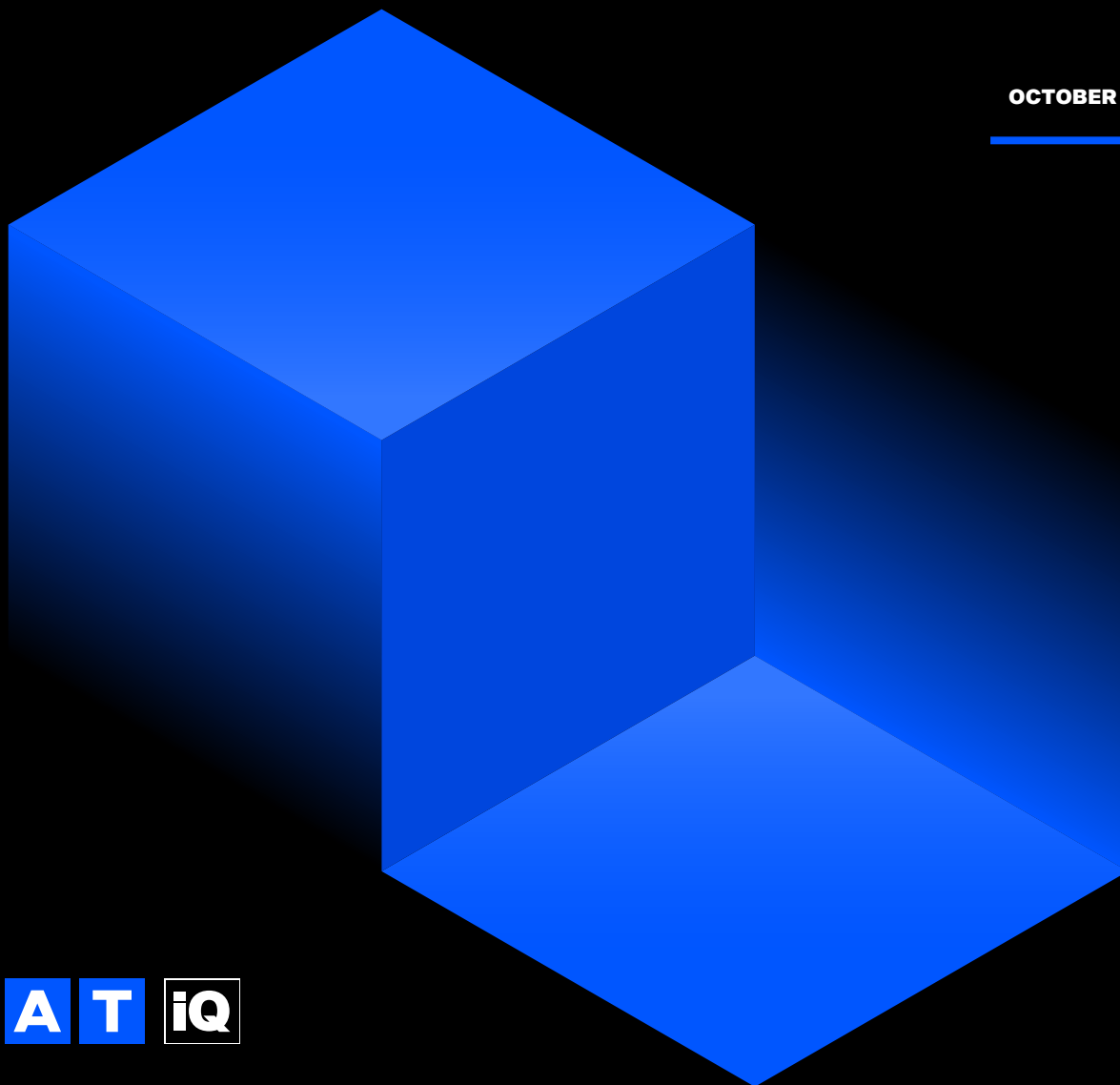


OCTOBER 2023



D A T iQ

Industry Intelligence Guide

Data-driven procurement strategies

Design a data-driven procurement strategy

There's a shift happening in transportation procurement. Due to rapidly changing market conditions, long-term contracts are no longer sustainable. Shippers are turning to agile mini-bids instead. Real-time data analytics can help companies develop data-driven procurement strategies that align more closely with the dynamic nature of today's transportation landscape.

Organizations that take a data-driven approach to their work are best positioned to navigate upheaval in their industry.

[Harvard Business Review and Google](#)

Currently, a full-truckload spot quote is only good for approximately 10-14 days.

[Anderson Trucking Service](#)

The evolution of procurement

Traditionally, the procurement process begins with the annual RFP, when carriers submit bids in hopes of being awarded the rights to haul freight on lanes at specified rates for a set period. But today's increasingly complex marketplace calls for more flexible procurement options. Due to freight network expansion, tight market capacity, soft market capacity, and failing carriers, procurement as we know it is beginning to change.

With rising inflation, shifting demands, and frequent supply chain disruptions, shippers and carriers need opportunities to reset their contracts. For example, when market capacity is tight, new rates can exceed contract terms, which leads carriers to refuse service or demand higher rates. Similarly, due to evolving consumer demands, shippers may need to expand their freight network and establish contract rates for new lanes outside of the regular cycle.

As a result of this constantly shifting and increasingly complex marketplace, shippers are seeking agile solutions that allow them to reassess spending and find more reasonable rates on their own schedules.

Enter: the [mini-bid](#).

More mini-bids, more data

Mini-bids have been around for decades, but transportation procurement teams use them more today than ever before. While they're not meant to fully replace traditional procurement processes, mini-bids tend to last for weeks or months and focus on a subset of lanes within a network, usually new or problematic lanes.

This continuous approach to procurement gives shippers a way to reassess and contain spending. However, increasing the number of bidding events in a year means a greater emphasis on the real-time collection of data. Freight analytics is now at center stage.

To capitalize on mini-bids, teams need reliable data and accurate forecasts. This information can help optimize budgets, repair broken routing guides, strengthen relationships, and determine the likelihood that a given load will go to the spot market.

Shippers need a 360-degree view of the market to determine whether a mini-bid is the right choice in the moment. With DAT iQ's [RateView Analytics](#) solutions, procurement leaders can utilize insights to establish better rates that reflect the market's performance. Further, real-time dashboards also help determine the rejection rate and corresponding spot rate premium ratio to expect for specific lanes.

Ultimately, leveraging in-depth data and analytics allows shippers to better manage freight procurement and determine the best possible terms for mini-bid contracts.

Developing a data-driven procurement strategy with DAT

The shift towards mini-bids and real-time data analytics is redefining transportation procurement strategy development and planning. Embracing a data-driven approach helps shippers stay competitive and agile in a rapidly evolving market.

In the era of dynamic transportation procurement, DAT iQ analytics solutions for shippers are an essential tool for optimizing data-driven procurement strategies and navigating the ever-changing landscape of the transportation and logistics industry.

By harnessing the capabilities of DAT iQ's accurate and accessible [freight market intelligence offerings](#), shippers can develop a deeper understanding of the market and make more informed decisions around their procurement process.

[Visit DAT iQ's website](#) to learn more about how freight intelligence can build better procurement strategies. If you're ready to get started, [reach out](#) to DAT iQ's experts.

**Connect with one of our experts to
get started on building data-driven
procurement strategies.**

data.dat.com/empower_iq



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