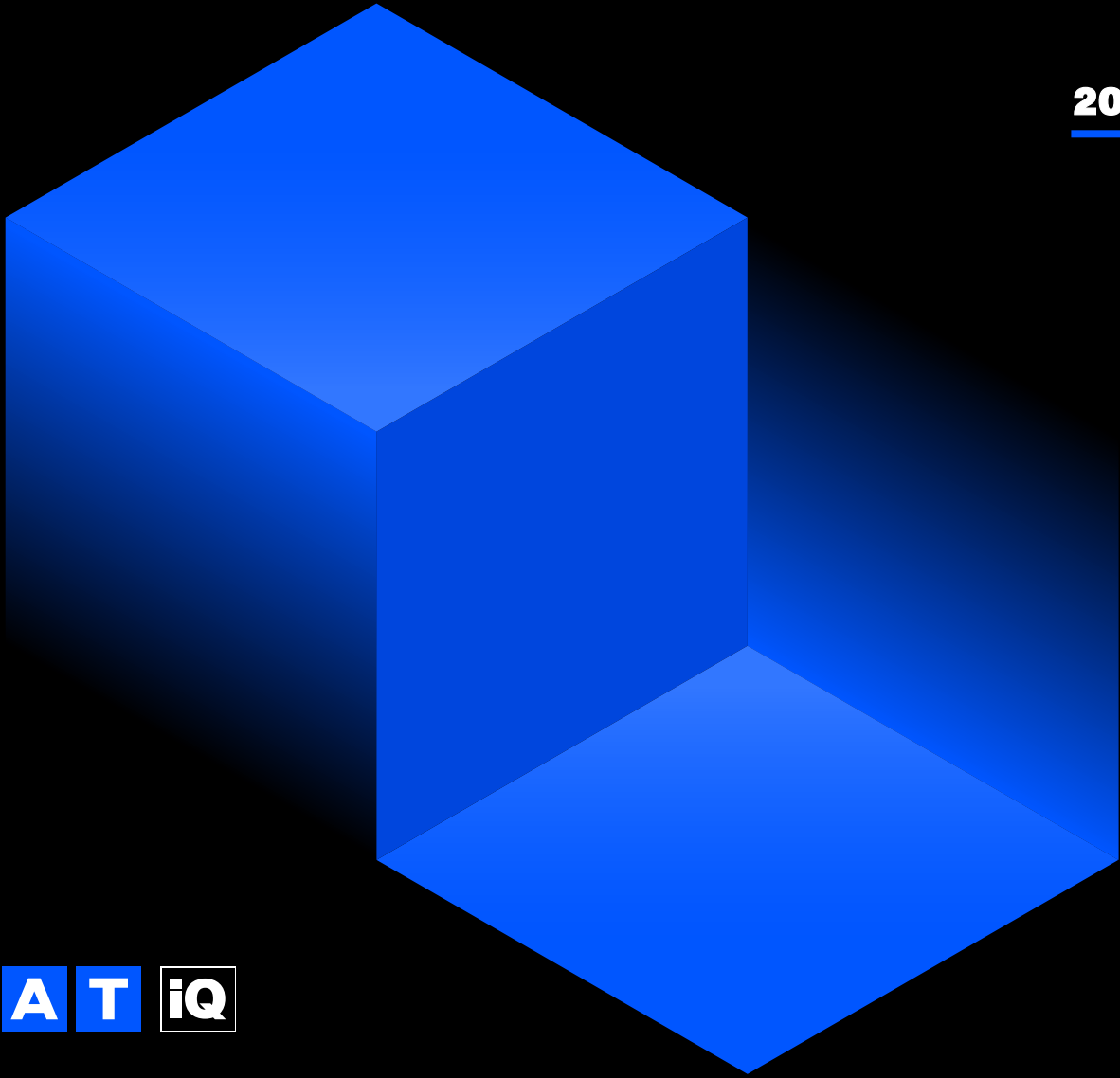


2024



D A T iQ

Industry Intelligence Guide

Planning for severe weather

Mitigating the impact of severe seasonal weather with freight analytics

The summer months often come with an uptick in severe weather that leads to delays, damage, and safety concerns. Fortunately, shippers can leverage freight market intelligence and data-driven decision making to better prepare for severe weather.

Seasonal weather is responsible for 23% of all roadway delays, costing American shippers over 32 billion vehicle-hours and between \$2.2 billion and \$3.5 billion dollars annually.

[Federal Highway Administration](#)

The world is already 1.2 degrees Celsius warmer than pre-industrial times.* July 4, 2023 was officially the hottest day on record.**

*CNN; **Associated Press

The challenge at hand

For shippers, the unpredictable nature of summer's severe weather is challenging to navigate. Whether it's a hurricane, flood, or wildfire, these events arise out of nowhere.

Despite not knowing exactly *when* a specific incident will occur, the delays, damages, and safety issues it causes are all guaranteed — as are the increased costs. Seasonal events lead to road closures, detours, traffic congestion, and damage to trucks and cargo, as well as put truck drivers at risk of accidents and injury. Altogether, these factors combine to tighten capacity and slow down shipping timelines, resulting in increased rates and chargebacks that become quite costly for shippers.

While rate impact is top of mind for many shippers in the wake of severe seasonal weather, these events can also influence other aspects of the supply chain on both a global and regional scale.

For example, January cold snaps can often tighten truckload capacity at a time when shippers are moving holiday returns and retail goods through supply chains. When this happens, for-hire carriers reject a higher percentage of contracted loads.

Because of adverse weather events, international shippers must adjust their transportation methods. Supply chains have been drastically impacted, and some prices have nearly doubled. And, due to [climate change's ripple effects](#), we're seeing rapid upticks in the frequency and severity of these events, amplifying the risks they pose.

In fact, the U.S. experienced 18 separate weather and climate disasters in 2022, each costing at least \$1 billion in damages. Globally, the [total cost of severe weather disasters in 2022 was around \\$165 billion](#). As such, shippers must redesign their emergency response plans so when a crisis occurs, they're prepared to mitigate its impact swiftly. As the old saying goes, the best time to repair a roof is when the sun is shining.

The solutions that guide success

There are three tactics shippers can leverage to prepare for weather and minimize its potential to cause delays, damage, accidents, injuries, and increased costs.

Leverage freight market intelligence

Data is the most powerful tool in a shippers' arsenal, especially where extreme weather is concerned. Market rate and carrier performance data can give shippers real-time insight into what's happening across their network and guide more thoughtful, informed responses.

Freight market rate data gives shippers enhanced visibility into specific lanes, broker and carrier communities, and more. This allows decision-makers to see all sides of the market, identify the best times to ship, negotiate better rates, and quickly secure the right providers if something falls through.

For example, DAT iQ's [Market Conditions Index \(MCI\)](#) provides the latest data on the freight market's capacity and demand, giving shippers the information they need to lock in the best rates, identify supply and demand for any area, get advanced forecasts of future conditions and rate changes, and compare markets.

Further, by tracking carrier performance, shippers are better able to select partners that can deliver shipments on time and safely in the midst of severe weather and avoid those that might be unavailable or out-of-service. With DAT's [CarrierWatch](#), shippers have access to a database of nearly 500,000 transportation companies as well as key details about each carrier, including Department of Transportation profile, safety rating, crash data, insurance renewals, and cancellations. With carrier performance data, shippers can make data-driven decisions with confidence even when severe weather impacts operations.

Create a contingency plan

In addition to leveraging freight analytics, it's imperative that shippers develop well-defined contingency plans so they're ready when the unexpected occurs. Even if the forecast looks promising, weather can turn on a dime. Having a contingency plan in place allows shippers to quickly adapt to evolving conditions and minimize disruptions.

Outlining preferred response protocols and methods of communication is critical to developing an effective contingency plan. For example, in the wake of a hurricane, will you reroute or use alternative modes of transportation? Your plan should include detailed assessments of protocols for both processes as well as how the organization will communicate with drivers, customers, and other stakeholders during the event.

To maximize effectiveness, contingency plans must be constructed around data that is relevant to a shipper's specific lanes, supply chain ecosystem, business use cases, and more. No two shippers are the same — making these contextual insights critical to sustained success.

Build transparent relationships

In tumultuous times, leaning on strong partnerships helps mitigate impact, speed up recovery timelines, and ensure drivers arrive at their destinations safely. There are two primary relationships that are integral to shippers as they look to navigate severe seasonal weather:

1. With data providers

Maintaining transparent relationships with data providers ensures that shippers are getting the most accurate and relevant data insights in real-time.

Since this data provides actionable guidance that can make or break responses, relationships with data providers should be top of mind.

2. With brokers and carriers

Cementing positive and collaborative partnerships with brokers and carriers is critical to severe weather response as it helps shippers ease transition times, maintain agility, and implement contingency plans more seamlessly.

Further, when shippers, carriers, and brokers utilize the same data and analytics, the transparency can drive mutual understanding and productive relationships for all involved parties.

Best practices when preparing for severe weather

In the face of hurricanes, heat waves, flooding, and other severe summer weather events, shippers must invest in freight analytics solutions that equip them with the tools, insights, and understanding they need to strategically plan and prepare for these uncertain times.

DAT iQ offers key solutions that provide shippers, carriers, and brokers with the market rate data and carrier monitoring they need to navigate volatility, ensure drivers stay safe, and mitigate delays.

Learn more about DAT iQ shipper solutions for transportation rate and logistics performance analytics on [our website](#), or [reach out](#) to one of our experts to get started on your freight analytics journey.

To learn more, connect with one of our experts and get started on your journey towards improving your forecasting and planning.

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Analytics

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