

CSCMP hottopics

JULY | 2023

Opportunities for Freight Technology in Any Economy: Embracing AI

By Banyan Technology



API-Backed TMS Increases Flow of Information

1

AI-Driven Solutions Streamline Shipping Operations

1

Data Analytics for Improving Business Decisions

2

Customer Service is Key for Successful Freight Technology

2

About Banyan Technology

2



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If the first five months of 2023 showed the freight industry anything, it was that freight technology companies without a strong foothold in their niche will be facing some tough decisions for the second half of 2023. Some industry tech companies have turned to a reduction of their workforce, while others have sunset their tech solutions altogether. According to FreightWaves, falling truckload costs and decreased demand for goods are some of the reasons behind these companies having to make some tough decisions as 2023 turns the corner towards the end of the year.

However, some dominant players in the space believe that despite the current industry fluctuations and economic conditions, there is still significant opportunity in the freight technology space. The freight industry is undergoing a revolution of sorts, with new technological advancements driving growth like never before. Companies looking to stay ahead of the competition have an opportunity to invest in innovations that can result in significant financial returns.

Innovations in transportation management systems (TMS) paired with API connectivity, artificial intelligence (AI), and data analytics will be essential for increasing visibility across the supply chain. That visibility combined with improved customer service and the creation of collaborative opportunities for well-positioned tech companies will help them stand out against the challenges of current freight environment.

API-BACKED TMS INCREASES FLOW OF INFORMATION

Shippers and 3PLs have reaped the benefits of pairing their TMS solutions with API connectivity, making it easier to share information between stakeholders such as Shippers, Carriers and 3PLs. APIs help improve the communication between companies throughout the supply chain allowing for more expedient responses to customer/client needs.

APIs also increase transparency by allowing Shippers and 3PLs to easily integrate and share information between partners. The result is improved decision making that can be integrated into many TMS solutions, making them the right option for growing Shippers and 3PLs looking to capitalize on the shifts in the industry. API integrations provide the ability to process more loads and book the best rates with preferred carriers in real time while having access to performance data, resulting in better decision-making and cost savings.

AI-DRIVEN SOLUTIONS STREAMLINE SHIPPING OPERATIONS

While everyone has had their eye on solutions for more visibility into efficiently rating and scheduling shipments, AI has taken a position in the front seat, become increasingly more important for companies looking to streamline processes such as freight tracking, invoice auditing, exception management, and more.

AI-driven solutions can help Shippers and 3PLs optimize their shipping operations by reducing costs and boosting efficiency. They also play an important role by providing improved forecasting capabilities and automated decision-making tools. With AI-powered analytics companies can access real-time data from across the supply chain -- enabling them to identify potential problems before they arise and facilitating quicker resolutions for issues related to inventory management or delivery delays. This technology has the potential not only to improve productivity but also boost customer service levels significantly.

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Issues of *CSCMP Hot Topics* may include early results from ongoing research being conducted for CSCMP or other organizations; new supply chain practices, thought-provoking ideas, or emerging trends; discussions of changes in the broader business and regulatory environment that may impact the supply chain and logistics field.



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DATA ANALYTICS FOR IMPROVING BUSINESS DECISIONS

Data analytics will also play a significant role in increasing visibility across the supply chain. With analytics tools companies can gain insights into carrier cost and performance to help make informed decisions about their operations. Additionally, companies can use analytics tools to identify potential areas of improvement within their organization or detect any issues with customer service before they become bigger problems.

Shippers and 3PLs are also using data analytics to extract customer and carrier data to create more accurate projections about future trends – leading to smarter decisions about resource allocation or pricing strategies that would otherwise be difficult without this data-driven insight.

By investing in innovative technologies such as API-backed TMS services, AI, and data analytics tools, companies can stay ahead of the curve when it comes to staying competitive in this rapidly evolving industry. While the news of the day seems to be more focused on the challenges presented by tenured tech solutions that are cutting back or shutting down altogether, the more favorable alternative seems to be the enlightenment of those businesses looking to make educated, sustainable changes to their tech stacks that support company objectives. Businesses that focus more on the opportunity presented by a streamlining of options in the tech space will be more successful in the long run.

CUSTOMER SERVICE IS KEY FOR SUCCESSFUL FREIGHT TECHNOLOGY

The supply chain is becoming increasingly reliant on customer service for success. Shippers and 3PLs must have the capacity to measure customer satisfaction and act upon it to minimize their client churn and maximize their appeal to new customers. Utilizing advanced analytics can provide key insights into customer behavior, allowing businesses to develop strategies that will better meet their needs.

Additionally, feedback from customers should be integrated into the technology design process to ensure products are tailored to fit their requirements while staying competitive in the market. By taking these steps and focusing on customer service when developing new technology solutions, businesses in the freight and logistics industry can remain successful even as the landscape evolves around them.

ABOUT BANYAN TECHNOLOGY

Banyan Technology, the leading provider of freight management software for all over-the-road (OTR) shipping, delivers real-time intel, actionable insights, and instant access to information to help drive greater operational efficiencies and cost savings for Shippers, 3PLs, and supply chain partners. Our patented LIVE Connect™ platform provides rating and shipping execution from a single screen for Truckload, LTL, Local Carrier, and Parcel. To learn more, visit www.banyantechnology.com or connect with us on [LinkedIn](#), [Facebook](#), and [Twitter](#).