



# **Driving Digitalization with DAT iQ**

## **Planning for the road ahead**

**2024**

# How data helps shippers plan for the road ahead

Supply chain digital transformation has ushered in a new era for freight and logistics. Today's technology allows shippers to capture operational data to better understand their place within the market and generate holistic insights that drive optimization. Armed with a comprehensive suite of data and analytics tools tailored to demand, supply chain leaders can leave the days of going with their gut in the past.

---

**U.S. business logistics costs increased by 20% in 2022 to \$2.3 trillion. A significant rise in inventory carrying costs (52%) drove growth, with transportation, support and administrative costs seeing more modest increases during that period at 7% and 17% respectively.**

[Council of Supply Chain Management Professionals](#)

---

**Traffic-induced delays cost North American shippers more than \$42 billion annually.**

[American Road & Transportation Builders Association](#)

---

## **A new frontier for freight**

As other industries have digitalized rapidly, trucking lagged somewhat behind due to the legacy equipment many carriers and shippers have in their fleets and the limitations of technology. Shipping leaders felt connecting their fleets across the nation wasn't worth the work it would take. However, with a plethora of innovative new tools like [DAT iQ's freight market intelligence solutions](#), today's shippers are finally embracing the power of digital-centric operations.

## **Why now?**

The past few years made it clear to operators that shipping is in dire need of a reset. While many companies survived that trial by fire, few excelled. The pandemic delivered a perfect storm of pressures on the industry — from supply chain issues to a [30% increase in e-commerce sales](#) to economic uncertainty, inflation, and labor shortages — that pushed traditional processes past their limits.

Outdated operational models were put to the test during COVID-19, and the results highlighted the ways in which those processes were no longer serving the market. That said, the issues that arose at the height of the pandemic did not appear from thin air. They showed existing cracks in the foundation.

They were the result of years of business as usual despite signs that the old ways were threatening to give way under the weight of today's demanding business landscape. Through this journey, shippers have realized that — while COVID-19 laid the challenges of modern shipping bare — there will never be a “return to normal” regardless of how far in the rearview the pandemic appears to be.

Of course, the increasing complexity of shipping is only one part of the equation. Companies across sectors had been incorporating digital tools into their operations for decades, but the need for expanded accessibility that accompanied the pandemic kicked efforts into high gear.

Companies now expect partners to have similar capabilities. Failing to do so can lead to [canceled contracts and poor satisfaction](#), neither of which today's shippers can afford.

The last piece of the puzzle is technology adoption. Advancements in both analytics and connectivity have made it possible for shippers to keep up and gain the insights needed to overcome the industry's challenges. Robust data powers the real-time, end-to-end visibility into operations that helps shippers see what's happening in their business and make adjustments, big or small, to drive meaningful results.

## Maintaining agility

Leaning into digitalization allows supply chain leaders to turn their everyday operations into actionable insights that move the needle and support longevity, despite the uncertainty of the transportation market. Freight delivery is highly variable as factors like weather, bottlenecks, road closures, and supply chain disruptions can set drivers back significantly.

Even seemingly small delays add up over long journeys and across enterprises, impacting productivity on a massive scale. According to the American Road & Transportation Builders Association, the nation's shipping industry lost over [27 million working days](#) to traffic jams in 2022 alone. Severe weather is similarly impactful, as seasonal weather events are responsible for 23% of all delays and [32 billion lost vehicle hours each year](#). Meanwhile, supply chain disruptions and the [trucking labor gap](#) both introduce their own variables into operations, further complicating planning and decision-making.

Analytics Services like those offered by DAT iQ can help shippers understand how to integrate real-time data streams — on market trends, weather forecasts, labor allocation, and more — with historical data and risk analyses to plan for unexpected hiccups. Reliable source and market data allow shippers to develop informed models

and contingency plans, so they're ready to act when a disruption occurs. This saves precious time and reduces the impact unexpected hiccups have on their relationships and bottom lines.

## Keeping costs low

Operational costs in shipping have been rising for some time now, with total national spend reaching an [all-time high of \\$2.3 trillion](#) in 2022. While carrying cost has been the major driver of this increase to date, the growth in spending isn't confined to that area of operations. In addition, fuel is more expensive, labor costs are skyrocketing amid a shortage of workers, and inflation is continuing worldwide. All things considered, it's likely the industry will surpass that record in the coming year, which means cutting waste is critical to longevity and success.

In a business with as tight of margins as shipping, every penny counts — and small changes can have a big impact. Having access to to-the-minute insights about shipments, employee rates, fuel consumption, and other critical metrics helps leaders identify opportunities to save, whether in the form of time, money, lost inventory, or anything else. Tools like DAT iQ's Network Analytics can also illustrate how a given shipper's operations compare to the market average to drive improvements.

Aside from the internal improvements data-based insights offer, procurement refinement tools can help shippers compare carriers to ensure they're not overpaying on contracts. By analyzing carrier and lane performance and rate forecasts, shippers can better identify spot premium risks to get the best service at the most competitive rates.

### **Improving customer experiences**

Meeting customers' expectations of digital capabilities is a major driver of digitalization within shipping. Today's businesses want to be able to track their supply chains in real time, and they are increasingly unlikely to work with partners that don't offer these options. They're even less likely to continue working with partners that have underperformed in the past. In fact, 21% of customers say they will stop working with a brand [after just one negative experience](#).

Digitalizing freight operations offers shippers numerous opportunities to improve customer experiences. With so much unpredictability and the prevalence of just-in-time delivery options, sticking to timelines is crucial to retaining customers and meeting organizational goals. However, the customer experience benefits of digitalization extend even further.

For example, DAT iQ's [RateView](#) helps shippers get accurate insights into rates so they can develop quotes more quickly, while offering competitive rates that still turn a profit.

Other solutions, like route optimization software, can also boost customer satisfaction. With the out-of-stocks that characterized the pandemic years fresh on the minds of consignees, on-time fulfillment has the power to [make or break shippers](#) and carriers alike. Real-time tracking and well-conceived contingency plans can help mitigate the impact of delays on clients and even expedite delivery timelines, helping shippers gain an edge over the competition.

# Putting rubber to road

While each shipper's digitalization journey will look different, the general steps in the process will be the same:

- 1. Build** a cross-functional team with insight into various aspects of operations.
- 2. Evaluate** the business' current processes and performance to identify the areas that may benefit most from digital tools.
- 3. Identify** the solutions they may need to attain those benefits.
- 4. Develop** a plan for implementation.
- 5. Commit** to ongoing improvements and adjustments based on the results.

For those that are unsure about the best way forward, connecting with an experienced technology partner can help.

DAT iQ's advanced analytics software helps shippers leverage the data that's already in their ecosystems to build better processes, more resilient supply chains, and more sustainable programs — with the support of knowledgeable experts.

Beginning a digitalization journey may seem like a massive undertaking — one companies may not be prepared to make in this economic environment — but digital transformation is an ongoing journey, and the long-term benefits undoubtedly outweigh the upfront costs.

Those who start now, while the industry's transformation is still in its infancy, will not only gain the operational benefits associated with digitalization, like insight, agility, efficiency, and cost savings, but will pave the way for the industry's future.

**Visit [DAT iQ's website](#) to learn more about the [benefits of supply chain digital transformation](#). If you're ready to get started, [reach out](#) to DAT iQ's experts today.**

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

**[connect.dat.com/empower\\_iq](https://connect.dat.com/empower_iq)**



**Analytics**

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