

Navigating the Storm:

How Freight Brokers Survive in a Down Market



The second quarter of 2023 has revealed a potentially bleaker outlook for the freight market, almost reaching numbers of the freight recession witnessed in 2019.

*Tender rejections teeter on the edge of plunging **below 3%**, currently standing at **3.05%**. This figure indicates a worrisome trend, as it approaches the low point of **3.86%** observed four years ago.*

In the face of a challenging market downturn, freight brokers must continue to showcase remarkable resilience and adaptability. Through proactive strategies and innovative approaches, they can not only survive but thrive in adversity.

Discover the secrets behind success as we explore how freight brokers should navigate the uncertainty of a down market by leveraging technology, forging strategic partnerships and seizing opportunities.

Optimize Numbers, Maximize Cash Flow

Technology and innovation are taking center stage in 2023, with 74% of supply chain leaders planning to increase their investments in technology and innovation. Brokers recognize the crucial role of cash flow in their business survival, partner relationships and carrier payments.

They prioritize the optimization of transportation network design, consolidate loads, improve multi-stop routes, enhance procurement processes and conduct thorough freight audits while relying on transportation management systems (TMS) for these tasks and more. Technology and data enable informed decisions based on real-time information, driving positive cash flow.

Technology assists brokers in processing invoices, conducting audits and ensuring accurate billing from carriers. **A TMS automates these various processes, such as carrier selection and load planning, resulting in reduced expenses.** It also streamlines the collection process, expediting the receipt of funds. Through TMS utilization, real-time information, automated invoice processing and improved collection strategies, they establish partnerships, meet carrier payments and maintain a thriving business.

Improving numbers:

Harnessing the power of data, brokers seize the market, deliver precise quotes, comprehend customer needs and can assess their own strengths and weaknesses. This proactive stance uncovers trends and ignites profitability. Empowered by advanced technology, brokers master their financials, unleashing a steady income stream that propels them towards resounding financial triumph.

Expand Horizons: Market and Service Diversification






The integration of a comprehensive solution provides freight brokers with access to a diversified network of carriers to transform their operations. With this technological edge, brokers can position themselves as versatile industry leaders capable of meeting diverse logistical demands. This expanded reach also permits brokers into new markets, thereby attracting fresh clientele and increasing their customer base.

A modern TMS facilitates the efficient management of diverse service offerings, such as truckload, less-than-truckload (LTL) and intermodal transportation. While your TMS won't cover the entire gap when jumping into a new market, it makes the move that much more straightforward, highlighting new needs. Being able to diversify across new offers becomes a necessity in a down market as brokers can now cater to a wider range of customer demands to increase revenue potential while also protecting themselves from inconsistent revenue streams.

Improve Customer Retention Rate (CRR), Enhance Customer Experience: Efficient Operations for Superior CX

According to Gartner, 83% of businesses are developing customer-centric supply chains by emphasizing customer service, differentiated services, and varied fulfillment options. For brokers aiming to provide a seamless customer experience (CX) and boost their customer retention rate (CRR), there is hope through modern advancements.

The integration of a strong TMS gives brokers the opportunity to automate and maximize critical operational aspects like order management and customer communication. With these time-consuming processes eliminated, freight brokerages can expect:

-  ***Automated order processing, shipment tracking and delivery notifications, ensuring transparency and timely communication with customers.***
-  ***Faster, more accurate quoting with a clearer path to invoicing, streamlining the entire cash flow process.***
-  ***Optimized inventory management and fulfillment processes, enabling faster order processing and on-time deliveries.***
-  ***Improved delivery accuracy and reduced errors, boosting customer satisfaction and loyalty.***
-  ***Enabled self-service capabilities, such as real-time shipment tracking and customer portals, empowering customers and their experience.***

Uncover Business Secrets: Pathways to Success, Weakness Exposed - Reporting and Tech

According to **The 2021 Logistics Industry Report**, an astounding 84% of 3PLs must use the transformative power of big data to enhance their supply chain competency. Learn valuable business insights and identify pathways to success by harnessing the reporting and technological capabilities of a transportation management system.

With intelligent reporting and analytics features, gaining deep visibility into operational performance has never been simpler. Through the analysis of precise data, freight brokers can identify strengths, weaknesses and areas for improvement through a user-friendly platform.

Current insights and data-driven decisions grant the ability to identify inefficiencies and refine resource allocation. Leveraging a TMS as the core piece of your business eliminates manual errors to strengthen communication and trim unnecessary expenses. The take-charge approach to cost management sets brokerages apart, allowing them to flourish amidst economic adversity.

Forge Alliances Now: Partnering Through Tough Times

A modern TMS provides all the tools needed to form strategic alliances and strengthen partnerships during challenging periods. Carriers, shippers, and other stakeholders are easiest to connect with when you leverage your TMS as the core of the business. The benefits of this include:



Consistent communication and collaboration with partners, enabling efficient coordination of transportation activities.



Sharing real-time data and insights with partners, enhancing visibility and facilitating joint decision-making.



Leveraging a centralized platform for partner management, ensuring transparency, trust and faster problem-solving.



Disruption mitigation through collaborative thinking and resource sharing, creating a united front against tough times.



*Tai TMS:
A Freight Broker's Ultimate Weapon
in the Market*

While there are several good TMS systems to choose from, Tai TMS is the all-in-one solution tailored specifically to brokers. Ready to see what makes Tai stand out?

Contact Tai TMS to set up your free demo.



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