

The RFP Playbook: An Industry Guide to Navigating the RFP Process



NITL

THE NATIONAL
INDUSTRIAL
TRANSPORTATION
LEAGUE

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The RFP Playbook: An Industry Guide to Navigating the RFP Process

In today's environment, too many supply chain professionals are using antiquated processes in conducting their LTL and TL sourcing events. The shippers that get the best results from their LTL or TL sourcing events share some common attributes.

First, they continually update their sourcing methodologies to make sure they reflect the operating characteristics that carriers are experiencing in the transportation marketplace.

Second, they invest in procuring accurate data so that their bid accurately reflects the lanes/freight volumes being put out to bid.

Third, they address the six critical factors that will result in the best combination of price and service with their carriers.

Fourth, they understand the role that proactive communication can play in helping both parties (shippers and carriers) define their expectations and criteria for measuring how the carriers are fulfilling their duties and how shippers are fulfilling their bid commitments.

The NITL RFP project is critically important in addressing how supply chain professionals can address each one of these attributes. And what makes it so valuable is that the NITL RFP project draws upon input from both shippers and carriers so that the sourcing event can be a collaborative versus competitive event between shippers and carries.

TranzAct is honored to be a part of this critically important initiative.

Mike Regan
Chief of Relationship Development
TranzAct Technologies



PROJECT OUTLINE

The RFP Playbook: An Industry Guide to Navigating the RFP Process

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INTRODUCTION



Having trouble with your procurement events? Read what a collaborative group of industry experts share about improving the process.

In this time of increasing velocity and volatility of our supply chains, logisticians are scrambling to keep up and looking for solutions to improve the networks. And as supply chains have extended around the globe, new challenges and disruptions became real. As the global pandemic also shined a massive light on these issues, many supply chain professionals are adopting technology solutions, which is a logical choice, but perhaps there are additional ways to streamline the processes, particularly around transportation procurement.

This guide looks at transportation procurement in a new light. We assembled a team of seasoned transportation professionals from each part of the process - shippers, carriers and brokers - to join together to review the procedures and jointly discover possible solutions for improvement. Aside from the Voluntary Interindustry Commerce Standards (VICS) bill of lading in the early 1990s, this is the first time that all sides have come together to improve a transportation process. This paper is the result of that collaborative effort.



As supply chains have extended around the globe, new challenges and disruptions became real.

BACKGROUND

By Gail Rutkowski, Wabash Logistics

This project started about a year ago. I have been in this industry for more than 30 years and have spent many of those years managing the transportation procurement process. The advent of technology promised a new and more efficient process, and in a number of ways, it succeeded. However, we never seemed to hit the projected savings numbers the technology promised. I knew some of the issues were hidden in the data, but what were the other problems?

2 Things brought the issues to light.

The first was a presentation from a team led by Chris Caplice from MIT (Acocella & Caplice MIT CLT White Paper & CHR TMC Project). It showed that using sophisticated Mixed Integer Linear Programming (MILP) optimization models allowed solving for the lowest cost assignment with packaged (multiple lane) bids. Using a MILP enabled shippers to include constraints, consider complex or package bids, make non-financial trade-offs and create multiple scenarios with different carrier assignments.

Originally, the intent of using a constraint-based tool for a Request for Pricing event (RFP) sounded good. Allowing carriers to “package” bids and construct lanes should have resulted in a more cost-efficient operation. However, it didn’t work out that way. The optimization piece did succeed and it is a very powerful tool. But bidding every possible lane, regardless of frequency every year, wasn’t yielding positive results because carriers weren’t responding for a variety of reasons including:

✓ **Historic lanes did not materialize in the future and,**

✓ **Awarded business seldom became real business (less than 50%). Source: Caplice team at MIT**

The second driving force occurred last fall at the National Industrial Transportation League (NITL) conference during a dinner with Derek Leathers, Chairman and CEO of Werner Enterprises; Shelley Simpson, President and CEO of J. B. Hunt Transport, Inc., Rob Kemp, President of DRT Transportation, and others, when the topic turned to the RFP process. Everyone agreed there were problems and it was impacting carrier response and shippers’ results. The major issue was very little of the awarded business in an RFP ever materialized. We will share the information and data we obtained regarding “ghost lanes” in this paper. At that meeting we agreed to form a team of industry professionals to study the issues and suggest possible solutions and guidelines for the RFP procurement process. This paper is a result of that collaboration.

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Everyone agreed there were problems with the RFP process and it was impacting carrier response and shippers’ results.

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CURRENT STATE OF PRACTICE

Traditional transportation procurement is a two-stage process:

Annual RFP:

Reverse auction where carriers are awarded the rights to haul freight on lanes over a future period of time.

Routing Guide in TMS:

Execution system where an individual shipment is tendered to the primary carrier for that lane in the routing guide.

Solving for the lowest cost assignment with packaged (multiple lane) bids requires the use of sophisticated Mixed Integer Linear Programming (MILP) optimization models. Using a MILP enables you to:

- Include constraints,
- Consider complex or package bids,
- Make non-financial trade-off, and
- Create multiple scenarios with different carrier assignments

Applying standard procurement methods can hurt:

Common Myth:

The annual RFP creates the routing guide which becomes the transportation budget.

Reality:

At best, the routing guide is a (much) lower bound approximation of what you will spend.

Problem:

RFPs use a coverage policy where each lane has a contract rate in order to reduce the risk of exposure to the spot market.

CURRENT STATE OF PRACTICE

BIDDING

Bidding, particularly annual bidding, provides no incentive for a carrier to build a network around the shipper's freight.

There are a number of approaches to transportation procurement:

Fully Spot:

Shipper tenders all loads to brokers or other outside 3PLs who will book loads based on daily market rates. The freight market can be extremely volatile, and this approach allows for little protection for the shipper.

Fully Contract:

Putting all lanes under contract, regardless of volume, may offer shippers the most protection, but loads failing to materialize (ghost lanes) cause carriers to move to mitigate their risk.

Combination:

Shippers who use both methods of procuring transportation services allows for the best possible result for all parties.

Outsource to 3PL:

Shippers who don't feel they have the resources or core competency to execute and RFP and/or the operational moves, will contract with a third party to handle daily execution, but still must maintain strategic overview of the process and network.

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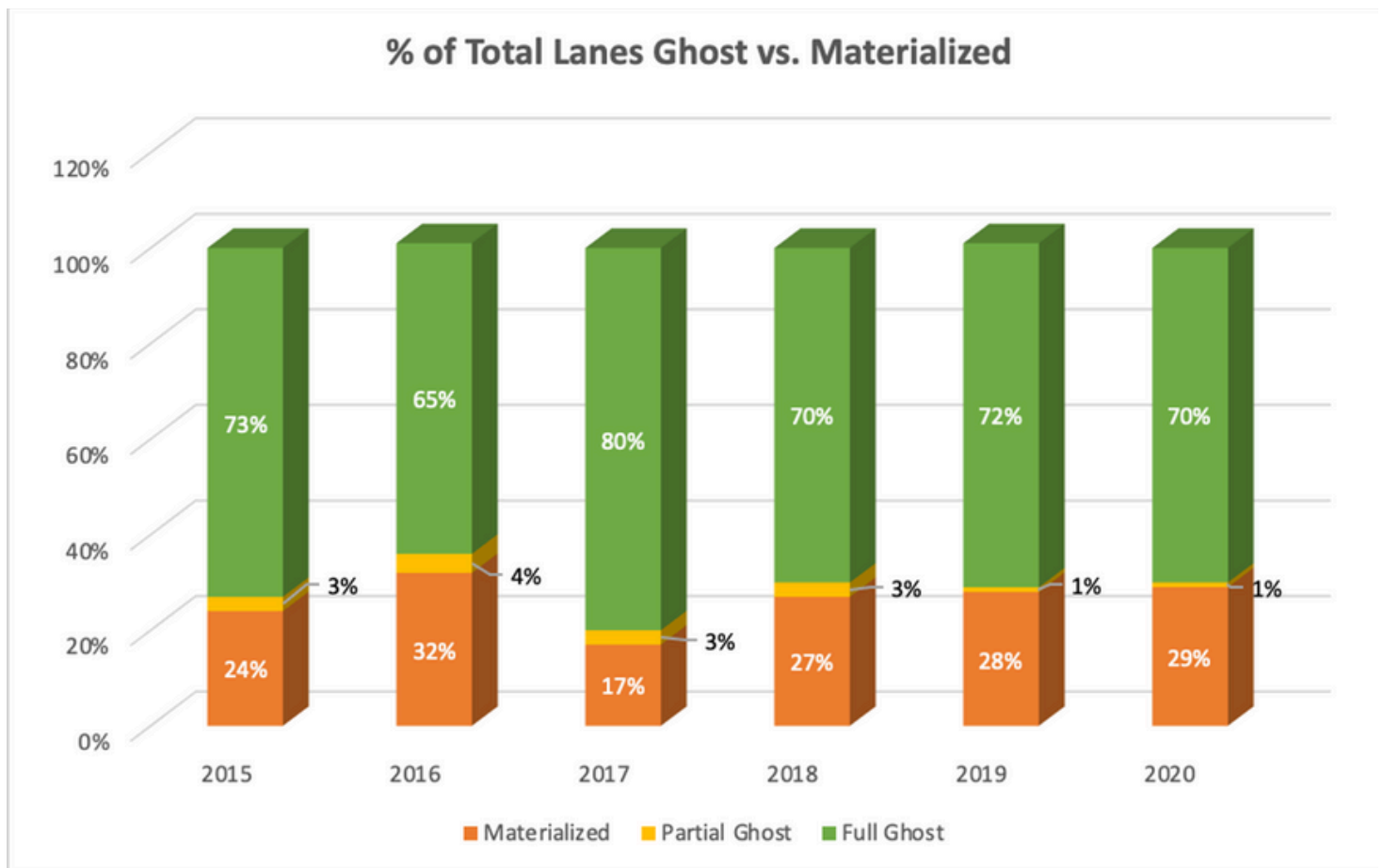
Bidding, particularly annual bidding, provides no incentive for a carrier to build a network around the shipper's freight.



GHOSTING: It's Not Just for Dating Apps Anymore

One of the primary issues with RFP procurement was a common practice of putting all lanes under contract regardless of volume.

Our carrier team members shared with us - and research from the Acocella & Caplice MIT DLT white paper and the CHR TMC Project confirmed - that less than 32% of awarded freight ever materializes. The chart below shows the rate of ghost lanes over the past few years. Additionally, the research also showed that every 10% increase in ghost lanes awarded to a carrier leads to a 1-2% higher contract price across all lanes from that carrier the following year.



Source: Acocella & Caplice MIT CLT White Paper & CHR TMC Project

FREIGHT CHARACTERISTICS

The Importance of Accurate and Complete RFP Data

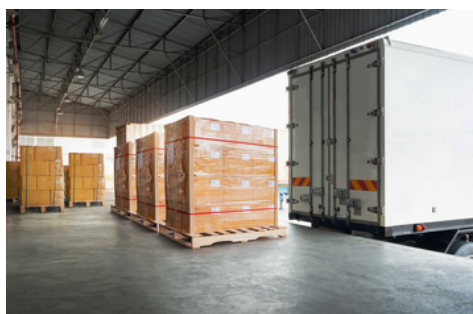
The goal of an RFP is to help shippers secure bids and more easily find the right carrier for their freight. Though these proposals can seem dense and long, taking the time to provide complete and detailed information ensures that the shipper will get the most accurate bids possible.

A complete RFP also creates transparency in the freight bidding process. By putting the freight characteristics and the shipper's service requirements into writing in an RFP, the carrier knows what is needed up front. This information equips them with what they need to respond to an RFP with a transportation plan tailored to fit the shipper's unique needs.

This section discusses the data and freight characteristics that carriers need in an RFP to create a complete and competitive bid. An important issue to note is that not all modes require the same information on an RFP. While a lot of the information will overlap between modes, there are some key differences in how some modes operate, requiring some different or more specific information to give an accurate quote.

For example, a bid for a less-than-truckload (LTL) load requires the exact number of pieces, sizes and weights, that isn't necessarily required for truckload or intermodal. This is because in an LTL load, the freight is often loaded and unloaded manually. LTL carriers may also try and consolidate several LTL loads from different shippers onto one truck, maximizing cubic load utilization. Knowing the amount of freight helps carriers better consolidate these shipments. The exact number of pieces and weight is generally less important for an intermodal or truckload bid, as those are sold by the whole container or truckload.

Mode	Origin Zip	Origin City, State	Pieces	Dimensions	Commodity Type	NMFC Classification	Weight	Accessorials
Intermodal		✓			✓			✓
LTL	✓	✓	✓			✓	✓	✓
Truckload		✓		✓				✓



FREIGHT CHARACTERISTICS

Historical Shipment Data Fields

This data provides the basic information needed for pricing. This is not an exhaustive list of every freight characteristic every mode needs for an accurate bid. However, it paints a picture of the type of information that carriers want to see in this section – factors like the freight origin and destination, the physical characteristics of the freight and when the freight needs to be shipped.

Information required in this section can include:

RFP Required Information
Origin Zip Code, City & State
Destination Zip Code, City & State
Weight
Pieces
Cube, Density, or Dimensions
Actual NMFC Classification
Commodity Type
Shipper & Receiver Operating Characteristics (business hours, appointment type and live & drop status)
Shipper Contract (including payment terms)
Shipment Date
Shipper Name
Consignee Name
Accessorials

This section also includes the information carriers need to try and find efficiencies. For example, if the carrier knows the shipper's name and/or consignee, they can see if there is already an existing equipment pool/relationship at that location. If there is, that could create efficiencies that lead to cost savings for shippers.

In this section, the accessorial process should be well defined. This includes what the anticipated accessorials are, the pricing structure and the administrative process for submitting accessorial charges.

Shipper's Intention, Values and Goals for the RFP

In this section, shippers outline what they value the most in a carrier and what supply chain problems they are trying to solve. The information in this section lets carriers distinguish their service from others. By listing out exactly what the shipper wants out of a carrier and what problems they are trying to solve, carriers can come back with a custom supply chain solution tailored to those specific requirements. This also helps shippers determine which carrier is most qualified to move their freight in the manner they want.

Questions asked and information required in this section include:

What is the shipper trying to accomplish?

- ▶ Are they wanting to reduce damages?
- ▶ Are they looking for faster transit times?
- ▶ Are they wanting to reduce costs?

How is the shipper deciding what carrier to use on any given shipment?

- ▶ Will they make the decision based on the prices presented by all carriers for every single shipment?
- ▶ Are they creating routing guides based on awarded lanes?
- ▶ Are they awarding based on the state, metro or zip code level?



- **Is any of the data in the historical shipment file based on assumptions or some level of averages?**
- **Are there any special handling or procedural steps the carrier should know about?**
- **What mode is being used to move the freight today?**
- **What transit or service requirements are there?**
- **Are there anticipated volume changes? Are there any expected distribution network changes in the coming year?**
- **What is the bid cycle?**
- **How many rounds of bidding will there be? What is the timetable for these bids?**
- **If competitive feedback is provided, what is that feedback based on?**
- **What metrics are you using to compare carriers to one another?**
- **What is the volume expectation by month for the bid cycle?**
- **What is the value of the cargo and are there any security needs?**
- **What are the contract and payment terms?**

THE TRANSPORTATION CONTRACT

The transportation contract provides the foundation for shipper/carrier/broker relationships. It is important that the contract protect both sides of the transaction and addresses all issues involved in transport. We will be providing, within the scope of this project, transportation contract templates that have been written by transportation attorneys and cover pertinent issues.

Some of the topics we will cover are:

Should contracts be vetted prior to event (good idea but is it viable?);

How to contractually address low volume lane pricing (state to state matrix, % discount off current market rates);

And finally, we will address various addendums such as Fuel Surcharge (FSC), rules and accessorials.

Contract Management Strategies

Consider sharing the contract at the on-set of the RFP, but do not require the signature as a gating document.

This creates a collaborative environment where transportation providers know the terms the shipper is seeking but also allows openness and time for some redline agreements to be reached.

Documents such as fuel surcharge and accessorials should be included in the RFP and generally are agreed to and utilized by all carriers. They base their linehaul pricing off of the shipper-defined fuel surcharge and accessorials.

Define best practices on contract duration, termination clauses, liability limits and dispute resolution procedures.

The contract should define the parties, service scope, service level expectations, liability and insurance (one of the largest areas providers will review), term length and termination procedures and confidentiality between parties.

Pricing itself is usually not built into the contract, it is in a rate addendum that is refreshed based on agreed upon rate terms, generally from 3 months to 12 months.

THE TRANSPORTATION CONTRACT

LOW VOLUME STRATEGIES

One of the challenges in executing a successful RFP is differentiating between large annual volumes versus specific strategies. Low volume lanes can offer a strategic opportunity for cost mitigation by looking at various methods of execution:

- ◆ Backup matrix (and variations point-to-point, point-to-state, state-to-state, etc.)
- ◆ Waterfall routing guide assigning primary, secondary and tertiary providers.
- ◆ Award at origin level with weekly commitment, destination immaterial versus lane level.
- ◆ Award sizable spend (\$1M+) of low volume lanes to single provider. It allows them to manage through loss leaders without coming back to shipper for increases.
- ◆ Bundle lanes in common directions to award for low volume coverage.
- ◆ Market based pricing- select a single provider or two to handle all low volume moves but hold them accountable to market rates through lane level indexing utilizing DAT, Truckstop, FreightWaves, Greenscreens (a number of other sources also exist). Those rates can change from as frequently as weekly to as far apart as quarterly, but generally not a larger time gap. If we are in a rising cost market, there really is no way around paying market rates so you might as well take advantage of it when the market is low. This likely won't work with an asset provider but is possible by utilizing a logistics provider whose own costs are based on market conditions.
- ◆ Index pricing- Tie rate changes to an index that could be from the above or a boarder index such as the CPI, PPI or Cass Freight Index.
- ◆ Carrier mix strategy - include asset and brokerage providers in the award solution to allow for greater flexibility.
- ◆ Market pricing/API/tech solution- Many shippers are going to a strategy to cover low volume or fall off lanes through direct API pricing calls or load boards, as opposed to including them in a structured RFP. In essence, they are utilizing ad hoc pricing on the spot market.

With the availability of newer technology, shippers can choose to leave low volume lanes out of the RFP as it is now possible to analyze the best path forward in terms of overall freight cost/service by either including them in a bid or leaving them permanently in the spot market.

THE TRANSPORTATION CONTRACT

CONTRACT ADDENDUMS

In addition to the basic contract outlining terms and conditions, most contracts will also include addendums including:

Pricing

This addendum contains the specific pricing carriers have proposed in response to the RFP.

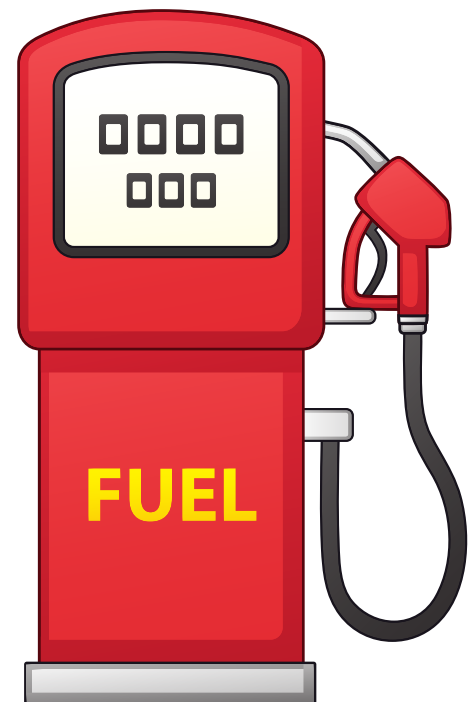
Fuel Surcharge

This Addendum provides the carrier with guidelines in applying a fuel surcharge to their freight bills.

Accessorials

This addendum includes the basic rules that may apply to the shipper's business (i.e. liftgate charges, appointment charges, detention, etc.) This may not include all the rules a carrier has, but allows the shipper an opportunity to negotiate on accessorials most often used by them.

As with the basic contract, all addendums must be reviewed for accuracy and accepted and signed for by both parties.



Technology & Its Use in RFPs

The use of technology in conducting RFPs has vastly improved the process, but is not without issues. We have asked two technology advisors from Emerge to assist us in identifying these issues and shared some best practices for the use of technology in this process.

Summary:

Running a successful domestic transportation Request for Proposal (RFP) requires a strategic approach that leverages the latest technology to streamline processes, enhance decision-making and foster transparent vendor relationships. Best practices involve meticulous planning, data-driven evaluations and clear communication with potential vendors. By integrating advanced tools such as RFP management software, data analytics and AI, companies can optimize their RFP processes, reduce costs and improve service levels. Additionally, lessons from the field highlight the importance of simplicity, collaboration and transparency, ensuring that the RFP not only attracts the best vendors but also leads to successful partnerships that drive long-term value.

Best Practices (focused on technology):

- Preparation and planning:
 - Define clear objectives and requirements.
 - Gather and organize historical data and performance metrics.
 - Develop a comprehensive RFP template.
 - Develop an awarding strategy and establish goals and desired outcomes of RFP.
 - Utilize Technology to streamline communication and data exchange.

Vendor Engagement:

- Use automated tools to identify and pre-qualify potential vendors.
- Communicate expectations and timelines clearly.
- Provide a centralized platform for Q&A and updates.

Data Management:

- Utilize data analytics tools to analyze historical performance and pricing.
- Ensure data accuracy and integrity.
- Use tech-enabled platforms for streamlined data sharing and collaboration.

Bid Evaluation:

- Implement automated scoring systems for objective comparison.
- Use scenario modeling tools to evaluate different bid outcomes.
- Consider total cost of ownership (TCO) and service level agreements (SLAs).

TECHNOLOGY

Decision Making:

- Leverage decision-support tools to compare bids and scenarios.
- Review and compare industry benchmarks.
- Utilize dashboards and visualization tools for stakeholder presentations.
- Document and track decision rationale for transparency and accountability.

Implementation and Monitoring:

- Track implementation milestones and leverage tech tools to prepare your data to seamlessly update/integrate to your TMS.
- Implement performance metrics, tracking, and reporting tools.
- Conduct regular reviews and feedback sessions with vendors.

Tips on Handling RFPs or Stories from the Front Line:

Real-Life Example:

- A leading retail company used AI-powered tools to predict vendor performance and evaluate total cost of ownership during bidding to improve service and reduce freight spend by 10%. Please refer to case study “Pepsi Bottling Finds Just What it Likes with Emerge” in the addendum.

Practical Advice:

- Always involve cross-functional teams to ensure comprehensive requirements and evaluation criteria.
- Maintain open communication channels with vendors to foster transparency and trust.

Lessons Learned:

- Avoid overly complex RFPs that can deter potential vendors.
- Focus on quality over quantity (focus annual RFPs on higher volume lanes).
- Evaluate procurement tools from both shipper and supplier perspectives.
- Ensure sufficient time is allocated for vendors to prepare and submit their proposals.

Technology and Its Use in RFPs:

RFP Management Software:

- Streamlines the RFP process from creation to vendor selection.
- Provides templates and standardizes documentation.

Data Analytics:

- Analyzes historical data to forecast costs and performance.
- Identifies trends and anomalies to inform decision-making.

Tech Platforms:

- **Facilitates real-time collaboration and data sharing.**
- **Ensures accessibility and scalability.**

Artificial Intelligence (AI):

- **Automates repetitive tasks such as vendor pre-qualification and bid scoring.**
- **Enhances predictive analysis for vendor performance and risk assessment.**

Technology:

- **Ensures data transparency and security.**
- **Tracks and verifies every transaction and communication in the RFP process.**
- **Provides source of truth and historical information.**

Visualization Tools:

- **Provides dashboards and visual aids for comparing bids and scenarios.**
- **Enhances stakeholder engagement and understanding.**

Current RFP Technology in Market:

- **Emerge**
- **Coupa**
- **Jaeggar**
- **Keelvar**
- **Goodship**
- **Transporeon**
- **Various TMS modules**

Conclusion

In conclusion, leveraging advanced technology is essential for optimizing the domestic transportation RFP process. Modern tools empower both shippers and carriers by streamlining bid execution, enhancing transparency and facilitating efficient communication. With capabilities such as advanced analytics, machine learning, and real-time data access, these technologies enable more informed decision-making and scenario modeling and foster stronger partnerships. By embracing the right technology, companies can not only reduce costs and improve service levels but also achieve their broader strategic objectives in a highly competitive transportation landscape.

COMMUNICATIONS & RELATIONSHIPS

Developing and maintaining strategic partnerships must occur in good times and bad times. The value of the relationship must be felt by both parties even when the pendulum of capacity or pricing swings in the favor of the carrier or beneficial cargo owner (BCO). These relationships become even more important with the fact that the cycles of negotiation leverage are getting closer together.

At the core of building strategic partnerships are a few principles:

- Direct communication and developing shared trust. This involves open and transparent communication.
- Agreeing on shared direction and goals.
- Strategic relationships require an investment of time and resources. The relationships must also be willing to adapt to changing culture and industry circumstances.

As much as purchasing would like to make their processes impersonal and transactional, this is, frankly, irrational.

Business is personal, at least in truckload purchasing, whether some like to admit it or not. A carrier's loyalty to a purchaser (shipper) can most easily be quantified in one critical way: the carrier's acceptance of purchaser's tenders during times of demand exceeding capacity. Purchasers can most easily quantify that loyalty by minimizing the additional cost of having tertiary carriers move the freight. More difficult to quantify is the lost sales the purchaser undergoes by not having their freight moved in a timely manner.

An obvious way for a purchaser (shipper) to demonstrate loyalty to carriers is by retaining incumbents on an origin to destination basis over many years. This should result in more efficiency and better service for the from the carrier.

One of our team members, John Janson, Vice President of Supply Chain at SanMar, shared his company's approach:

“
At SanMar we state Business is Personal, this means that we strive to build strategic relationships with our core suppliers. We believe that there are several values achieved by building strategic relationships. SanMar refers to the strategy of playing the long game in which relationships are maintained and suppliers maintain their position without risk of losing their position for a minor change in pricing culture.

John Janson, VP of Supply Chain, SanMar”



COMMUNICATIONS & RELATIONSHIPS

Relationships need to be developed across all levels of the organization. This includes at the most tactical level up to the executive suite in the company. If the relationship principle is not driven through all levels of the company, then companies run the risk of having tactical execution deliver behavior that is not congruent with the executive agreements.

Strategic partnerships in logistics involve collaboration between two or more organizations to achieve common goals and mutual benefits. These partnerships are usually long-term and involve a high degree of trust, co-operation and shared resources. Unlike traditional buyer-supplier relationships, strategic partnerships focus on building a deeper connection that goes beyond mere transactional interactions. By pooling expertise, resources and networks, partners can create synergies, increase efficiency and unlock new opportunities.

For example, if our docks do not enforce carrier of choice behaviors or accounts payable does not respond in a strategic partnership mode then the value of the relationship will not be realized.

This approach can be more beneficial to the purchaser (shipper) enterprise than they know. If relationships are developed at higher levels, than neither is likely to part ways without some warning or discussion. And the discussion most often helps to mend and even strengthen the relationship.

“

Transportation is a relationship business. You need to establish relationships and then work to sustain them. Today's technology sometimes seems to overlook that important piece. Those who will prosper are the ones who will develop and maintain those trusted relationships with their transportation providers. You can't do it via text message.

Gail Rutkowski, Wabash Logistics

PROJECT TEAM



Project Lead:

Gail Rutkowski, President Wabash Logistics

Team Members:

Kyle Bartko, Director of Logistics, Uline

Matt Ehlinger, Vice President-Transportation, NCH Corporation

Stacey Griffin, Sr. Vice President, Intermodal Pricing, J.B. Hunt Transport, Inc.

Julia Hoult, Director Pricing, Werner Enterprises, Inc.

Chris Hulse, Transportation Manager, Packaging Corp. of America

Doyle Jacobs, COO, DRT Transportation

John Janson, Vice President, Supply Chain, SanMar

Travis Krous, Sr. Director, Supply Chain, Nestle Purina Petcare Co.

Rob Marine, Global Category Manager, Logistics, The Chemours Company

Scott Matasar, Vice President, Strategic Accounts, RXO

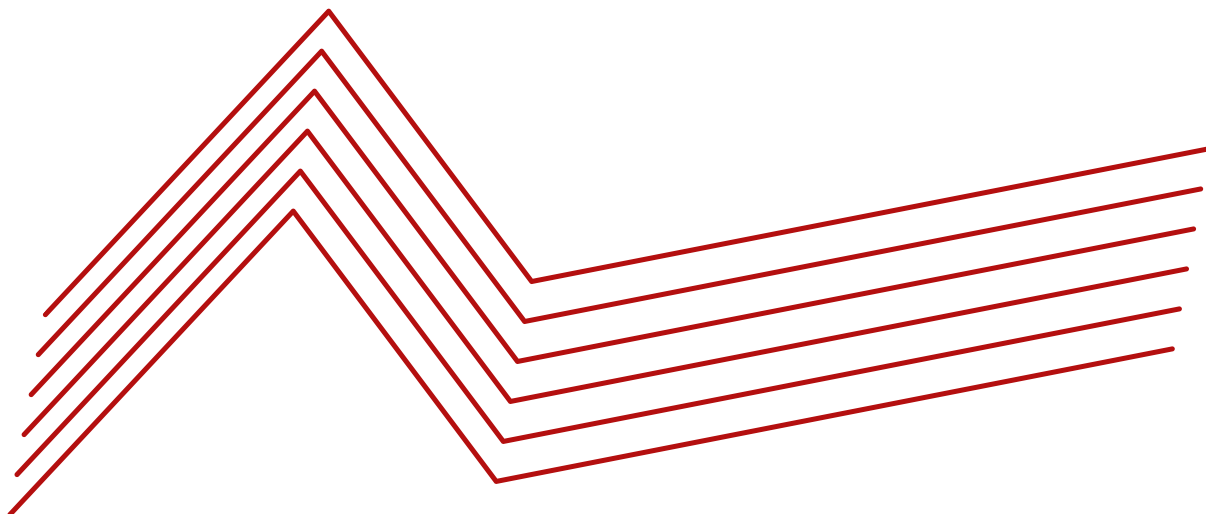
Ryan Mize, Director of Pricing, Strategy Roadrunner

Advisors:

Zach Knobel, Sr. Vice President Enterprise Sales, Emerge

Maggie Petrovic, Sr. Vice President Strategic Partnerships, Emerge

Chris Caplice, MIT Center for Transportation & Logistics



RESOURCES

Reducing Uncertainty in Freight Transportation Procurement. Caplice, C. (2022) Journal of Business Supply Chain Management, Logistics and Procurement, 4(2), 137-155 -an overview of the entire problem and why it is a challenge.

Research on truckload transportation procurement: A review, framework, and future research agenda. A Acocella, C Caplice – Journal of Business Logistics, 2023 – an academic review of all literature on transportation procurement.

Roads Rarely Traveled: Avoiding the Biggest Mistakes in Truckload Purchasing – Richardson, F. W.

Emerge – Pepsi Bottling Finds Just What it Likes with Emerge (addendum)



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Logistics Management Solutions

After helping shippers optimize their supply chains for over 40 years, and having conducted billions of dollars in sourcing events, even the best sourcing strategists take their cues from us. As the only company in the United States that can create customized LTL Rate Base Tariffs for shippers, our customers are not tied to having to rely on SMC CzarLite or carrier based tariffs. With TranzAct's proprietary process for RFPs and our outstanding capabilities to aggregate and effectively use meaningful data in conducting sourcing events, our customers get the best possible results.

Long before Artificial Intelligence became a fashionable term, we were analyzing data and building technology that found the most efficient total landed cost for shippers. To this day, our software and expertise helps turn supply chains into a competitive advantage.

Our solutions are truly customized to the unique needs of our clients. We don't shoehorn them into one of a few pre-existing options based on company size or industry or rely on standard off the shelf LTL Base Tariffs. Because of that, we are able to employ the exact solution our clients need to create a seamless, integrated program from sourcing to execution to the back-end systems that ensure data is captured accurately and used to inform future supply chain efficiency.



EmERGE stands as the premier solution specifically designed for running transportation RFPs, offering shippers and carriers a streamlined, efficient process tailored to their unique needs. At the core of our offering is ProcureOS, a sophisticated suite powered by EmERGE AI that leverages extensive industry data to elevate both contract and spot procurement strategies. Our advanced tools, including an AI-driven Scenario Builder, allow shippers to optimize their carrier networks, benchmark against robust market data, and execute precise scenario analyses.

EmERGE's unique marketplace, supported by a growing community of vetted asset-based carriers, drives competition within your network, ensuring transparency, speed, and guaranteed service. Additionally, features like Dynamic Book-it-Now accelerate rate setting and booking, saving customers millions through efficient, data-driven decisions. With seamless TMS integrations and a dedicated support team guiding you through every step, EmERGE not only optimizes your transportation RFP process but also positions you ahead of market volatility. Our shippers are leveraging the most advanced freight procurement technology ever created, making EmERGE the preferred choice for achieving strategic goals with confidence and precision.



Pepsi Bottling Finds Just What it Likes **With EmERGE**

Pepsi Bottling Ventures (PBV) is the largest independent bottler of Pepsi Cola beverages in North America. A chemist created the original Pepsi soft drink in New Bern, North Carolina.

Challenge

Tucker Cowlbeck, Corporate Transportation Manager for PBV, realized the need for a more efficient way to handle RFP events. He refers to the company's "past process as "messy and complicated." He said that with a very lean/limited staff in the PBV OTR Department, it was a struggle to carve out time to put together an RFP, get the information out to carriers/brokers, and process the data once they could capture and consolidate the information.

Because of the time and effort that went into each RFP, PBV often limited the number of carriers or brokers invited to a bid event. They sent RFP invitations to four or five carriers/brokers identified as a possible fit, although the company received hundreds of solicitations from carriers and brokers every year. With such a small base of carriers and brokers, PBV realized that they might be missing out on good providers at market rates and needed to expand their network.

The lengthy bid process made it difficult for PBV to be agile, and Cowlbeck noted, "We were not able to take advantage of or to react quickly to market rate fluctuations. For a team already stretched to complete daily tasks, Cowlbeck said, "It was easy to adopt an attitude of, if the system is not broken, don't fix it."

Cowlbeck said that by relying on "old methods" and not utilizing the new technology in the logistics/transportation industry, PBV was limiting the efficiency of its operations and the ability to cut costs. However, change is not always easy for companies. Cowlbeck said, "It can be an overwhelming experience adopting a new business transformation."

When PBV decided to make the leap forward to new processes, they looked at freight procurement platforms.



Process

Pepsi Bottling Ventures was initially planning to use the Emerge RFP platform and utilize the Benchmarking feature. After further evaluation of their needs and Emerge's capabilities, they also included TMS functionality.

Discovery

1

Pepsi Bottling interviewed several solutions providers before selecting Emerge. Cowlbeck said that Emerge distinguished itself from other companies offering similar technologies by providing an exceptional customer experience. "Emerge was exceptional in handling our needs, questions, and repeated requests for forums to answer our questions," he noted.

Cowlbeck also said that the transportation team readily adopted the Emerge solution because of its user-friendly platform, and he said, "The senior management team was pleased with Emerge's willingness to work with us and to help shape the Emerge platform to meet our expected needs," he said.

2

Implementation

The onboarding process went smoothly, with each Emerge team member demonstrating a positive "can do" attitude and being available anytime Pepsi Bottling needed assistance or information. "Emerge walked us through the process and worked to train us in phases so that we can handle the entire process from start to finish without ever feeling overwhelmed or unsupported," said Cowlbeck.

3

Active Utilization

As PBV has become active users of the Emerge solution, they continue to receive help along the way. Cowlbeck noted, "The Emerge support staff is one of the most polite, helpful, and knowledgeable I have had the pleasure of working with in quite some time."

4

Future Plans

As PBV expands its sales territories and product lines, Cowlbeck said, "We look forward to growing with Emerge and look forward to the enhancements they bring to the logistics industry along the way."

Results

1

Increased efficiency

Pepsi Bottling Ventures creates bid events in a couple of hours, a task that previously took months to complete.

2

Agility

Pepsi Bottling Ventures uses the Emerge platform to secure "real-time" market rates, which is vitally important in today's global market.

3

Expanded Network

Utilizing Emerge, the company has tripled the number of brokers/carriers they send RFPs to.

4

Flexibility

Because the Emerge platform is very user-friendly, Pepsi Bottling Ventures can easily add or subtract from the number of carriers/brokers they want to participate in a bid event.

5

Cost Savings

Using the Emerge platform, the company has recognized cost savings by sending out an RFP in a matter of hours.

About Us

Emerge is revolutionizing the freight industry through its award-winning Freight Procurement Platform. Built by freight professionals for freight professionals, Emerge offers solutions that enhance the procurement process and provide current benchmarking data, enabling shippers and carriers to make more empowered, strategic decisions. The market response has been tremendous, and Emerge has been recognized nationally and locally for its rapid growth. Headquartered in Scottsdale, Arizona, Emerge was founded by industry leader Andrew Leto in 2017.



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**10816 Town Center Boulevard, #516
Dunkirk, MD 20754-2708**



Phone: (703) 524-5011



Info@nitl.org



www.nitl.org

