



Technology Enhances Intermodal Capacity, Builds Attractiveness

Intermodal capacity can be added through a wide range of technology solutions to help providers meet customer needs and make their service a more attractive alternative to over-the-road trucking in today's tight freight market.

"The capacity crunch is not going to fade off into the horizon," said Andy Berke, vice president of strategic ventures at 3PL Blue Grace Logistics. "There is going to be more freight volume for the next four to five months. The easier it is to access capacity, the better, as truck capacity gets tighter and tighter."

"Customers are going to have to be more flexible in their timelines, and some [truckload] freight is going to bleed over to other modes, like intermodal or [less than truckload]," said Berke, whose company partners with other companies such as Knichel Logistics and Direct Drive to provide intermodal services. Those partners in turn use Blue Grace for LTL service.

Berke went on to say that improved technology and more

platforms for improving information visibility can further enhance asset utilization and value through the intermodal service option.

"Many intermodal companies and [intermodal marketing companies] want to reach new markets, but have no way of getting their capacity in front of certain shippers," said Chris Ricciardi, chief operating officer at Logistical Labs. "Technology enables companies to connect to more customer bases and revenue streams, and it gives them real-time visibility into available capacity that they don't have with OTR."

Ricciardi said those new approaches aggregate data to feed the right information to sales representatives or customers, resulting in more visibility – and capacity – in all modes. The

enhancements make it easier to do immediate comparisons and evaluate the best routing options, and facilitate conversion from OTR to intermodal by simplifying the process of comparing the routing options.

Additional Opportunities

Technology will further aid intermodal by creating additional opportunities to enhance capacity in a freight market that also is being driven by a strong economy and regulatory changes such as the electronic logging device mandate, Ricciardi added.

Dennis Lane, vice president at Trinium Technologies, also stressed the importance of connectivity beyond just a flow of information to enhance opportunities to add capacity.

"There is a mindset issue," he said. "Enhancing capacity is not just adopting technology. You have to get the stakeholders to integrate their technology. Enhancing capacity is also about being able to [interface] and operate with other companies."

The ability to apply technology in an operational context is especially important today for drayage carriers that are experiencing growing demand and a shrinking pool of drivers across the industry.

"The pressure is on to get more turns out of their drivers. From a technological standpoint, dray companies would like to become more efficient," Lane said. "Unfortunately, they are reliant on turn times in the port world. More connectivity between the rails, marine terminals and drayage would improve turn times and capacity."

He cited efforts such as work being done by the Harbor Trucking Association with marine terminals as a positive example of connectivity improvement.

Mike Albert, CEO of DrayNow, told Intermodal Insights that a real-time booking system advances intermodal [efficiency] by providing the ability to book an entire move in a matter of seconds, while other systems may just confirm the availability of a piece of equipment.



Albert

Faster, more efficient technology can make intermodal more appealing and standardize the process, eliminating manual processes.

"Traditional load matching is passive in that brokers post freight and wait for carrier interaction via a phone call or email," he said. "Technology greatly changes the landscape and the velocity of this interaction, and seamlessly allows brokers and carriers to interact on a real-time basis."

Albert also said that intermodal capacity is enhanced by making the booking process easier, particularly for younger drivers who are accustomed to technology and mobile communications.

Jason Hilsenbeck, owner of LoadMatch, underscored the

importance of making sure that technology, such as forecasting tools, is flexible and can be adjusted quickly. That need for flexibility has been magnified as the lead times between arranging and moving a shipment have been shortened by effectively using technological tools that have evolved from pen and paper and phone calls to email.



Hilsenbeck

Believability Matters

"It's really important that whatever communication tools you have, that operations people at the carrier believe them," Hilsenbeck said. "Dispatchers may not take the forecast as actual facts. Technology can only be used to forecast and add capacity if the carrier believes the forecast to be true. It all comes down to the quality of the data."

He also noted there has been significant improvement in intermodal capacity forecasting through reservation systems.

Jack Oney, president of Oney Consulting, said there are multiple opportunities through technology to enhance intermodal capacity. One is better tracking, particularly on the rail portion, where it can be difficult to pinpoint freight location. Improved technology that reduces manual effort, now used for less-than-ideal electronic data interchange communications, would help as well.

Oney, who had a 27-year logistics career at Procter & Gamble, said intermodal capacity could be added if the railroads and motor carriers could better align their portions of the service to enhance transit time. That would enable intermodal to gain business in cases where the cost savings compared with truck aren't significant enough to justify the additional transit time.

Complementary Steps Enhance Value

Complementary steps can further enhance capacity enhancements through technology.

More reliable rail service on the delivery end of international intermodal moves would help as well, Oney added. Additional outreach to international customers about rail service capabilities in port areas also is important to underscore the value of the service, he added.

Like Oney, Hilsenbeck said that improving marketing to emphasize the advantages of intermodal compared with OTR service is an important component of the overall service package.

Improving capacity requires steps such as enhanced mobile connectivity with drivers to complement in-office technology, Lane commented.

Intermodal can reinforce that opportunity by further tightening the link between drayage and rail service to provide an easier solution for customers, he added.