CHECK YOUR REARVIEW:

Five Key 2021 Freight Management Takeaways that Should Influence Your Plans for 2022

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TECHNOLOGY

October has seen a record rise in backlogs of work as businesses struggle to meet demand amid supply chain bottlenecks and labor shortages, IHS Markit said in its Oct. 22 flash purchasing managers index (PMI) report. This widespread supply chain disruption is a leading factor in why shippers should expect and prepare for strong demand in at least the first half of 2022, according to the Journal of Commerce (JOC).

Understanding critical issues and takeaways from the previous budget cycle or calendar year will help you prepare and adjust your processes to accommodate those disruptions within the supply chain.

Those adjustments, often made during times of turmoil, lead to changes within your organization, that if made, could reduce inefficiencies, streamline processes, and control costs for the coming year. It is important to take a look back on the top challenges you have faced in 2021 to influence your plans for 2022.

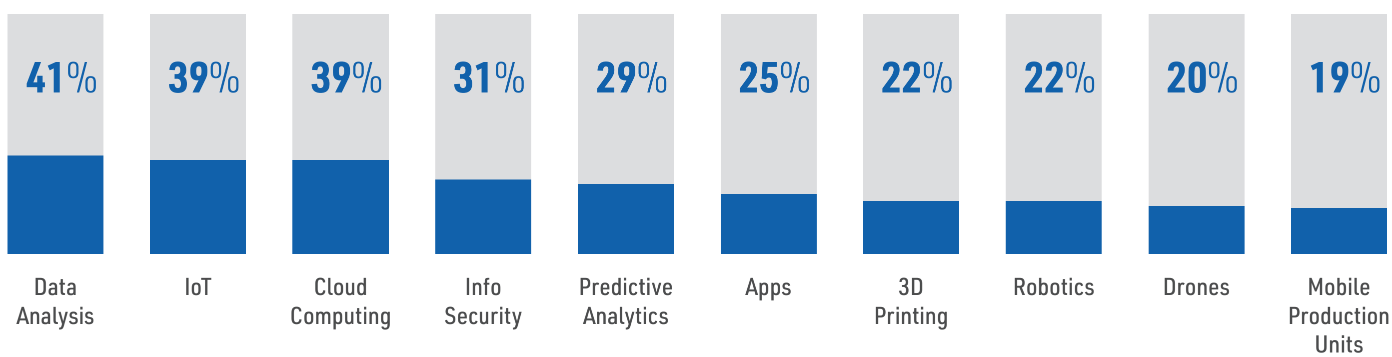
THREE Key Supply Trends You Should Know

1 Supply chain areas with highest outsourcing

Source: SupplyChainDigest

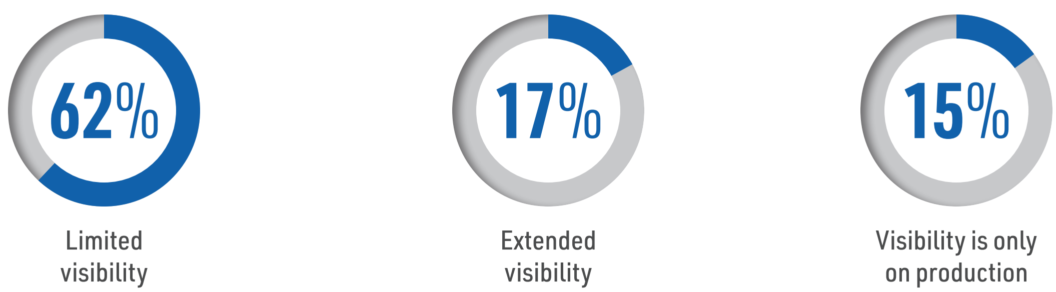
2 Technologies that are becoming a priority in the supply chain industry

Source: GEODIS



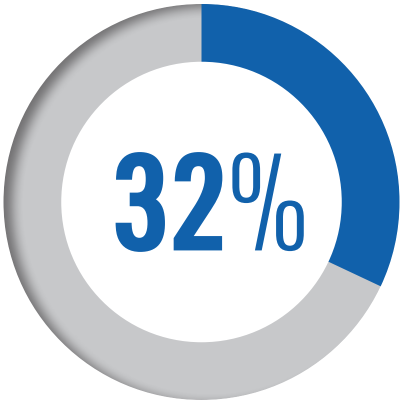
3 Extent of supply chain visibility among organizations

Source: GEODIS

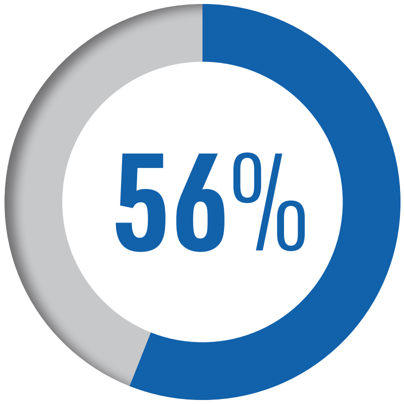


Supply Chain Distribution During the Pandemic

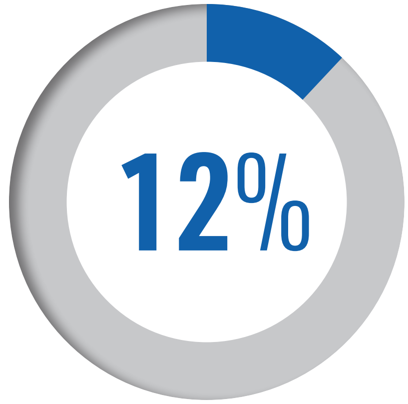
Source: RetailNext



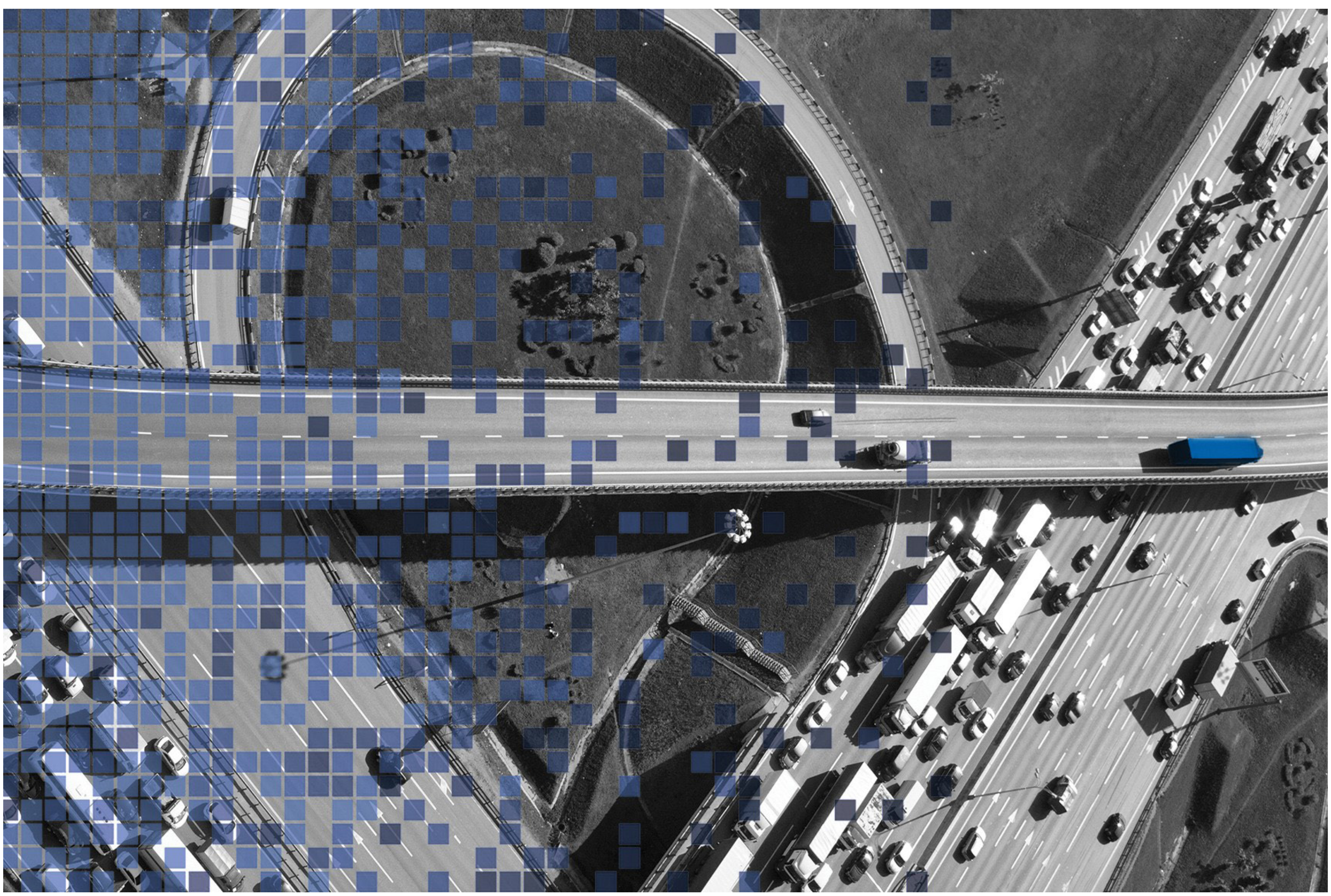
SCM professionals that experienced **little** disruption



SCM professionals that experienced **moderate** disruption



SCM professionals that experienced **heavy** disruption



Top 5 Takeaways from 2021 and Projections for 2022

1. MANAGING CARRIER CAPACITY ISSUES

Takeaway: Capacity will eventually catch up to the demand, but it will take some time. According to the JOC, truck capacity increasingly is expected to remain tight, with trucking companies struggling to hire truck drivers and original equipment manufacturers (OEMs) only slowly overcoming supply chain disruption to bring production of trucks and trailers to higher levels.

Projection: To prepare for 2022, you must rely heavily on technology for increased operational efficiency, enhanced visibility, automation capabilities, and real-time notifications. Analyzing your shipping data also will help you forecast the likelihood of possible capacity constraints and interruptions by providing you with the information you need to make better operational decisions. And if you partner with an effective tech solution, that data should be available to you in real time. A tech partner that is constantly innovating and adding features is your best option for navigating any shipping environment… even those you can't plan for.

2. CONTROLLING SHIPPING COSTS

Takeaway: Rising carrier costs directly related to capacity constraints and elevated fuel costs are making it difficult for shippers to control their own shipping costs. The JOC says shippers are preparing for another year of elevated less-than-truckload (LTL) rates and tight capacity, as a 2022 surge in demand from consumers, retailers, and manufacturers looks increasingly likely.

Projection: The unique time our industry is facing has made one thing clear, dynamic pricing, rarely found a year ago, is now a reality. You can save valuable time and money through the automated responses and actions that technology, specifically API integrations can execute. By syncing your freight spend solutions with technology, you can make data-backed decisions; settle disputes, automate auditing, and improve cash flow through a data hub that is accurate and transparent.

Look for new opportunities to control freight costs in 2022. Knowing what capacity is available and retrieving competitive carrier rates in real-time is a game changer in keeping shipping costs down. The adoption of a technology platform with integrated API connectivity can help you identify capacity and choose a carrier that will move your shipment on your schedule and within your budget. Having more carrier options through your freight pricing technology provider will help minimize the struggle.

3. MULTIMODE SHIPPING NEEDS

Takeaway: It is often necessary for you to utilize different shipping modes to meet your customer's needs. But with each – TL, LTL, parcel, and final mile – comes different processes and challenges. It also requires using different systems or solutions to tender a shipment, making it an inefficient and expensive process for some.

Projection: In today's world, there are numerous ways to ship your company's freight that it can be a daunting task to ensure you make the right call when it comes to moving freight. However, determining the correct shipping mode can have many benefits for your company, including cost-savings, operational efficiencies, and improved customer relationships. But how do companies determine the best mode for shipping their freight?

- Full truckload shipping is used for very large shipments, often more than 15,000 pounds and that would require the use of a full semi-truck/trailer. This mode can be cost-effective because it is generally priced by miles instead of density.

- LTL shipping happens when multiple companies share space in the same truck/trailer. Companies basically lease space on a truck for their freight. Because the company isn't paying for the whole truck, they split the cost, resulting in less freight spend.

- Parcel shipping, also called small packer or small pack, is meant for freight that weighs less than 150 pounds and that can be moved easily and quickly.

- Final mile shipping is the movement of goods from a transportation hub or warehouse to their final delivery destination.

A technology solution that supports your needs across multiple channels can prove invaluable when it comes to managing your logistics needs. Partnering with a technology resource who can help with all modes is critical to remaining competitive. Find one that offers a collaborative approach and can assist you with planning for disruptions within the supply chain. An effective technology partner is equipped to create affordable, customized, and easy-to-implement solutions that address any gaps in your processes and help your business grow.

4. FREIGHT BILL MANAGEMENT

Takeaway: Freight transportation is typically the single-largest cost component of supply chain management. The payment of freight bills is one area that needs to be scrutinized on an almost daily basis. It can utilize a lot of resources within your organization or can be outsourced to a third-party auditor. Either way, the process can be inefficient and costly, but it is necessary to prevent and identify freight bill errors.

Projection: Exception management is the best way to streamline your freight bill process. Employing an automated technology solution that provides you with the tools needed to identify and manage these types of errors and exceptions will free up resources and help you save on the costs associated with using a third-party auditor. Flagging variances between the booked and billed carrier charges also will provide you with the visibility to prevent overpayment.

According to a recent study, only 17% of freight invoices are accurate. That is an alarming statistic and proves the importance of properly auditing and handling your freight bill management. Additionally, the study found that 53% of bills are invoiced at too high a rate while 24% are not consolidated. Yet, companies need to pay their freight bills on time to become "shippers of choice," a designation that helps them secure carriers and move freight reliably.

Implementing a transportation management system equipped with APIs is a great place to start in automating your freight bill management process. With the data collected, your company will be able to increase efficiency and make better decisions regarding all aspects of freight management including auditing and billing.

5. DEPLOYING UPDATED TECHNOLOGY

Takeaway: The competition has embraced technology solutions to help plan for disruptions and overcome challenges within the supply chain. If you are not taking advantage of the efficiencies and real-time information transfer technology brings to your company, you are already behind. The more digitally savvy shippers will navigate the current supply chain environment most successfully and will be able to better manage disruptions.

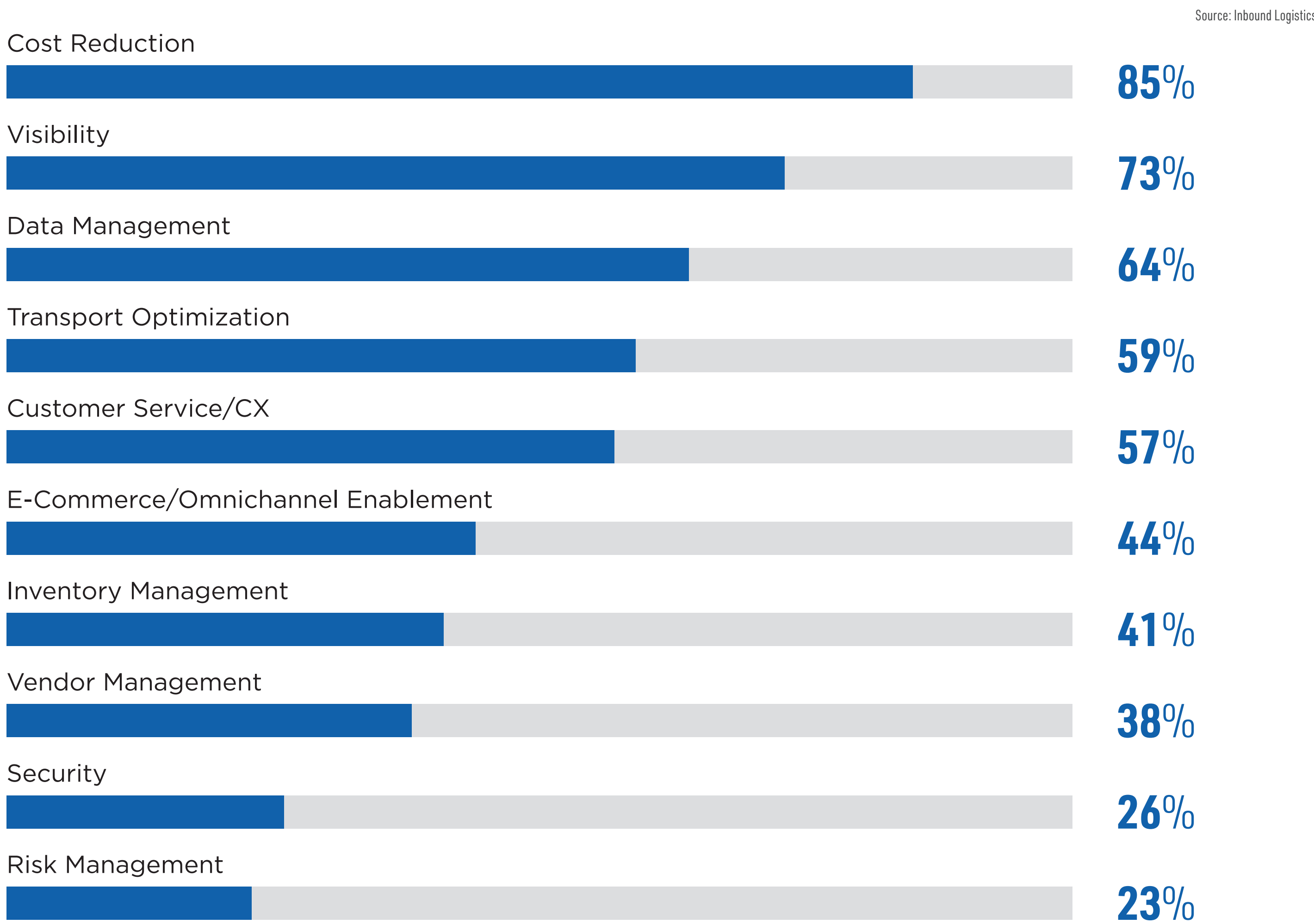
Projection: Shippers who are digitally savvy and have embraced technology solutions fare much better during disruptions within the supply chain than those who rely on manual operations. As labor remains tight and the need for speed and accuracy increases, automation is the obvious answer.

Applications and solutions that use APIs allow the shippers' system to communicate directly with its carriers' system. Through APIs, shippers have real-time access to their preferred carriers' rates, allowing them to compare prices and book loads in seconds. Additionally, through APIs, all of the documentation is uploaded and stored in the system by order number for all parties to track and utilize the data. This is a huge benefit when dealing with supply chain issues, not to mention it reduces human error and loss or mix-up of paperwork.

Future of Freight Management

With great challenges come new ideas and solutions. Industry experts predict that the future of freight management will be dependent on some of those solutions developed in this current shipping environment that will remain in place as the supply chain volves and adjusts.

Transportation/Logistics Challenges Most Critical to Customers



Industry experts are optimistic about the next 12-18 months for those shippers who are willing to embrace technology solutions. But it's not just about adopting any technology. To remain competitive and efficient, you need a partner that is continuously upgrading and evolving its solution to adjust to your needs. Forward-thinking shippers are continuing the push and speeding up the adoption process. Those who don't digitize could find it harder to compete with a rapidly increasing divide from those that are already enjoying the benefits.

Ultimately with freight digitization, you can have better information, make better decisions, streamline processes, and improve relationships. It's not about doing the same thing only faster. It's about transforming what you do and how you do it. Advances in technology, in addition to capacity solutions and partnerships, will play an important role in 2022 as you begin to emerge from the current industry constraints.

Why Banyan Technology and LIVE Connect™?

Banyan Technology continuously innovates and creates flexible client solutions to solidify our position as North America's top transportation management technology partner, providing better data for better freight management. We constantly focus on innovating our technology to better unite shippers and 3PLs with highly efficient, real-time carrier data. Our flexible solution, LIVE Connect™, is designed to provide optimal client benefits based on their unique business needs, not just for LTL shipping, but in TL, parcel, and final mile shipment modes as well.

We continuously update our API connections and develop new product solutions for our TMS, providing innovative new tools developed in collaboration with our valued clients. We add these new features to LIVE Connect™ to help our clients get the best carrier rates, effectively manage their overall spend, efficiently tender shipments, toggle between shipment modes, and enable tracking notifications. We have the most carrier connections in the industry available through our APIs, more than doubling the number of any other freight rating provider in the industry. We continue to add more connections as the need arises.

> ***"Both QuickShip™ and the Load Import Tool™ are examples of Banyan's 'client-centric' approach to business. We collaborated with our top customers to identify their key challenges and worked together to provide solution that reduces current freight spend," said Brian Smith, CEO of Banyan Technology. "We will continue to innovate and ensure we are delivering the best solutions rom the best people for our clients."***

Freight Bill Management (FBM) and the Lane Restrictions (LR) tool are features of Banyan's platform and can aid in the challenges within the supply chain. FBM is designed to audit and manage your freight bills. Specifically, it automates reporting to only include exceptions, like flagging any differences in quotes and what the carrier billed. This frees up your internal resources to focus their time on invoice exceptions rather than having to review all of them. It also eliminates the need for third-party auditors and helps identify pricing miscalculations to better plan for future shipments.

LR allows Shippers to restrict rating quotes from specific carriers or based on certain parameters. For Shippers, they use Lane Restrictions to limit a carrier's ability to service defined service areas where the carrier is either refused by the client and other factors. 3PL clients can use this tool to help align the carriers they use to service specific customers. This is particularly important now with managing the embargoes carriers have placed on weight or certain areas and locations.

Additionally, Banyan recently added QuickShip™ to its suite of integrated features. This tool streamlines data entry in as few as 5 data points and steers efficiencies by giving access to clients' suppliers and other decentralized users to ensure their contracted carriers are utilized in the most efficient manner. Clients involved in the beta testing of this product experienced a savings of greater than 10% on their inbound freight spend using QuickShip™.

Early 2022 LIVE Connect™ features will include Multimode and Push Tracking Notifications. Shippers will be able to book loads for LTL, TL, parcel, and final mile all on one screen in Multimode and have even more visibility into their shipments through real-time updates and notifications sent directly to them with Push Tracking Notifications.

By continuously innovating, Banyan has developed a client-centric platform that keeps Shippers prepared for fluctuations in the supply chain landscape. Our LIVE Connect™ platform is built for savings, efficiency, and streamlining processes to make your business profitable and eliminates the outdated methods of managing freight spend.

Banyan is connected to more than three times the carriers than any other provider, granting customers access to their preferred carriers. We continue to add new connections as needed, including local, regional, and super-regional carriers. Offering the largest grouping of carrier APIs in the industry allows our customers to purchase freight at competitive prices while carriers win the additional freight they need.

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