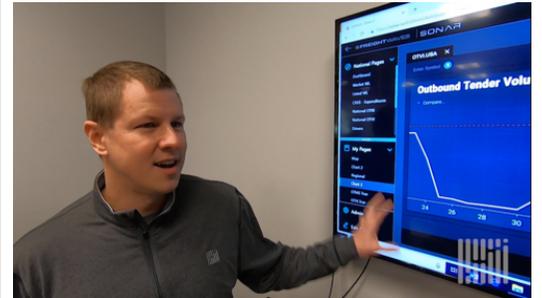
January 22, 2019 Chad Prevost



IMAGE: JIM ALLEN/FREIGHTWAVES

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THE DAILY INFOGRAPHIC

THE INCREASING VEHICLE FATALITY PROBLEM

There has been a significant increase in commercial motor vehicle fatalities over the past two years.

The number of fatal crashes involving large trucks and buses:

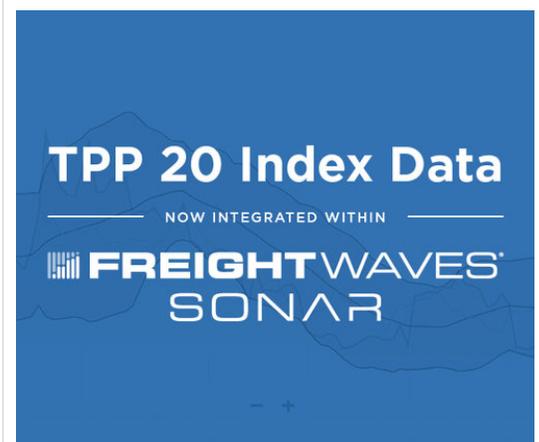


Overall supply chain and logistics tech spending will rise to \$87.8 billion over the next three years. That's according to new research from Logistics Trends & Insights, LLC and American Global Logistics (AGL). The study shows that U.S. companies will spend more than \$2.5 billion in disruptive logistics and supply chain technologies by 2022. The [report](#), "Supply Chain Technology Investment Outlook," explores the rapid growth in supply chain IT investment and which technologies are likely to take the lead in the next five years.

In transportation and logistics it can be hard to predict what's coming up. We saw a peak in market volumes and extremely tight capacity in July 2018, and then unpredictable softening in September, which few would have predicted. When SONAR data is studied it verifies current industry thinking regarding volumes and tech trends. Will things be soft or not? There are trends and seasonality but who knows about interest rates and tariffs for instance?

Bending the corner into 2019, there is a wide variety of interesting technology coming out. But it's really only interesting if you can get people to play (and pay!). There's so much fragmentation on the capacity side of the equation. It's impossible to get all those companies to adopt a single technology, and if you can't get to that tipping point a broker's always going to be able to find a better price. It's hard to get distribution and change the way a lot of companies do things. There are tens of thousands of truckers that actually value the relationship, and if someone's getting them down the road and making things connect, then they're going to value that. If a driver wants to use his TMS, he or she can do that. If someone wants to go online and automate, that can be done. The industry is extremely diverse, and you have to deploy to many levels. A slick tech solution might solve issues for one small niche of the market, but will it ever be widely adopted?

Predictive analytics can play their part, but sometimes the buzzwords get overused. Everyone wants to talk about artificial intelligence (AI) and blockchain and there are uses for



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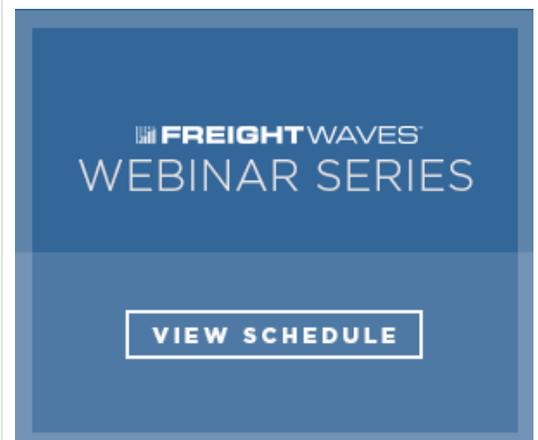
both, but neither (or anything else) is a cure-all, end-all. If a company is really scaling you have to use analytics to improve service, processes, price discovery, and margins. It's all about applying mathematics to the situation. According to Ginni Rometty, chief executive officer of IBM, "One of the reasons why some people say they haven't gotten as much value from AI is that the workflow didn't change. You have to reimagine the kind of work and how it should be done for this to work the best."

Off-the-shelf solutions will work for a small company getting started, but the complexity of processes increases as a company grows. If a company's workflow has to be adapted to someone else's tech, you're out of luck. Will small brokers be able to reap the benefits of the tech and get to the critical mass to use the technology? Probably not. You need a large marketplace, high ratings for service, and the ability to automate.

Massively configurable technology is what you want. Those who have built to scale and have processes and automated it are likely more competitive and successful. You have to be fairly clever with how you develop it on the back-end and make it configurable on the front-end to do what the customer wants to do.

We recently discovered one such company with nVision Global. Their [Impact TMS](#) provides the visibility and management of global shipments from creation through delivery. A company can now, in effect, integrate all the features one demands in a TMS solution with nVision Global's other technologies, such as Freight Audit and Payment, Freight Claims, and Business Analytics. They are one of the few providers we have found that can offer these solutions in a single package and still offer a configurable TMS solution that meets a user's exact needs and specifications.

While some get swept away by the hype, success will mean being able to build tech and relationships. Yes, relationships still matter. Whether amongst each other or your customers.



That's what life revolves around. That being said, tech makes people and companies more efficient, and that's the differentiator.

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David Rowan, founder and editor-at-large for Wired UK, will deliver a keynote address on Day Two of the upcoming Transparency19 conference.

Jan 23, 2019



Today's Pickup: markets mixed; stock futures rise; shutdown having big impact on U.S.

On the third day of trade talks at the World Economic Forum in Davos, Switzerland, David Carlyle said the U.S. government shutdown is having an impact on the U.S. economy.

Jan 23, 2019



Port Report: Containership company sees 'vicious cycle' playing out in port congestion

Tight supply of labor, chassis, railcars, and space all contribute to port woes. Autonomous ships coming to Norway by next year.

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FreightWaves announces strategic support for Lady Red Wolves

The partnership with the women's soccer team is about more than just paying for uniforms. It's part of a push to highlight the growing role of women in the historically male-dominated world of freight and beyond.

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