

Uber Freight



The 2024 guide
to transportation
management

Key insights for
logistics teams



Transportation management is the cornerstone of shipping operations.

Good transportation management achieves desired business outcomes by using sound strategy and efficient tactics and tools.

But what does successful transportation management look like in 2024? Today's soft market presents a prime opportunity to develop a dynamic, proactive strategy: one that augments the most vital elements powering our transportation operations and arms companies with the strategies needed to adapt to future disruption.

Using AI-powered tools to inform routing guides and contingency planning, prioritizing reliable capacity and procurement, safeguarding supply chains from fraud, and improving sustainable transportation are top of mind for companies this year. Uber Freight and CSCMP have partnered to provide the latest insights logistics teams can use to navigate these factors effectively and uplevel their transportation management strategy.

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Carefully plan your routing guides

Routing guides are essential to manage complex supply chains. They establish rules for everything from selecting the right carriers and shipment modes to intentional cost management. But building a strategic guide can be complex. Should you structure your guide from geographical region to geographical region? How are your lanes configured? Should you use one primary carrier on a lane or split your volume between multiple carriers?

Arming your team with accurate and actionable performance data will ensure your guide garners the best results for your business and customers. Companies can source and analyze data effectively with a modern transportation management system (TMS)—one that provides a [holistic view of shipment journeys in real-time](#), allows for automated tendering, and allows teams to plan for the unpredictable with quick access to insights.

[Adopting AI tools](#) can also help you surface targeted insights from massive datasets to inform more proactive decisions. AI-generated analytics helps shippers [efficiently match loads](#) with interested carriers and better [predict load delivery times](#). Access to all of this accurate information will help you determine whether your current guide is producing the best rates and service, or whether it needs structural change.

Shippers and their logistics providers should closely monitor freight and how the routing guides are performing

against plan. Tracking the percent of freight moving via routing guides, versus other methods such as through the spot market, are critical data points you can use to adjust strategies based on your goals.

Key actions:

- Analyze TMS data and AI-powered insights to inform routing guide design changes. Leveraging up-to-date, accurate information helps you secure the best rates, pinpoint and improve non-pricing factors that increase tender acceptance rates, and benchmark carrier performance.
- Align with key stakeholders on your network needs and where you're willing to invest. Consider needs such as on-time service, capacity gaps, and automatic load tendering.

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Prioritize OTIF performance

On-time delivery: Delivering goods on time should be a top priority, especially if you're a company that has to meet retailers' OTIF (on-time, in full) mandates or pay fines. Conduct a performance assessment to measure how your freight is performing from an on-time perspective, and determine the root causes of delays and how to solve those issues. routing guides, versus other methods such as through the spot market, are critical data points you can use to adjust strategies based on your goals.



Develop contingency plans to account for supply chain risks

Industry disruptions, from natural disasters to carrier shutdowns, spotlight the importance of contingency planning. A comprehensive plan starts with understanding the risks and potential hazards in your network and having foresight into what's happening in the freight industry. Examine how historical scenarios may impact your business, and create a plan to work around those hurdles.

Say you have a high shipping density in Florida. It would be wise to develop plans to protect your freight during hurricane season, considering everything from potential road and port closures to warehouse flooding. A contingency plan helps shippers adapt to potentially hazardous future scenarios.

If you regularly work with only a select few carriers, make a plan to expand your carrier network and form new relationships so you can have a safety net of alternative partners and modes in case of unexpected industry disruption.

Key actions:

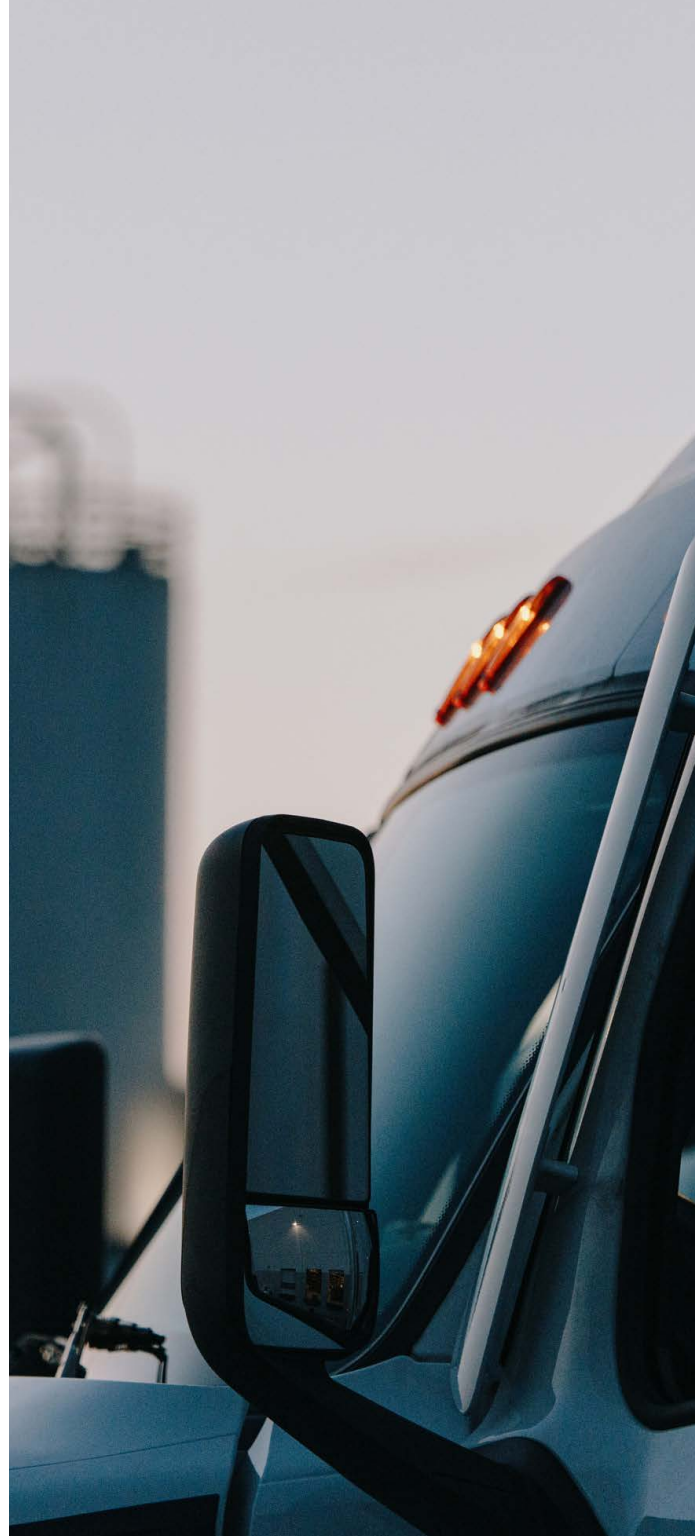
- Be proactive when building a contingency plan. These should account for historical challenges such as natural disasters or carrier disruption that could impact your business.
- Develop “levers” to pull in specific risk scenarios and establish monitoring mechanisms to react to network hazards quickly.

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Safeguard your supply chain against fraud

[Transportation theft has surged](#) over the past year. If left unchecked, it can increase delays, miscommunication, and customer dissatisfaction across a supply chain. You can take the following steps to [fraud-proof your business](#):

- Invest in real-time shipment tracking to catch suspicious activity as it's in progress.
- Use TMS-enabled automation to verify carriers with unique identifying information.
- Keep an open channel of communication with industry stakeholders to relay findings, and report instances of fraud to third-party organizations like TIA Watchdog and CargoNet.
- Conduct training initiatives for logistics teams to gain hands-on experience in flagging suspicious carriers and brokers.



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Leverage technology to drive emissions visibility

Committing to [more sustainable logistics practices](#) should be a goal for all shippers, as the transportation industry accounts for [29% of all greenhouse gas emissions](#).

Companies seeking to reduce their carbon footprint and create more eco-friendly supply chains must prioritize two elements: measuring carbon emissions output and adopting realistic logistic solutions to reduce those emissions.

Emissions are notoriously difficult to track, especially for shippers that use numerous modes of transportation. The good news is that modern technology solutions, including [Uber Freight's Emissions Dashboard](#), can unlock valuable data providing insight into where and how businesses generate waste across different modes and regions.

Ultimately, logistics teams can use technology to harness their data, identify carbon hotspots, and use this information to implement different solutions that will reduce emissions within their network for the short and long term. These solutions could include adding [electric trucks](#) to a fleet, optimizing network design to [reduce empty miles](#), and investing in intermodal transportation.

Key actions:

- Consider [adopting tools that provide emissions visibility](#) and give insight into where and how you're generating waste.
- Identifying carbon hotspots will help you pinpoint the most productive ways to reduce emissions in your network.

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Conduct assessments to improve cost visibility

Above all else, identifying cost-saving opportunities is crucial to protecting your bottom line and remaining competitive. Doing so requires complete, ongoing visibility into how your resources are being allocated across the supply chain. Some companies only have insights into their topline costs, such as how much they pay for transportation annually or cost per shipment.

Breaking out and assessing your cost components is key to proactive management. Conducting assessments around factors like [fleet utilization](#) or [warehouse operations](#) will produce valuable insights that help you determine whether your rates align with what the market is bearing, or if you're underspending or overspending. You can use this information to make productive cost adjustments.

For an even more in-depth understanding, transportation assessments, network analysis, or even full end-to-end assessments provide a more complete view of gaps and where cost advantage can be achieved.

Key actions:

- Conduct assessments around your most cost components, such as fleet, facility, or fuel usage, to understand where to make adjustments.
- Conduct expense auditing to get a more granular view of your transportation invoices.
- Consider TMS options that provide cost visibility at the shipment level.

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Consider modern technology to achieve reliable capacity and dynamic procurement

Like any market, transportation is cyclical. Now it's in shippers' favor, but other times it's in carriers' favor. No matter what state we're in today, it will change eventually.

To achieve consistently reliable capacity, building relationships with your core carrier base and reimagining your [procurement strategy](#) is crucial. Logistics teams have an opportunity to leverage procurement software that allows them to conduct bids for freight of any size and access pre-configured routing guides and rates for their TMS.

Newer procurement technology can provide access to market data and performance history, informing the smartest options for lanes and modes. Additionally, companies gain access to a vast carrier marketplace that encourages adopting new types of partnerships and transportation modes, such as autonomous trucks.

Taking a flexible approach to procurement, which includes exploring new transportation options while building on existing relationships with reliable carriers, can help you

lock in consistent rates. You'll have stability that allows you to budget internally and adjust to capacity crunches. And relying on committed carrier capacity can help to keep your business insulated from the effects of future market shifts.

Key actions:

- Adopt an agile procurement strategy and seek carriers that give you access to different types of capacity in your network—from dedicated and full truckload to LTL and expedited.
- Opt for a dedicated fleet to transport important freight that needs to be delivered on time during capacity crunches.

For 2024, the key to building a proactive, forward-thinking transportation management strategy is gaining accurate, actionable insights across all elements of the supply chain, from costs to capacity. To successfully accomplish this, consider integrating modern logistics technology and partnering with a managed transportation partner. Having both elements at your disposal will not only help you succeed in today's market, but arm you with the tools needed to navigate any type of future disruption.