

One key step to finding answers to any logistics, supply chain, or technology challenge is knowing the right questions to ask.

*Inbound Logistics* assembled a team of supply chain and logistics technology leaders, and asked for their perspectives on the important logistics challenges and opportunities impacting your business.

More importantly, these logistics thought leaders can give you guidance when considering improvements to your business processes.

# THOUGHT LEADERS

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## The Role of Relationships in Automated Brokerage

**Q:** Recently we have seen an emphasis on technological tools working towards an “Uber for trucking” model. Is this achievable in the brokerage industry?

**A:** To answer this question, let’s first clarify the analogy itself—Uber for trucking. Nowadays, companies are setting out to entirely automate the brokerage process by better connecting the brokerage firms with their shippers and carriers to maximize both the carrier’s capacity and the broker’s margins.

Simply put—yes. This is achievable.



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**Q: How?**

**A:** There obviously is no one-size-fits-all solution to take on the intricacies and irregularities of our market. Brokerage is a complex industry that requires utmost attention to detail and the ability to control things that are seemingly out of control.

The key to automating such a complex equation lies in relationship building.

For customers with whom the brokers are still growing their business relationship, they’ll naturally need to take a more manual approach. When the customer needs a load hauled, the broker will need to dialogue with the shipper somewhat extensively to ensure all the nitty-gritty details are clear and covered. This is a two-way street, as the customer will continually develop rapport with the broker and trust them to do what they expect without asking.

The same can be said for developing relationships with carriers. It takes time and persistence before you can truly rely on a carrier. For carriers that the broker does not frequently work with, it is key to be proactive and use whatever means necessary to ensure the customer’s freight arrives safely and timely. However, once this reliance has been established, it can make the job of both the carrier and the broker exponentially easier.

Eventually these relationships with certain shippers and carriers become deeply entrenched, allowing the broker to utilize a more hands-off approach.

**Q: What can brokers do to take advantage of these relationships?**

**A:** Once these relationships are established, brokers can truly take advantage of the “Uber for trucking” tools.

One powerful form of automation taking place in the brokerage process is the use of EDI and API. Loads can be sent electronically from a customer directly into the broker’s TMS for them to accept or reject without picking up the phone or sending an email. Once accepted, status updates and invoices to the customer or from the carrier are transmitted automatically. By having key load information seamlessly communicated back and forth between the broker and the shippers, brokers have newly acquired free time in their day and also less room for data errors.

Customer and carrier portals serve as extensions to the broker’s TMS. Now, trusted carriers can make status updates on all of their active shipments on their own, add available equipment into the broker’s system, accept available loads, upload their own documentation, and even self-invoice. Through the customer portal, the broker can give their customers the ability to enter their own loads, view and accept rate quotes, check real-time status updates on their active shipments, and view unpaid invoices and documentation.

In summary, as the broker strengthens relationships with carriers and customers, the door to an automated brokerage process opens up.

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## Optimizing Your Supply Chain

**Q: How can today's manufacturers deal with increasing regulations, demand volatility, and shifting global trade currents?**

**A:** While supply chain managers work diligently to design and oversee extended supply chains, one aspect that often falls through the “operational cracks” is supporting the corresponding financial supply chain. Orchestrating the end-to-end cash flow velocity and supporting transactions are critical to improve working capital, reduce risk, and enhance margins and efficiencies.

Organizations need visibility into the transactions, cost drivers, and results of the financial supply chain. Automated freight payment and audit can provide that.

**Q: What trends do you see most impacting companies?**

**A:** The shift in direct-to-consumer shipping is increasing costs and driving change in the industry. According to a recent report from the Aberdeen Group, 61% of companies are shipping direct to the customer. This was less than 50% two years ago.

This results in increased parcel shipments, which are significantly more expensive than bulk freight. Our customers are looking for a way to avoid an unfavorable hit to their bottom line, and they are turning to their freight payment process to unlock working capital through improved operational efficiencies and improved cash flow.



RICK

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Global Director of Freight  
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**Q: How has the demand for data changed given this new pressure on supply chains?**

**A:** Customers are demanding more from the data we collect. Through ad hoc customer requests and continuous improvements to our reporting suite, we are delivering more value through enhanced business intelligence solutions.

Our freight payment reporting tools support landed cost calculations with the ability to measure freight costs at the product level. Because of the significant impact of transportation cost on the supply chain—and the company's bottom line—it must be measurable at a very detailed level in order to be managed effectively and optimized successfully.

**Q: When it comes to technology, security is a big concern. What can companies do to assure that their data is protected?**

**A:** While technology drives efficiencies and can revolutionize an industry, it can also leave organizations vulnerable to cybercrime. It's important for organizations to take a critical look at how the parties in their supply chain handle and store the data they have access to and how they transmit it.

Fraud and information security are an ongoing concern as hackers and cyberterrorists become savvier. Freight bills contain information that is often competitively sensitive. If that were to be compromised, it could cause a major disruption in an organization's business.

That's why U.S. Bank Freight Payment goes beyond basic information security by meeting the rigorous regulatory, audit, and compliance requirements of the financial industry and maintaining the highest level of data center availability and performance.

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## How Leadership Training Can Improve Company Culture

Third-party logistics (3PL) providers, like most companies, are focused on results. However, all reputable 3PL providers understand that an investment in training its warehouse operations employees is a necessary cost of doing business. Certifications for employees driving fork trucks, using RF guns to scan product, and operating pick-to-light systems are mandatory to ensure the safety of employees and that the job is completed correctly. What some 3PL providers fail to realize is that additional leadership training returns a positive impact on long-term business results.

### Q: Why should I implement a leadership program?

**A:** Leadership incentivizes people. A leadership training and development program helps managers identify those people who may need encouragement or redirection. The goal is for people to do their best and be rewarded through incentives provided by contributing to the company's success metrics.

Once a leadership training and development program is implemented, it is important to remember that it is an ongoing process that continues long after the on-boarding time period. It is never perfect and never completely finished.

leaders today and technology is exacerbating the problem.

**Learn to give and receive feedback.** When training leaders it is important they know to ask for feedback as often as they give it. The result is the ability for any employee at any level to be able to raise an issue as soon as it arises without fear the recipient will not be open to receiving the information.



NICK

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### Q: How does a leadership program impact company culture?

**A:** Here are a handful of scenarios in which a leadership program will impact company culture.

**Create a culture of accountability.** A culture of accountability is created when leaders are trained to admit when they've made a mistake, rather than to hide it.

**Treat people like people.** Encourage your leaders to get to know their employees as individuals, a personal investment that will pay long-term dividends.

**Engage people of all levels in conversation.** A winning culture exists when people of all levels are encouraged to have face-to-face conversations. Communication is the biggest obstacle to developing

**Lead by example.** All leaders and employees are given permission and encouraged to lead by example. Leading by example is a key element of a high-performing culture.

**Create a shared piece of community.** Leaders are encouraged to create a sense of community within their teams—one where team members contribute to the same goal and feel connected, rewarded, and fulfilled once it is obtained.

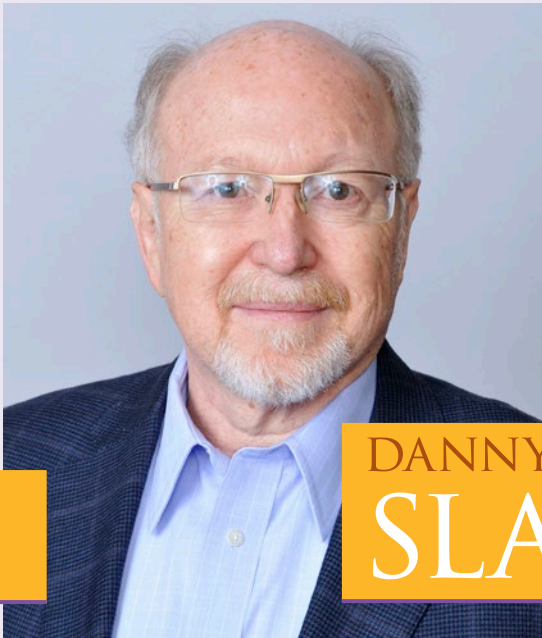
By making an investment in the training and development of your company's leaders, the return on your investment will show through in your organization's positive culture and business results.

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## Accurate Transit Times: The Backbone of Efficient Supply Chains

**Q: CarrierConnect® has been a crucial SMC<sup>3</sup> product for nearly 20 years, and the company has continued to make upgrades during that time. How have customers been reacting to recently added features in CarrierConnect XL 2.0?**

**A:** GlobalTranz was the first technology partner to integrate the new XL features, and they discovered true strategic value through the increased performance and functionality of the next-generation tool. The version 2.0 releases allow GlobalTranz and other customers the ability to receive carrier transit times by calendar date, an improvement over the earlier format's less-precise transit requests, which were not date specific. The solution has services for more than 300 carriers, and provides customers with carrier terminal operations and archival transit-time data for auditing purposes. Users access CarrierConnect XL 2.0 through our reliable, secure SMC<sup>3</sup> cloud platform, making it easier for customers to access the entire range of SMC<sup>3</sup> solutions. Carriers can supply standard, expedited and customer-specific services.



DANNY

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**Q: How does it work?**

**A:** CarrierConnect XL 2.0 is an API component that seamlessly connects with transportation management systems used by shippers and 3PLs to provide accurate, timely data. This information can be used in conjunction with SMC<sup>3</sup>'s RateWare® XL and BatchMark® XL

solutions to provide customers with a reliable rating and transit-time infrastructure. Carriers provide the data that fuels CarrierConnect XL 2.0, and SMC<sup>3</sup> has a long-standing relationship with the top LTL carriers in the industry. When schedules shift and transit-times need to be updated, they provide us with immediate feedback so our data scientists can quickly update the SMC<sup>3</sup> cloud with the latest data.

**Q: Why do shippers and 3PLs need access to CarrierConnect XL 2.0? Can't they simply look up transit times with a standard API connection to a carrier's website?**

**A:** CarrierConnect XL 2.0 is a very fast analytical API connection that allows users to access transit-time information from myriad carriers in microseconds. Researching transit-time information by visiting a single carrier's website can take several seconds, eating up valuable resources. I don't know any shippers that only use one carrier for their entire business. Our customers use multiple carriers, and they would have to go through numerous carrier API connections to simply accumulate the data needed to make accurate decisions. CarrierConnect XL 2.0 is a simple, standardized way for our customers to increase efficiency and reduce costs.

**Q: Do retailers, shippers and 3PLs really need the level of transit-time and service specificity CarrierConnect XL 2.0 provides?**

**A:** It is crucial for retailers to have access to accurate, up-to-the-minute transit time data due to planning for sales events, holidays and last-minute inventory shifts. In manufacturing, lean inventory practices, which deliver proven economic value, require highly accurate transit

information to succeed. In both these sectors, misinformation regarding transit times wreaks havoc on supply chains. Transit data is not static. As transit times shift and service areas are updated, customers need a reliable source of data that delivers a standard messaging output that can be easily understood.

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