



Leveraging Logistics Communities To Find Capacity in a Tight Market



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Companies that leverage logistics communities will be able to secure much needed capacity in a tight market.

Finding truckload capacity is on everyone's minds as the capacity crunch and driver shortage worsens. In fact, the Kuebix team surveyed over 550 logistics professionals in December 2018 to find out what they believed would be the biggest challenge for supply chains in 2019 and the capacity crunch/ driver shortage easily scored the highest with 44% of the total votes.

There are a number of factors causing the capacity crunch and driver shortage. A combination of fewer drivers and more deliveries is putting strain on a system which hasn't seen major changes in 50 years. According to the Bureau of Labor Statistics, the average age of a truck driver is 55, which means many drivers are quickly approaching retirement age. Unfortunately, millennials aren't filling driver positions vacated by retiring Baby Boomers as quickly as retirements occur despite competitive pay.

The growth in popularity of e-commerce shopping has also added to the capacity crunch. There has been a societal shift where consumers have become used to extremely fast and inexpensive shipping. This trend is known as the "Amazon Effect," referring to the overwhelming popularity of Amazon Prime's free, 2-day shipping.

Today's consumers want to have complete visibility to their orders, get deliveries in record time, and pay less for shipping. Companies need to keep customer expectations front and center in their business plans, an expensive and difficult proposition for supply chains. All of these trends combine to result in fewer trucks on the road when more capacity is needed.

Fortunately, there is capacity available out there for those who know where to find it. Companies that leverage logistics communities will be able to secure much needed capacity in a tight market. The key is tapping into a vast logistics network with the ability to match freight with available capacity.

Consider Uber or Lyft's business model. These apps connect people who have cars and are willing to give rides to people who need rides. Technology powered logistics communities can work in much the same way by connecting freight shippers to carriers, brokers and fleets with available capacity. Now, instead of aimlessly calling or emailing carriers on a contact list, shippers have

a streamlined and efficient method to find trucks to move their freight.

The easiest way to integrate finding truck capacity with day-to-day logistics operations is to leverage a transportation management system (TMS) with a built-in logistics community. A TMS with a broad user base and a vast network of truckload assets can easily connect shippers with available capacity from the same platform they use to rate, book and track negotiated carrier rates.

When opportunities to collaborate are leveraged by using a TMS' logistics community, everyone wins. Carriers, brokers and fleets fill trailers that would have otherwise ridden empty and shippers speed up operations, save money, and provide better service to their customers.

The supply chain industry faces many hurdles in 2019, but companies that plan ahead and leverage online logistics communities powered by a TMS will be well-positioned to meet their customers' expectations.

Kuebix offers a transportation management system (TMS) with Freight Intelligence that enables companies to capitalize on supply chain opportunities through visibility, control and the use of predictive analytics. Community Load Match allows Kuebix users to find available truckload capacity by leveraging Kuebix's rapidly growing logistics community.

Learn more about Kuebix at www.kuebix.com



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