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Supply Chain Visibility and the Digital Freight Network

By Convoy

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THE CHALLENGE OF OPERATIONAL VISIBILITY

In recent years, rising consumer expectations and market volatility have put pressure on both B2C and B2B supply chains. Demand for more efficient delivery and increasing economic uncertainty require supply chain professionals in every industry to continually audit their processes and identify inefficiencies in order to stay competitive.

Yet today, many shippers lose visibility of their freight as soon as a load leaves the docks. Incidentals are incurred without the ability to identify root cause. Operational issues often go unnoticed without a process for identifying patterns in problematic facilities. Key performance metrics including on-time pickup (OTP) and on-time delivery (OTD) are frequently inaccurate due to manual reporting. Carbon emissions go unchecked without an accurate approach for measuring their impact. And without consistent means for drivers to provide feedback, shippers have no way of knowing how to invest in a better carrier experience.

The result? Inefficiencies that add up to millions of dollars in incidental spend, tens of millions of pounds of wasteful carbon emissions from empty miles, and driver dissatisfaction that leads to longer booking times and higher prices.

Data and analytics provide a solution. They shed light on hidden inefficiencies throughout a shipment's lifecycle and arm logistics teams with insights to improve supply chain operations. Gathering this data at scale requires a different type of freight service provider—one that's rooted in technology and offers the tools and services to provide visibility into every step of the shipment lifecycle.

DIGITAL FREIGHT NETWORKS: A NEW SOURCE OF OPERATIONAL DATA

Digital Freight Networks (DFN) are a new class of freight service provider that combine technology, data, and a dense network of carriers and shippers to reduce the inefficiencies in the freight industry. Unlike traditional brokers and asset-based carriers that focus primarily on transporting freight, DFNs move freight more efficiently while also providing insights that help shippers improve their operational performance.

As a digital freight network grows, it creates a flywheel effect that benefits both shippers and carriers. With each new shipper in the network, drivers have more options for hauling loads, fewer empty miles, and fewer wasted hours, allowing them to earn more each day. With each new carrier in the network, capacity increases and shippers benefit from higher service quality. As shipment volume increases across the network, trucks are better utilized and shipping costs come down, leading to better prices and more reliable service.

Shippers with the most data, and the ability to get practical insights from that data, stand to lower their shipping costs, improve customer service, and contribute to top-line business growth.

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Because digital freight networks use technology to automate the brokering process and track shipment progress from start to finish, they collect an enormous amount of operational data that can then be shared with shippers to help them understand potential inefficiencies in their supply chain, and benchmark how their supply chain operations compare with others in their industry.

How Convoy Collects Operational Data

As the industry's first and most efficient digital freight network, Convoy has prioritized accurate data collection since our founding in 2015. To date, we've collected and analyzed over 16 terabytes of shipment and operations data across our network, including nearly one million carrier ratings across 25,000 locations.

To collect that data, each of the hundreds of thousands of trucks in our network uses a GPS-enabled mobile app. From the moment the driver accepts a load and pulls up to your pickup facility to the instant they deliver your shipment to its destination, the app gathers data at every step. This includes information on the type of truck (e.g. reefer or dry van), the type of shipment (e.g. live or drop), time stamps documenting the moment the load is accepted, the moment they pull into the dock and pickup begins, and the moment they pull away after pickup. The app also tracks wait time at the drop-off facility, the type of program (primary contract, backup contract, spot), to-the-minute on-time performance and delivery (OTP and OTD), the distance of the route, the driving duration, and more.

In addition, Convoy's DFN collects quantitative data from the mobile app and qualitative feedback from drivers that provide you insights into the carrier experience, including facility wait times, cancellation rates, facility ratings on yard space, parking, service, communication, amenities, and more.

Our technology platform enables us to share this information with shippers through detailed reports and online dashboards. It also enables us to compare any shipper's data with geographic and industry averages across our digital freight network.

TURNING DATA INTO INSIGHTS

As Convoy collects data on shipments, we can turn the data into operational insights that can help you overcome real business challenges.

Through automatically generated reports, we show you trends and anomalies in your supply chain may warrant further investigation. Through an online reporting dashboard, we enable you to customize and visualize your data based on specific timeframes, geographies, shipment types, and more. And in partnership with Convoy's data scientists and industry account teams, we provide customized consulting services that help you analyze your shipment data and uncover hidden inefficiencies at your facilities. With more than 1,000 data points collected on every shipment, Convoy can provide shippers with visibility into an immense set of operational data. We deliver this data across ten core categories including shipment volume, facility overviews, facility ratings, wait times, incidentals, driver safety, sustainability, performance, supplier diversity, and carrier network.

We've worked with shippers in every industry to improve their supply chain efficiency, reduce costs, and improve their customer service.

THE FUTURE OF OPERATIONAL VISIBILITY

Data and insights have become the new currency of the modern supply chain. Shippers with the most data, and the ability to get practical insights from that data, stand to lower their shipping costs, improve customer service, and contribute to top-line business growth. Those that continue to operate without visibility pay the price by way of wasted spend, unchecked carbon emissions, and carrier dissatisfaction.

Digital freight networks enable shippers to gather data at massive scale and get insights that can improve the efficiency of their supply chains. Convoy's digital freight network provides the most comprehensive data set in the industry, and empowers shippers with monthly business reports, a dynamic reporting dashboard, and custom consulting engagements.

If you're interested in exploring how Convoy's network insights could benefit your business, we'd love to make an introduction. In as few as 100 loads, we can start examining patterns in your shipments and identifying potential areas to improve your transportation efficiency.

You can learn more about digital freight networks by joining our webinar, Uncovering Hidden Inefficiencies in Your Supply Chain with a Digital Freight Network, on May 28 at 9:00 AM PDT or by reading our white paper, Supply Chain Visibility and the Digital Freight Network.

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