

NEXT: Connecting shippers and carriers

fleetowner.com/operations/article/21133437/next-connecting-shippers-and-carriers



The vast majority of trucking companies are small; most have six trucks or fewer, noted Gary Kendle, head of operations for NEXT. So it's difficult for companies of that size to attract freight from shippers without a broker, he added.

“We thought there had to be a better way, so we created a two-sided marketplace, where vetted, professional drivers can access freight from some of the world’s biggest shippers,” Kendle told *FleetOwner*. “Today, we have around 16,000 drivers in our market, and we’ve been trusted to move goods for eight of the top 10 shippers in America.”

NEXT is a trucking technology platform that aims to connect shippers with owner-operators and small fleets. It offers an end-to-end logistics solution that combines a freight marketplace with company drivers and partnerships to provide services for drayage, over-the-road, and transloading.

Kendle recently discussed with *FleetOwner* the importance of establishing clear standard operating procedures (SOPs) between carriers and shippers, how automation can help limit the risk of human error associated with manual data entry, and how shippers and carriers can mitigate some of the challenges prompted by the COVID-19 pandemic.

***FleetOwner*: What are some best practices for kicking off a successful shipping relationship?**

Gary Kendle: There are a few critical issues that need to be addressed in an onboarding situation. Some of them are basic: when will an invoice be sent, who will it be sent to, what information does it have to include, and when is it due? In an industry where a BCO

[business capacity owner] can have hundreds of carrier relationships, these aren't small details; they are table stakes. In an escalation process, identifying who a shipper should reach out to for exception management should also be included in the onboarding process.

Beyond the basics, it's essential to identify what information should be shared and at what point. Shippers are adjusting their employee scheduling to match available workers with delivery times, meaning that proactive communication is more critical than it has ever been in transportation.

FO: What are some of the biggest challenges that come up between shippers and carriers, owner-operators and fleet dispatchers?

GK: Logistics and transportation professionals trade in exceptions. Whether it's mother nature throwing a monkey wrench into the best-conceived plans or a traffic accident preventing goods from arriving on time, nothing in the supply chain will ever be "ideal."

This means having open lines of structured communication is critical. At the same time, institutional knowledge is also critical. Shippers don't want to discuss their exceptions with someone who's got no context available. We believe having small teams of dedicated account support is the right way to approach this issue. We have redundancy in case someone is unavailable, but also ensure that the first person who answers a call can handle almost every exception.

We're also trying to eliminate the need for a "first call" by building processes and procedures that proactively alert customers to possible exceptions. These are, for the most part, driven by individual shipper needs, which are discussed in the onboarding process. For instance, shippers who try to align their warehouse staffing around when trucks will arrive may require updates if a delivery is a half hour behind, whereas other shippers are more flexible. It's critical to find the "right level" of transparency.

FO: How does establishing clear SOPs align shipper success with carrier abilities?

GK: Everything should be documented into an SOP that's shared between the shipper and the carrier. These SOPs can serve as a source of truth when exceptions occur, but perhaps more importantly, shippers always know how to address issues. Sometimes, knowing which phone number to call is enough to solve almost all of the problems that occur.

Beyond the basics, SOPs can establish how delivery orders are made. Many large shippers prefer to send their requests in digitally - including a "how to" in an SOP eliminates opportunities for a shipper to send an order into [cyberspace].

FO: How can technology be used to eliminate calls that add length to the process of solidifying a shipper/carrier relationship?

GK: The aim shouldn't be to minimize calls; it should be to maximize the value of information shared on calls. Shippers and carriers can use everything from spreadsheets to Slack [an online messaging tool] to give and get proactive updates.

One of our marketing people is fond of asking, "Could this meeting have been an e-mail?" If the answer is "yes," then there probably isn't a need for a call. However, when the answer there is "no," calls make sense.

Proactive automated outreach can also be incorporated and should be based on the onboarding discussion that creates an SOP.

FO: How can automation help limit the risk of human error associated with manual data entry?

GK: Automation doesn't necessarily need to mean trucks driving themselves, or robots taking containers off of steamships. Optical character recognition (OCR), essentially, the combination of computers and cameras being used to read and share data, can add tremendous flexibility to the supply chain.

NEXT was actually created based on a story of human error. A trucker in a transloading space couldn't find the trailer he was looking for, losing hours of time looking before finally giving up and calling his dispatcher, only to learn the sheet of paper he had the trailer number on was wrong. Incidents like this are incredibly common.

By using OCR technology, shippers and carriers can mitigate inefficiencies across the supply chain. These can be small victories, like a person in accounts receivable at a shipper seeing a signed proof-of-delivery and knowing exactly whose signature is on the piece of paper to avoid an unnecessary dispute. They can be bigger as well, such as having 1,000 orders uploaded to a shipping portal in seconds.

There's a fear throughout the shipping industry that "automation" means replacing people with machines. Our belief is different. We believe automation allows people to avoid some of their most menial day-to-day tasks, so they can focus on activities that meaningfully impact the bottom line.

FO: How can shippers and carriers mitigate some of the challenges brought on by COVID-19?

GK: There's never really been an issue, or series of issues, like the one COVID-19 has created. Yes, there have been plagues and pandemics in the long history of global shipping, but there's never been anything quite like this when "just-in-time" supply chains and Amazon's next-day delivery were common.

On the drayage side, there have been wild swings in importing, with massive lulls and empty sailings followed by frantic upticks of goods that simply can't be accepted anywhere (warehouses for companies that offer non-essential goods are largely closed).

In the onboarding process, it's advisable to establish contingency plans, but what does a shipper who can't accept any goods do? What happens when there are suddenly 100,000 less truck drivers available? Are a few steps removed from typical back-up plans?

For shippers, it's important to have multiple carrier relationships; again, 100,000 drivers have lost their jobs since the outbreak started. The same is true for brokers in the market. For shippers that haven't tried a marketplace, these solutions can offer tremendous flexibility, serving as a sort of blanket "second choice" in the event of something going wrong with a primary carrier.

For carriers, it's important to understand what's happening. Freight volumes and payouts are down across the board; less goods are being moved, and many of those that are shipping are paying less than is typical. There is still more capacity supply than there is demand, resulting in lower rates across the board.

FO: What best practices can you share for moving forward in a post-COVID-19 world?

GK: The pandemic is causing changes to the shipper/carrier relationship; there's more transparency than ever before. This is, perhaps, a silver lining of the global issues. This needs to remain consistent, even after we are beyond the headwinds caused by COVID-19.

Companies that establish proper onboarding, and then remain consistent with the agreed-upon approaches will be positioned for success in the new, post-pandemic world.