BANYAN®
TECHNOLOGY

MAXIMIZE EFFICIENCY AND PROFIT

BY UPGRADING YOUR OUTDATED FREIGHT MANAGEMENT TECHNOLOGY

THE WALL STREET JOURNAL.

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According to the Wall Street Journal, as few as 40 percent of transportation companies have switched to digital systems and processes. Historically, the transportation logistics industry has struggled with maintaining a clear path forward in the areas of technology or innovation, and traditional, outdated methods of doing business have slowed growth and profitability across the industry.

Some companies looking for significant advancements in their efficiencies, ultimately driving their bottom line, have already seen the value in digitizing their supply chain, moving away from costly manual processes and manual batching. However, others who have been slow to adapt, are just now being forced to look at systems and technologies that will help them stay competitive in this ever-evolving industry.

For shippers, third-party logistics providers and carriers relying on technology to improve their way of doing business, reducing human error, maximizing profits and creating operational efficiencies, there are a number of places to start innovating and bringing digital to the forefront of the operation.

It's time to update outdated technology. The good news is, there are options out there, and one of them is perfect for you depending on where you are on the spectrum of transitioning manual to digital solutions for your logistics management.

ADVANCEMENTS IN TECHNOLOGY

In recent years, technology has made an indelible mark on the transportation logistics industry. From the acceleration of freight-pricing APIs to artificial intelligence and freight bill management, there are a number of modern solutions that can easily be integrated into already existing platforms, like enterprise resource and transportation management systems. Yet, there is slow adoption of these technological innovations across the industry that, if ignored over the long term, could result in negative consequences.

If your company is struggling with upgrading your systems with new advancements, consider the following:

- Are you lacking real-time visibility and information about your freight?
- Do you have a backlog of paperwork or a team of people working tirelessly to process paperwork or phone requests?
- Are you continually experiencing hardware malfunctions?

If you answered yes to any of these questions, then your company is past due for a technology upgrade. In this second part of our three-part series, learn what updates your company can make to ensure your outdated technology isn't holding your company back. (If you are still struggling with getting technology up and running, check out our first guide in this series "Partnering Makes Perfect: Create the Ideal Freight Management Technology Environment with the Help of a Solutions Expert.")

UPDATE THE OUTDATED

If you haven't made the switch to a technology system to eliminate the manual processes such as calling carriers for quotes, using static routing guides, managing shipments and invoices via Excel documents and not having access to real-time data, then it's time you took a serious look at your options to positively, and dramatically, impact your bottom line. Some updates to outdated technology are very affordable and can be easily transitioned and integrated in order to minimize downtime and delays and maximize the impact to your organization.

Real-time APIs vs. Routing Guides.

Printed, static documents that lay out specific guidelines and rates for carriers and shippers are outdated almost as soon as they are printed. Routing guides are typically drafted once a year establishing costs for a shipper's estimated freight for that entire year based purely on projections. Guides are also not flexible and are unable to adapt to market changes, meaning the prices that carriers agree to in the guides are higher for freight and lanes 'just in case' things in the market change throughout the year.

Switching to a more dynamic pricing model that incorporates real-time freight-pricing APIs gives shippers an easy way to quote freight rates as needed. They essentially create an automated routing guide that compares carriers' rates for each load, on one screen, in real time.

Live Data via API vs Electronic Data Interchange (EDI).

EDI technology electronically transfers data from one system to another enabling companies to send large amounts of data in a secure environment without human intervention, increasing supply chain efficiency. However, EDIs have many limitations, including processes that send information in timed batches, making many shipment documents out of date by the time they are received. They are also complex to set up and susceptible to frequent break-downs, resulting in higher maintenance costs and down-time.

The newer alternative is cloud-based APIs that allow for all of the same sharing of data and services in real time. In addition to freight rates, APIs can automatically tender shipments to carriers and relay the carrier's confirmation back to the shipper offering increased freight tracking and visibility throughout the supply chain.

EDI VS. API COMPARISON

	EDI	API
Integrate into existing TMS	☑	☑
Real-time transfer of data	☐	☑
Quick integration process	☐	☑
Request spot quotes	☐	☑
Confirmation of data exchanges	☐	☑
Accurate and fast billing	☐	☑
Load tracking updates	☐	☑

WHY FREIGHT-PRICING APIS?

Freight-pricing APIs allow companies to integrate shipping, rating, tracking and visibility directly into their existing systems/platforms to share data along the supply chain, thereby improving the entire shipping process. For companies without existing transportation management systems, APIs can be used through the provider's user interface.

The top 5 benefits of using APIs are below.

Access to information in real time.

APIs are seamless integrations that operate and update in real time, so as carriers change rates, the information is shared immediately. Companies using API aggregation platforms have immediate access to hundreds of carrier APIs and can access their preferred carriers' rates in real time, in one place, as well as book the shipment and process all the paperwork. APIs also help flow information throughout the supply chain, benefiting each company along the way with instant updates, tracking and visibility.

Increased efficiency.

By automating a number of administrative tasks, such as requesting quotes, submitting yearly RFPs, manual tracking and document retrieval, APIs create operational efficiencies such as freeing up personnel to be refocused on more important tasks that can increase the overall efficiency of your company.

Improved cost-savings.

APIs allow you to send freight quote requests to multiple carriers at the same time, receiving immediate responses and enabling you to choose the best option for your needs. Dynamic pricing models offered in APIs also share information on lane rate reductions or discounts and additional fees such as accessorial or fuel charges, which could increase the price on some carrier options. Additionally, companies pay a licensing fee to access APIs whereas EDIs charge for every single transaction. If you ship a lot of loads, the API licensing fee will only be a fraction of what you pay in EDI costs.

Improve decision-making with better data.

Access full shipment data in one place to help make better freight management decisions with the data you glean from using an API. This helps your company evaluate carrier or lane performance, freight rates, delivery status and more, providing an avenue for better negotiating with carriers in the future.

Enhanced billing accuracy.

Because APIs handle everything in real time with accurate information for each load (such as freight weight, accessorial fees, fuel charges, etc.) there is less error in billing, saving your company on audit expenses. Having access to all of the shipment documentation available through the API in real time, your company can process bills faster, decreasing your time of reconciliation and putting money back into your business at a quicker rate.

INCREASED VISIBILITY TO BETTER MANAGE YOUR COMPANY'S FREIGHT SPEND

It has been proven that adopting advancements in technology to create internal efficiencies help companies save money through both direct and indirect savings measures. The effective management of indirect costs can drastically impact your bottom line, but it's the direct costs associated with managing your company's freight spend that make the biggest impact on profitability.

Increasing visibility with real-time pricing, data and analytics helps you adjust to changes in the environment that could impact your freight spend with unscheduled and unaccounted for changes in rates, routes and carrier availability.

Managing your company's freight spend can become easier and more efficient by investing in a transportation management system that increases visibility and transparency into freight costs and shipping options. Consider the impact digitizing your current processes could have on your organization by adding visibility into your freight management, improving internal processes and freeing up valuable time among your team to focus on more profitable tasks.

BENEFITS OF UPGRADING OUTWEIGH THE COSTS

It has been proven that adopting advancements Of course, technology upgrades have an investment cost that your company must consider when determining how to innovate and digitize your processes. However, depending on where you're starting from and how incrementally you can make the necessary updates, your company can begin making immediate progress towards automation with a longer term plan for complete innovation as the driving force to increase profitability.

If you consider the manpower and hours involved in putting together a routing guide, the cost of API integration and the benefits derived from it are lingering for years to come, far outweighing the initial cost. If you already have a TMS in place, it's important to know that integrating APIs are easy and fairly inexpensive and can be used immediately. Also, depending on your current situation, while circumstances vary, it's not unusual for organizations who embrace a technology solution such as integrating APIs to see an average of 10% or more, per year, on their freight spend.

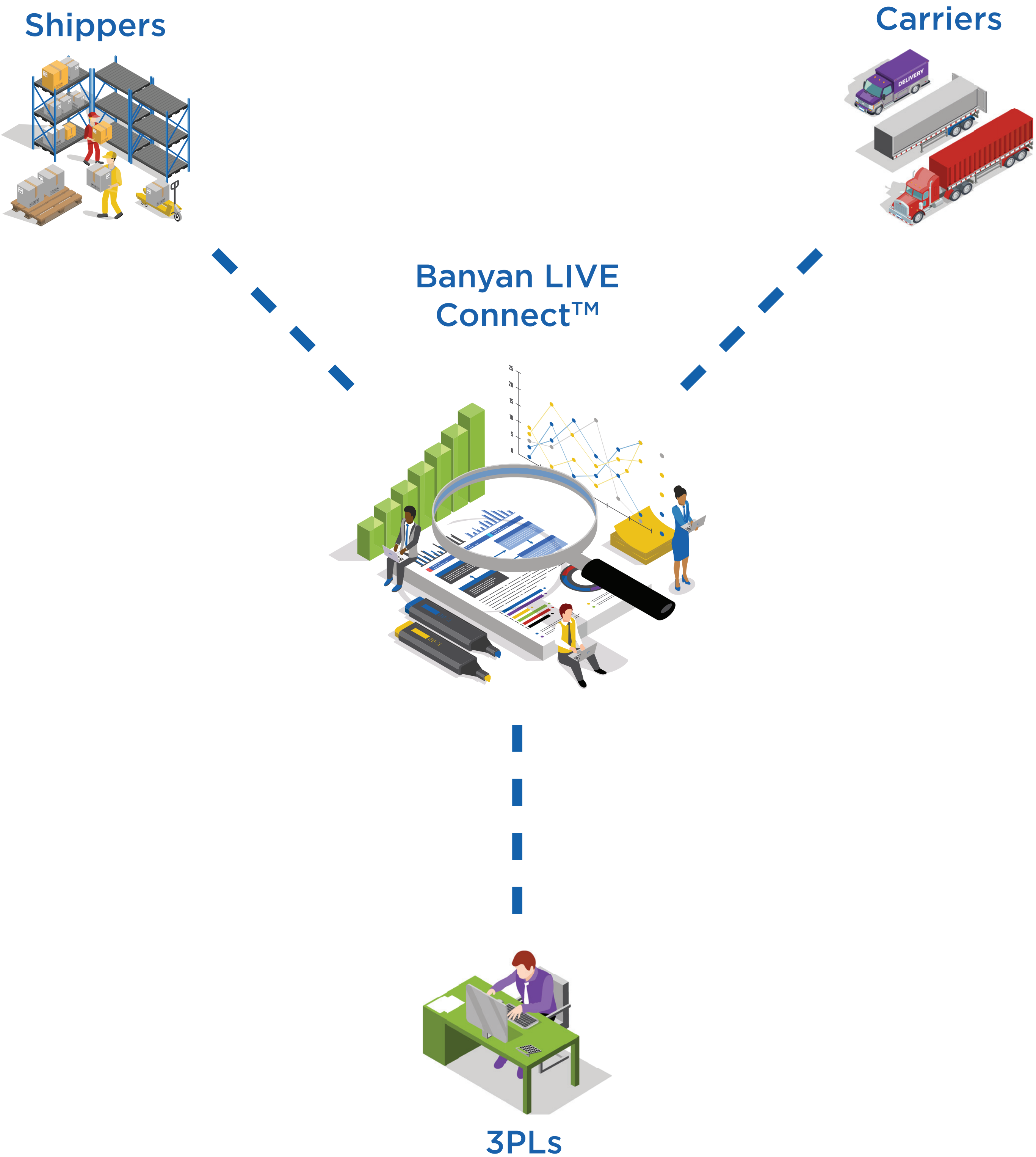
The results of updating your outdated technology will be positive and will set you up for future success as the industry keeps rolling towards digitization. Now is the time to start your pursuit of efficiency, cost savings, real-time information, better data and increased billing accuracy.

In part three of this series, we'll discuss the keys to evaluating and choosing the right tech partner to help with transitioning your company's current processes to a more efficient and profitable technology solution.

ABOUT BANYAN

At Banyan Technology, we are creating a unified force – connecting shippers, 3PLs, carriers and supply chain partners and empowering everyone with unprecedented intelligence and actionability.

As North America's leading provider of live carrier and API connectivity for transportation management, we provide real-time intel, actionable insights and instant access to opportunities that drive greater operational efficiencies and create significant value for your bottom line.



INCREASED CLIENT SAVINGS THROUGH DIRECT DOLLAR SAVINGS AND DRIVING EFFICIENCIES

PARTNERING WITH OUR CLIENTS – FOCUSING ON FLEXIBILITY AND CREATIVITY – CREATING THE MOST BENEFICIAL RELATIONSHIP, SERVICE AND SUPPORT

#1 MOST COMPREHENSIVE CARRIER CONNECTION PLATFORM

"Whether we do 9,000 invoices a month or 11,000 invoices a month, not having to have personnel to shop each one of those loads to make sure we get the best price is a huge cost savings for us."

– Patrick Kirbow, VP of Operations, Star Pipe Products

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CONNECT WITH US

Contact us today and a Banyan logistics specialist will arrange a no-obligation consultation.

Schedule a Consultation
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