



# Maximize Your Mini-Bid

**The Essential Guide for Continuous  
Transportation Procurement**

# Table of Contents

**03** What is a mini-bid?

---

**04** Benefits of mini-bids

---

**05** Mini-bid execution strategies

---

**06** Addressing future needs today

---

**07** About DAT Freight & Analytics

---

**The annual RFP has evolved rapidly since 2020. Routing guides that resulted from annual RFPs have deteriorated faster than ever before – in most cases well ahead of the next annual cycle. The global pandemic was mostly to blame. Supply chain disruptions, combined with unforeseen spikes in freight demand and shifts in capacity, has led shippers to adopt a more continuous approach for transportation procurement.**

The annual RFP process lives on, but today shippers are focusing more time and resources throughout the year on specific lanes and carriers to improve cost and service performance. Similarly, freight bidding activities by third-party logistics (3PL) firms and motor carriers have become more targeted at lanes that meet their specific needs.

The flexibility of mini-bids offers shippers an effective way to improve the outcomes of annual RFPs and adapt to dynamic business and market conditions with greater speed and agility.

Experts widely expect the use of mini-bids will continue to grow in popularity after the economy and supply chain return to normal. Rather than use mini-bids as a tactical tool for shoring up routing guide leakage, savvy shippers are leveraging them now to drive continuous improvement.

---

## WHAT IS A MINI-BID?

A mini-bid is a targeted procurement effort that is well suited for a variety of scenarios. Traditionally, mini-bids were primarily used when costs were getting out of control in certain lanes, but today their utility is broader. Shippers are using the mini-bid process to make short-term revisions to current transportation contracts, for example, to pay actual market rates – or closer to actual market rates – that secure capacity and fortify routing guides.

In general, mini-bids can help you address current needs without having to make long-term commitments. You may need to create short-term contracts when adding lanes to access new supplier networks or customer markets, or when testing new carriers in existing lanes, for example.

The mini-bid can work like a scaled-down version of the annual RFP. Many shippers will prioritize current asset-based carriers to narrow the field and make the process easier to navigate. After getting carriers to submit initial bids, shippers can use a reverse auction process to settle on a final contract rate.

# BENEFITS OF MINI-BIDS

**When guided by accurate transportation data and rate analytics, and if executed properly, mini-bids can lower rates, repair broken routing guides and strengthen relationships with core carriers.**

Rather than limit the use of mini-bids to troublesome lanes, savvy shippers are using them strategically as part of a continuous procurement cycle that allows them to:

- Adapt more quickly to changing market conditions.
- Find capacity in a more cost-effective manner than spot market alternatives.

- Use market data and rate intelligence to reevaluate contracts at shorter intervals.

- Conduct trial runs with new carriers.

Another important consideration when using mini-bids is how to increase collaboration with carriers and strengthen partnerships. Even if the mini-bid results in higher rates, taking a cooperative approach can help make you a shipper of choice with preferred carriers.

When you prioritize long-term relationships over short-term gains, your freight partners are far more likely to prioritize your needs in volatile markets and deliver steady capacity.

---

## COMMON TRIGGER EVENTS

The annual RFP process is a routine exercise with a much more involved and in-depth scope that requires months of planning. Many of the same principles apply to mini-bids, on a smaller scale.

In general, there are four most common trigger events for a mini-bid.

### **1. Freight network expansion**

Over the course of a year, you may need to expand your freight network to add new suppliers or reach new markets. This will require getting contract rates for new lanes that were not in scope at the time of your annual procurement cycle.

### **2. Distressed, failing carriers**

Some carriers may fail to meet your expected service levels or customer delivery windows for prolonged periods. Economic forces may also force some carriers to close their operations and exit the market entirely, forcing you to find new carriers to fill the void.

### **3. Tight market capacity**

Routing guide failures that result in paying spot-market premiums can cause you to

spend your budget at an unsustainable pace. Paying close attention to tender rejection and acceptance rates can help identify lanes and carriers that need attention, with mini-bids used to contain costs and improve service levels.

When capacity is tight and current market rates exceed established contract rates, carriers in certain lanes will begin to reject load tenders or ask for higher contract rates to continue to service the lane. A carrier might even seek rates for a short period to reposition certain equipment to a different region. In these scenarios, the actions of carriers may initiate a mini-bid process that can help you strengthen long-term relationships.

### **4. Soft market capacity**

When there is excess truckload capacity in the market, spot market rates may be lower than your contract rates. If the gap is wide enough, it could make sense to initiate a mini-bid to take advantage of loose market conditions and lower your contract rates to align more closely with the spot rate.

# MINI-BID EXECUTION STRATEGIES

**Whatever event or series of events trigger a mini-bid, all of the factors for success depend on preparation and execution.**

One of the most important preparatory steps is to research new carriers who you will be inviting to participate. Much of the process can be done electronically by using carrier lists and databases to analyze how their capacity and costs align with your network.

In connection with mini-bid events (or procurement events more generally), consider using RFIs (request for information) to get new carriers to submit information in advance to expedite the pre-selection processes. RFIs can also help shorten the onboarding cycle after bids are awarded.

After identifying prospective carriers, networking with industry connections who have done business with them can shorten your list of capacity providers.

## MORE TIPS FOR MAXIMIZING THE RESULTS OF A MINI-BID

**Compare lane bid rates to historic rate averages to evaluate carriers' pricing preferences and alignment with inflation trends.**

**Use forecasted rates to help set resilient pricing and weed out lowball "bottom feeder" bids.**

**Bundle lanes to give carriers a better sense of demand, aligning incentives to reduce transaction costs.**

**Look for opportunities to provide non-financial benefits to carriers, such as improved scheduling terms and overall efficiency.**

**Conduct trial runs with new carriers before signing longer-term contracts.**



# ADDRESSING FUTURE NEEDS TODAY

**“Set it and forget it” processes do not work in dynamic industries like transportation and logistics. Annual contracts tend to deteriorate over time, especially when freight markets are volatile. Monitoring and evaluating your evolving freight network is critically important to identify needs and rectify problems before they become costly.**

Besides using transportation intelligence and rate analytics from a trusted source, your review process should include internal elements as part of a continuous improvement feedback loop to determine when and where to execute mini-bids:

- Review past volumes and performance for lanes.
- Evaluate the ongoing performance of routing guides.
- Understand demand outlook for existing lanes.
- Align more frequently with internal stakeholders to identify future needs

Combining internal data with accurate, timely and relevant transportation analytics can maximize the results of mini-bids, securing the best rates and establishing resilient, mutually beneficial partnerships with carriers.

---

## HOW DAT iQ CAN HELP

Increasing the number of bidding events in a year creates more demand for accurate and timely data on market rates, carrier performance, shipping patterns and other transportation insights.

Shippers that leverage DAT iQ have the most relevant insights on the current temperature of the market and where it's headed with advanced freight forecasting tools. DAT iQ provides the most powerful transportation analytics in the industry, collecting data from \$125B in paid freight invoices annually, to inform transportation leaders' strategic planning initiatives throughout the full transportation lifecycle. Transportation teams can proactively identify trigger points for mini-bids by monitoring DAT iQ rate and capacity trends against performance metrics.

DAT iQ provides comprehensive transportation analytics solutions across 3 categories to provide insights tailored to your business.

### Rate Analytics

See past and present spot and contract market averages on virtually every North American trucking lane, as well as forward-looking forecasts with 95% accuracy. DAT iQ's Rate Analytics helps your team understand where rates have reset before your mini-bid and streamlines bid evaluation later in the process.

### Capacity Analytics

Get granular visibility into truckload carriers and their potential cost savings in your network. Capacity insights from DAT iQ help identify carriers to include in your mini-bid that align with your network and present the greatest cost savings opportunities.

### Performance Analytics

Utilize powerful segmentation capabilities that highlight your cost performance relative to the broader shipper market, your industry peers, or specific lanes and carriers. DAT iQ's Performance Analytics help you focus on the areas of your network where a mini-bid would have the highest impact.

**With comprehensive transportation analytics from DAT iQ,  
you can be more strategic with implementing mini-bids,  
finding targeted capacity to strengthen your network.**

**Visit [DAT.com/shipperiQ](https://DAT.com/shipperiQ) to learn how to use  
DAT iQ to improve transportation performance.**

---

## **ABOUT DAT FREIGHT & ANALYTICS**

DAT Freight & Analytics provides the most accurate insights into truckload markets, combining the deepest and broadest data in the industry with the largest on-demand freight marketplace in North America.

Since 1978, DAT is the source for market trends and data insights for brokers, carriers, shippers media and industry analysts alike.



**Freight & Analytics**

[www.DAT.com](http://www.DAT.com)  
800.551.8847