Shelli Austin, president of InTek Freight and Logistics, explained the emergence to Intermodal Insights, as one of several subject matter experts who addressed how technology is transforming intermodal freight’s status with 3PLs.

“There is not any difference in the requirements for [handling] truckload versus intermodal in today’s market,” she said. “It’s now falling into the need for visibility and on-time service. Before, it was the deferred ‘it will get there when it gets there’ type of freight. All successful 3PLs need to have the same real-time information for intermodal that they do for [over-the-road] freight.”

“3PLs are being asked to do more multi-leg management, particularly of drayage at both origin and destination,” said Tommy Barnes, president of project44. “It is a little bit harder but they are providing a lot more value to customers.”

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XPO Logistics is among the 3PLs that have emphasized new

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3PLs Adopt Technology to Enhance Customer Relationships

Third-party logistics providers are focusing much more attention in 2018 on technology that maximizes intermodal freight visibility as an effective way to strengthen customer relationships.

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technological approaches. The company recently rolled out a cloud-based, digital marketplace designed to offer an automated method of freight visibility across all modes of transportation. The added visibility can help to identify time and cost saving actions, which results in greater efficiency. These types of solutions can also identify market conditions such as changing capacity and rates that can be used to make load assignments and track shipments.

“The key technology for the intermodal product is the ability to capture real-time drayage information at pickup and delivery,” Austin said. “It is easy to get the information once the container is in the possession of the rail lines. The challenge is grabbing the information from all the different truckers that can and will be used to create capacity for these moves.”

'More and More Stringent'

Dennis Lane, vice president of sales and marketing at Trinium Technologies, emphasized that point. “Shippers are becoming more and more stringent,” he said. “Our focus is how can we connect [using our technology] to interface with rail systems, ports and others.”

Technology has been used to more closely monitor on-time performance, scheduling and proof of delivery, including electronic signatures.

The effort to provide the necessary connectivity has intensified as larger shippers with greater technology resources make more use of intermodal, according to Lane.

“Many companies had nothing, or almost nothing, technological in the truck a few years ago,” Lane said. In today’s market, connectivity and visibility are being achieved by channeling information through a transportation management system.

The increased use of mobile applications has helped to develop visibility. Lane said he believes adoption of mobile applications has doubled in the past two years and will increase further.

It’s important to note, he explained, that the emergence of more affordable technology has helped smaller drayage companies to offer the same level of technological savvy as larger fleets.

Lane added that it’s important to have flexibility to provide shipment information in a variety of delivery methods such as electronic data interchange, application program interfaces or web portals.

Respecting Boundaries

The road to greater use of technology for drayage has had to take into account limits on how much owner-operators can be asked to do while staying within the legal boundaries for being independent contractors, Lane noted.

Larry Cuddy, chief commercial officer for Envio 360, said it is important to develop technology that is tailored to the particular needs of intermodal drayage. The company is developing an optimization tool that is agnostic, he said, in the sense that it can be used with any TMS to enhance visibility.

“The underlying goal is to create transparency for intermodal drayage,” he told Intermodal Insights.

Flexibility is particularly important for drayage information, he said, for multiple reasons.

One is the importance of managing data to address the growing pressure for the 3PL industry to be able to provide more comprehensive information to customers about freight visibility.

In today’s market, a 3PL’s communications network may have connections with literally thousands of drayage companies, using a variety of methods ranging from “snail mail” to real-time information delivery systems.

Another reason, Cuddy said, is the need for 3PLs to bridge together their proprietary information systems, which may not always work as well together as they should.

Maximum Flexibility

The payoff of connecting information systems with maximum flexibility is using the data for a broader purpose.

“It all comes down to capacity utilization. That gives the 3PL the ability to model for surges in business,” Cuddy said. “Then they can go back to a customer and say, ‘Yes, we can handle that.”

There are several additional factors to consider for 3PLs when they make technology investments.

“The customer-facing technology is no good and has no value if the internal systems are not adequately updated to reflect the information the customer is looking for,” Austin said.

Barnes also stressed the importance of first focusing visibility development on the foundational elements within a company’s own information systems in order to develop useful data that is robust and can be provided in real time. That data should be able to be used for analytics, over and above freight visibility, he added.

Barnes also noted the importance of evaluating how the technology investments are directed.

“A lot of 3PLs think day-to-day and week-to-week without understanding the bigger perspective,” he said.

Austin noted the value of connecting investment with a customer focus.

“Many times 3PLs are able to find ways to justify the additional expense needed to improve on technology,” she said. “If the advances come at the same time as improvement requests from their customer base, they can roll that into the cost structure as well.”