

# 3 STEPS

TO ACCELERATING THE  
CARRIER SALES CYCLE

WHITE PAPER

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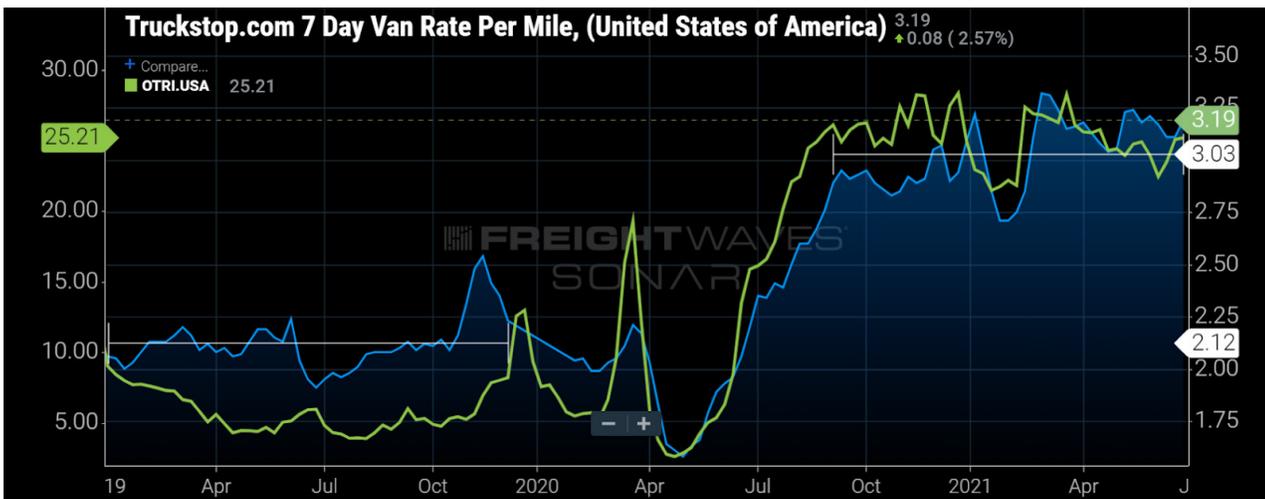
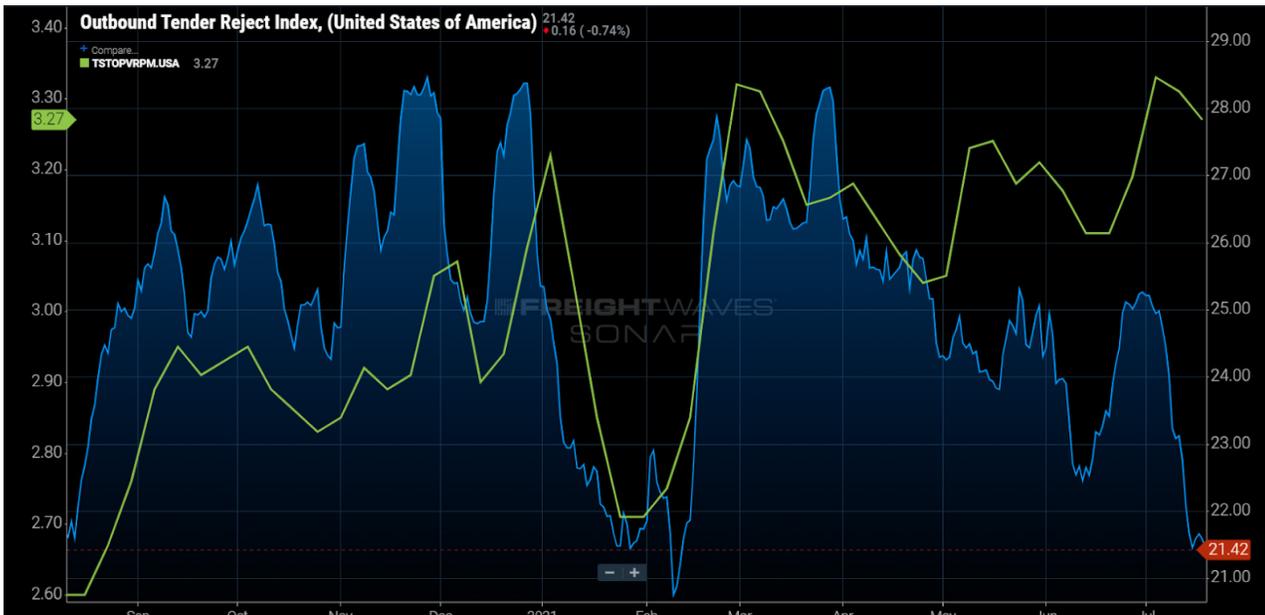
# Contents

- 3** Introduction
- 5** Intelligently automate day-to-day tasks
- 7** Use intelligence to benchmark and forecast
- 8** Evolving processes: Learning to trust the data
- 9** Customer service
- 10** Conclusion

# INTRODUCTION

Brokers have endured the high rates and thin margins of tight capacity for well over a year, while their shipper customers have suffered the ripple effects of low availability. These erratic seasonal patterns make procurement difficult, even for the most consistent carrier sales team, without the help of visibility technology and capacity sourcing tools, which allow for quick scaling up or down.

Since Labor Day 2020, tender rejection rates — the percentage at which contracted loads offered by shippers are rejected by carriers — have averaged **over 20%**, while spot rates sit above \$3 per mile on the top 100 lanes. These figures are both unnaturally high, considering that in 2019 rejection rates were just over 6% and spot rates were \$2.10 per mile.



Demand continues to outpace supply due to a number of factors

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- Strong consumer spending on goods rather than services
- The growth of e-commerce
- Low enrollment in driving schools
- Rising fuel costs



Demand continues to outpace supply due to a number of factors: strong consumer spending on goods rather than services, the growth of e-commerce, low enrollment in driving schools and rising fuel costs.

Carrier sales teams working for third-party logistics providers and brokerages are under increasing pressure to secure reliable capacity. However, continuing to rely on gut feelings and tribal knowledge to do so is proving inadequate because it's not scalable or replicable. If this protracted capacity crunch has taught the industry anything, it's that freight brokers need to equip their carrier sales teams with the consistency of intelligent data so they won't have to constantly train and hire talent with a specific kind of tribal knowledge.

Accurately measuring capacity through automation is key to maximizing margins and workflow for a broker, as well as maximizing asset utilization and minimizing service and budgetary mishaps for shippers. This white paper will detail the steps a carrier sales team should take to automate its processes, as well as the testimonials of those brokerages that have yielded better carrier relationships and profit margins.

# #1

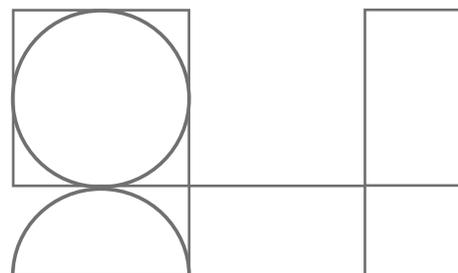
## Intelligently automate day-to-day tasks

In this competitive market, rate increases are exacerbating thin margins, and consumer expectations for fast delivery trickle up to the carrier sales teams, which must satisfy those expectations under impossible circumstances.

Adding more team members is simply not an option for most brokerages. More brokerages are turning to automation through capacity tools as a way to do more with the same number of people — and even help the brokerage scale. Automation, however, forces a brokerage to rethink those traditional manual processes.

“When the business of brokerage can actually stop the old-fashioned process of picking up the phone or going to your address book or traditional emailing and actually consider: Who do I want to target? When do I want to target them? Why do I want to target them? What’s the impact for my business? Then we can see the wheels starting to turn faster and brokers getting more quality responses instead of mass mailing offers and hoping for the best,” said Xavier Bignon, senior product manager at Descartes MacroPoint.

Automation capacity tools, like Descartes’ MacroPoint Capacity, allows a broker to see assets throughout the U.S. A broker might have a load that needs covering and sees five assets surrounding the load’s geographical area. On the platform, the brokers can differentiate between carriers they’ve done business with, those they haven’t and which carriers are the best fit based on a set of historical parameters. This enlarges their prospective network when, say, the broker reaches out to the unknown carrier that has historically run that lane and makes an offer. This allows the broker to apply some competition on rates, target new business, and essentially, take back control. Leveraging the MacroPoint Capacity network data, they can also benchmark their position against the rest of the competition.





# #2

## Use intelligence to benchmark and forecast

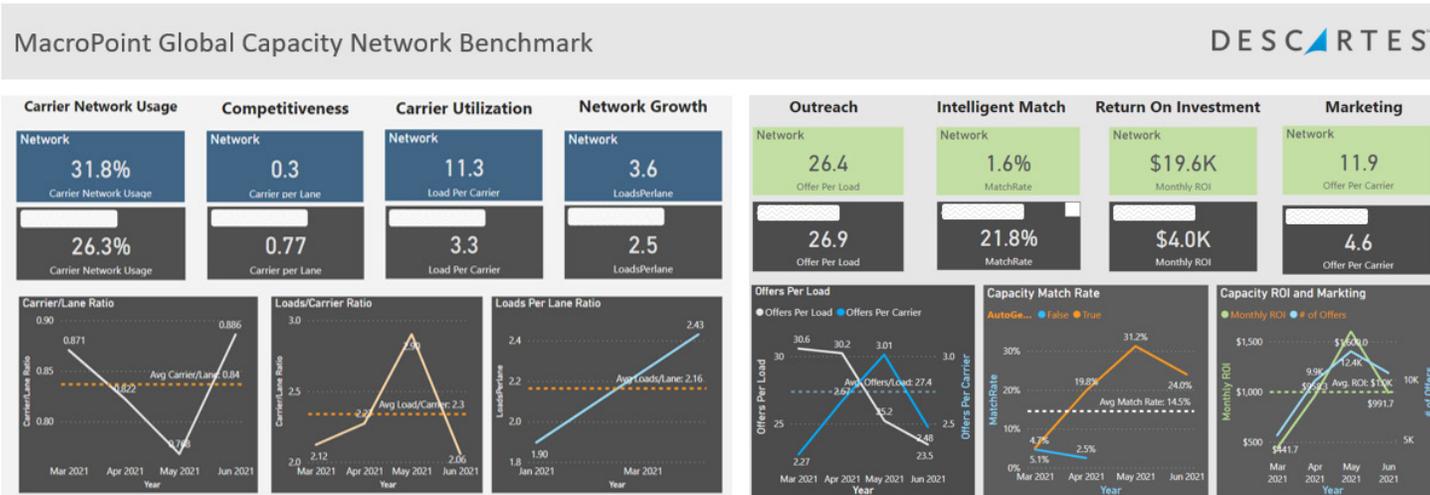
“Our network already has over 253,000 carriers onboarded and they cover over 1,000,000 lanes, which is virtually 100% of U.S. lanes moving freight” said Maxwell Lloyd, senior manager of product marketing at Descartes.

“The historical data within the system allows carrier sales teams to evaluate carriers on their lane history and where they’ve operated. It enables teams to forecast, plan and book capacity up to seven days in advance by evaluating what they have in the pipeline.” The MacroPoint global capacity network data enables brokerage teams to go beyond their own boundaries and understand how the competition is operating on key capacity metrics.

As brokerages begin using trustworthy data gleaned from validated assets in motion, they are able to build intelligence around the network and benchmark against competitors for more informed decisions and forecasting. Knowing the numbers of carriers per lane and carriers per load allows brokers to choose the best time and place to execute transactions.

Armed with this validated data, they can adjust their approach, change their outreach strategies and better forecast their workload.

Having access to indexes specific to capacity management, as illustrated in the chart below, allows the carrier sales team to see how their outreach strategy compares against industry standards for other freight brokers and 3PLs. The carrier-per-lane and carrier-per-load data allow the carrier sales team to choose the most efficient time and place to execute transactions.



# #3

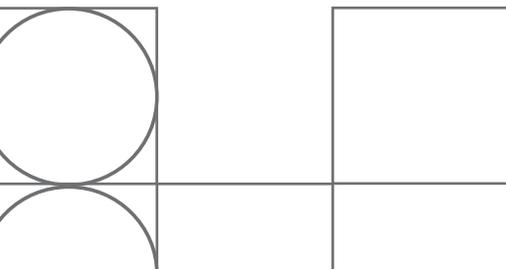
## Evolving processes: Learning to trust the data

The amazing truth is that automation technology, with the help of robotic processing automation, machine learning and artificial intelligence, can **process millions of data points every night**. When the carrier sales teams begin to trust the tool and its output of intelligent data, they can help the business scale more strategically.

“The brokerage organization needs to accept that automation can cover some of the traditional processes, so the sales team can leverage that same time to invest into more complex or the challenging parts of the business,” said Big-non. “Essentially, brokers can leverage the data to improve marketing strategies and target specific customers, instead of all of them at once.”



When small or mid-sized brokerages onboard a capacity automation solution, the next step is to brainstorm how their historical processes around capacity procurement can be adjusted to set both the team and the tool up for peak success. Understanding how the capacity automation solution integrates, supports, transforms and elevates the carrier outreach and sales processes is critical for an organization to successfully migrate toward a “Logistics 4.0” environment.



# CUSTOMER TESTIMONIALS

## Sunset Transportation

Sunset Transportation is a privately owned 3PL that supports multimodal logistics and freight spends of all sizes, but today's volatile and tight capacity market emphasized that phone calls, load boards and emails weren't sufficient processes to keep up with demand.

Sunset implemented AI-driven Descartes MacroPoint, a real-time freight visibility and automated capacity matching solution, which fully integrated with its transportation management system.

"By exponentially expanding our trusted network through the carrier network, we're using Descartes MacroPoint to cover as many as 12 loads per day and have activated approximately 4,500 carriers to date. We save time and money through better

rates, fewer deadheads and more backhauls," said John Sutton, manager of business analysis at Sunset Transportation.

After implementing MacroPoint, Sunset went from handling 200 loads per month in 2019 to more than 670 monthly loads in June 2020. The ramped-up volumes are driving its bottom-line growth. Descartes' solution helped reduce time-consuming phone calls by 60%.

"A critical part of order life cycle management is the ability to get as much information as possible about a load's status at a glance. This is where Descartes MacroPoint really shines," Sutton said.

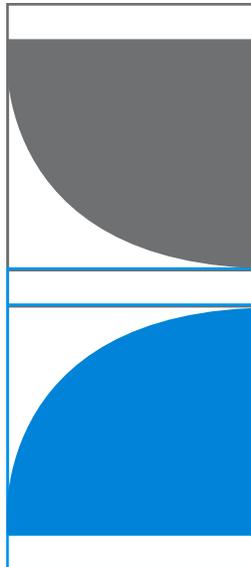
## Performance Logistics

Utah-based 3PL Performance Logistics specializes in refrigerated freight and through 2020 was using a load board, **but 10% of the time the carriers didn't show up.** Finding last-minute alternatives was costly, and ultimately, Performance Logistics realized the load board made it hard to control capacity and margins. To keep better pace with its substantial year-over-year growth, it deployed Descartes MacroPoint, which helped its team consistently source validated carriers at competitive rates.

"It's in our company DNA to never give back a load, even if the load isn't profitable in the end. The Descartes solution helps us find coverage in order to reduce margin loss and ensure a satisfying customer experience," said Eric Riddle, chief operating officer at Performance Logistics. "We love the auto offers feature. We're getting call-ins and email responses before our employees even know that they posted the shipment."

Descartes MacroPoint allows brokers to strategically target carriers based on rankings and forward-looking capacity, which prevents all in-network carriers from receiving unnecessary emails. It can now convert its dynamically sourced lanes to strategically sourced lanes, giving priority to those strategic partner carriers.

"Carrier relationship building is integral to our business and Descartes MacroPoint has been a critical tool for accomplishing that goal," added Riddle.



# Conclusion

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Brokerages and 3PLs are increasingly responding to the unprecedented tight capacity by turning to automated capacity-matching solutions. As they automate those day-to-day tasks — load boards, calls and emails — carrier sales teams can then target the best carriers for the market and lane, as well as extend their carrier networks five, ten or even twentyfold.

On an AI-driven platform like Descartes MacroPoint, trustworthy data allows brokers to then benchmark against competitors and forecast up to seven days in advance. However, true digital transformations inside a brokerage must transcend the actual tool. Brokers must consciously relinquish the stronghold that tribal knowledge and gut feelings have on the procurement process. Only then can carrier sales teams thrive alongside next-generation technology as they apply their efforts strategically to help their organization deliver and scale.