

BETTER PRICING STRATEGIES USING MCLEOD MPACT ANALYTICS

Axle Logistics, TA Services, and Ryan Transportation
use McLeod MPact to pinpoint rates,
forecast trends, and accelerate training



Data science is changing the freight transportation industry, and McLeod users are on the cutting edge of this evolution. PowerBroker and LoadMaster users who participate in McLeod's Market Insight program have access to MPact rate analytics, a powerful tool that helps carriers and brokers gain deeper insight for spot and contract rates in trucking. Currently more than 1,000 McLeod customers are anonymously contributing data to Market Insight based on the actual rates paid to carriers by brokers and the actual rates charged to shippers by both brokers and carriers for loads that moved every day. This data covers lanes and markets all across the country, and it comes only from real loads handled by this group of industry-leading brokers and carriers.

The data and analytics available through MPact provide a treasure trove of information that can be applied in countless ways, and valuable information is easily accessible to users within their system, right at the point of decision for their pricing activities. Axle Logistics, TA Services, and Ryan Transportation shared with us some of their MPact-driven pricing strategies. These companies are learning to bid with pinpoint accuracy, so that they hit the sweet spot with bids time and again. They are developing methods for predicting trends so that they stay ahead of the curve as the markets shift. And they are accelerating training to make new personnel effective at their jobs more quickly.



All information and content in the MPact portal is the intellectual property of McLeod. You may not use, reproduce, or create any derivative of the content without the explicit prior written consent of McLeod.

AXLE LOGISTICS - PRECISION BIDDING

Axle Logistics is based in Knoxville, Tennessee. "Our goal is to give our customers accurate pricing and pay our carriers fair and consistent rates," says Shawn McLeod, President of Axle Logistics. "MPact helps us do that, and as this technology continues to evolve, the entire industry will benefit."



We can specify rate features

"MPact allows you to filter the data with respect to trailer type, market, date, and much more. For us, part of the work of getting the correct rate is deciding whether to look at a rate that is line haul only, including fuel. We typically look at data with fuel, because that gives us an all-in perspective when deciding how to price."

We can identify slim margins quickly

"If we're losing money on a lane, we can see where we stand against other brokers quickly. If we're off the mark based on the data, we let our team know that they must be more diligent in determining the correct price for the time of the move. This allows

us to dig in and connect with our carrier partners and see where we can negotiate, if needed."

We gain visibility into volatile markets

"MPact gives you a window into market fluctuations, so you can see where a market or lane is volatile at any given time. In those cases, we know we need to tread

lightly. If you see highs and lows varying over a period, you need to have a plan with your team to determine where you need to settle on a rate. If we lack relationships in a market with high volatility, the tool gives us quick insight that will more than likely tell us that we need to be on the higher end of the spectrum. Unfortunately, there are times where, if you do not win the business, you probably didn't want it. It's best to walk away before providing poor service."

Access to data is fast

"Without MPact, getting the same level of analytics would be impossible in many cases and time-consuming at best. We would have to dig into the Market Insight data, export it to Excel, and throw it into Power BI to have a good visualization that we could understand. Instead, getting to actionable information within MPact is easy and quick. It only takes a few seconds to pull lane data."

"Our goal is to give our customers accurate pricing and pay our carriers fair and consistent rates. MPact helps us do that, and as this technology continues to evolve, the entire industry will benefit."

— Shawn McLeod,
President of
Axle Logistics



TA SERVICES - FORECASTING TRENDS

TA Services is based in Mansfield, Texas. "In addition to using MPact to help us improve our pricing accuracy for spot quotes, we're exploring ways to forecast trends," says Chris Bahr, Vice President of Brokerage Operations for TA Services. "MPact definitely adds a lot of value to our operations and we're trying to push our users to make full use of it."



MPact helps us identify shifts promptly

"When there is a shift in the market, the actions you take immediately can be critical. For example, if volume dips, do we need to start preparing for a sustained period of decreased demand or will volume bounce back? In other words, was the dip a fluke? MPact data has been extremely useful in helping us answer these questions, because it gives us access to several perspectives on rates. For example, we looked at the flatbed market and were able to correlate peaks and valleys for buying, selling, and margin. This helped us see that a change in the market was a solid shift and not just a fluke."

We use timely data to drive revenue growth

"When we saw the margin percentage bottom out one week and then spike the next week, we concluded that brokers in this market were able to buy a little bit better. In this situation, there

was an opportunity to obtain more volume by getting in front of declining costs and bidding more aggressively, if you can capitalize on it when it happens. If you find out a week later, you may have missed your chance. We were able to move in line with the market versus trailing it. The strategic moves we made one month led to solid revenue the following month."

"In addition to using MPact to help us improve our pricing accuracy for spot quotes, we're exploring ways to forecast trends. MPact definitely adds a lot of value to our operations and we're trying to push our users to make full use of it."

— Chris Bahr, Vice President of Brokerage Operations for TA Services.



MPact reveals the connections between seasonal and geographical patterns

"We wanted to stay on top of seasonal patterns that relate to produce in the southeast and the use of reefers. As we explored this, we could see how changes in one market translate into changes in other markets within the region. When produce being shipped out of south and central Florida declines, rates drop, and we found a correlation to an increase in rates in the Memphis market at the same time. The same dynamic also applies to Arkansas, North Carolina, and other places along that latitude. So not only do we encourage our brokers to get in front of the changes in Florida and start pushing back on costs, they're also able to prepare for increased volatility in the Memphis market and avoid some negative margins, which has been an issue in the past."

RYAN TRANSPORTATION – TRAINING NEW TEAM MEMBERS

Ryan Transportation is based in Overland Park, Kansas. “Users across our company are using MPact every day,” says Jeff Henderson Senior Vice President of operations for Ryan Transportation. “Our plan is to have this tool become a standard part of the way we routinely conduct business.”

Pricing is the key to success

“MPact helps you improve pricing, and this is important. The best brokers develop an inherent knowledge of pricing, and this is what sets them apart. Things can change fast in today’s



marketplace. Should we start hedging a little bit? Should we get a little more aggressive? Should we back off a little bit? Should we raise our prices to the customer a little bit? You have to develop insights into pricing within a volatile environment.”

“In the past, it may have taken many years to train someone to learn the secrets of pricing, but MPact gives us a method for training people quickly.”

— Jeff Henderson Senior Vice President of operations for Ryan Transportation



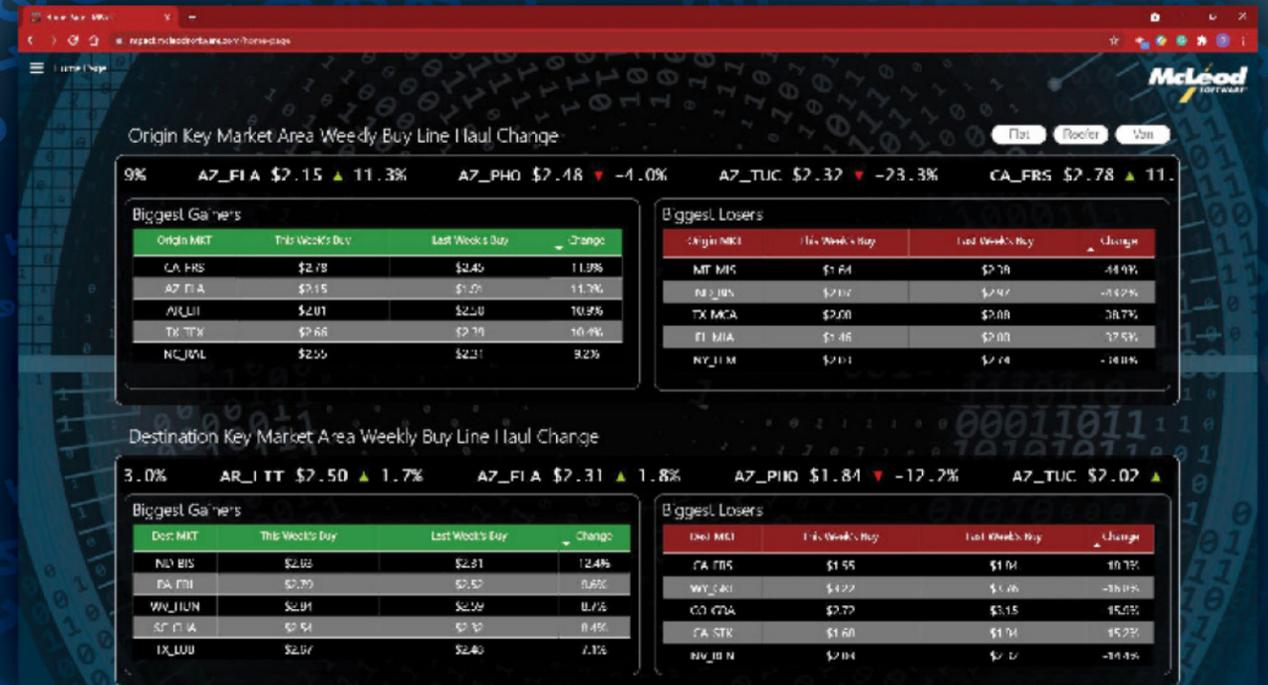
We use MPact as a training tool

“In the past, it may have taken many years to train someone to learn the secrets of pricing, but MPact gives us a method for training people quickly. The information available through MPact gives people a clear view on where prices are now, where they’ve been recently, and where they might be going. Users can view a trend line. If they see rates to carriers dropping, they know they have a better negotiating position. They begin to learn all of the factors that affect prices. There could be an

excess of capacity, so we can expect some give on prices. Or it could be 3:00 p.m. on a Friday and you need a truck out of California. You can’t expect to negotiate then.”

We’re working to create revenue generators

“We have people whose job is to find the trucks who will haul the loads. We call them capacity finders, but we don’t want to keep those people in that position for a long time. We want them to get into sales. We want them to move into a revenue producing position. In order to do that, they have to learn pricing. MPact is helping us teach them quickly so that we can move folks from capacity finders to account managers. If they can make the transition, it helps us, because they’re moving into a revenue creating position that helps us keep the business growing on a daily, monthly, and yearly basis.”



LET MCLEOD HELP YOU SUCCEED WITH DATA SCIENCE INNOVATIONS LIKE MPACT

How much profit is missed because you bid too low or too high? How often have you been slow to notice when a market is shifting? How fast can you get new personnel trained to become more effective? MPact is helping companies address these issues, and this is only the beginning. For Market Insight users, McLeod’s data science advancements are pulling back the curtain on the mysteries of rate changes. The result is the ability to take actions that substantially boost profit. Now is the time to join other industry-leading MPact users and find new ways to drive your profits higher.



877.362.5363 | McLeodSoftware.com

©2022 McLeod Software 20220223_1