ReedTMS Logistics Uses SONAR to Make Data-Driven Decisions
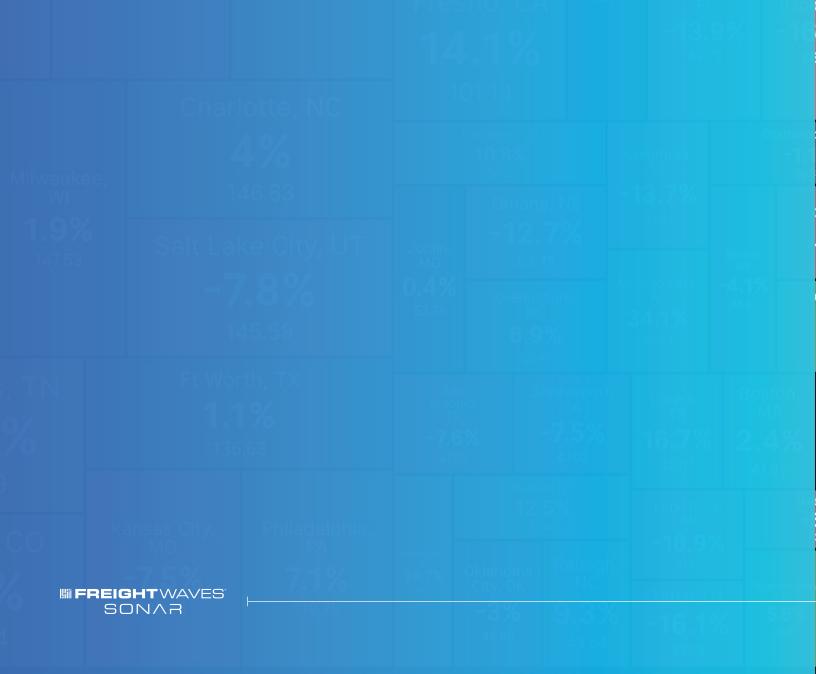
Introduction

Tampa-based ReedTMS Logistics is a family-owned and operated asset-based third-party logistics provider (3PL) that has been in business for more than 20 years. Combining a robust 3PL business and a mixed 3PL asset division, the company has improved its present circumstances and helped ready itself for the future with FreightWaves' SONAR-driven decision-making. The company's services include brokerage, produce transportation, asset-based services, freight management and dedicated services, all delivered with a 24/7 support network. ReedTMS Logistics manages over 125,000 shipments annually for more than 600 customers from a variety of industries using multiple transportation modes.

Like all freight management parties, ReedTMS responded to the market dynamics in 2018 by looking for a better solution to the freight data challenge. Instead of hoping rates and bookings would remain steady and consistent, ReedTMS has equipped its frontline staff with informed decision-making by employing SONAR. It's a significant advantage in proactively planning and exploring new opportunities to conserve resources and maximize profitability. Of course, it wasn't a simple decision that occurred overnight. It's equally important to know the challenges ReedTMS experienced in the past, how the company uses SONAR today, and the real results following two years of use.

The Business Challenge

ReedTMS is not necessarily a unique case study in the application of SONAR. Simply look through the lens of any broker in the last five years, and you'll notice a trend. The market fluctuations, as well as the massive downturn of 2019, created major problems. At the same time, disruptions had already started well before the 2018 freight market skyrocketed. Hurricanes, changing economies of scale, and other factors made freight more susceptible to hour-by-hour fluctuations. And without a way to see the most recent and up-to-date data, ReedTMS found itself experiencing severe setbacks in ensuring the accuracy and precision of rating processes. That value was even more pronounced when comparing the relevance and timeliness of existing data sources used by ReedTMS, including Truckstop and DAT.

ReedTMS Targets Informed Decision Making as a 3PL with SONAR

The driving decision for ReedTMS was its need to capture more data. FreightWaves SONAR had demonstrated its ability to share and send data regardless of how the effects would carry through the market. That made SONAR an easy choice for ReedTMS Strategic Solutions Manager Josh Jongko:

> "
> SONAR is innovating faster than anything else. Trucking historically has been slow to innovate, but the freight community is able to leverage data in new ways to compete, open new revenue streams and build out more value in supply chain efficacy.

Jongko recognized that the freight market mirrors other industries, particularly the U.S. stock market. And like the NYSE, speed of decision-making and the ability to enable algorithmic freight pricing provided the kick for ReedTMS to invest in FreightWaves SONAR. FreightWaves' extensive network of freight market experts, data scientists and industry insiders with decades of combined experience in data analytics made ReedTMS eager to deploy SONAR.

How ReedTMS Applies SONAR Today

The transportation industry, particularly trucking, has been historically slow to innovate. Simultaneously, the industry continues to grow in diversity and bring new faces and experiences into the mix. And the infusion of younger, fresher talent will inevitably require a technology-driven approach in all operations. ReedTMS can make sure that's a reality and applies the following SONAR features to reap a stronger value proposition:

Using custom pages and reports to focus on high-priority markets.

Applying SONAR's various indices, including OTVI, ITVI, ITRI, OTRI and many more to understand market dynamics.

Setting competitive rates with Lane Signal data to manage routes better.

Using Mission Control to understand market fluctuations.

Employing charts to quickly gauge changing conditions and recognize warming and cooling markets.

Applying Critical Events information to avoid unexpected delays and better enable transportation optimization.

Continuously learning more about the value of data to expand brokerage services via FreightWaves Passport.

Summary

ReedTMS has successfully secured the future of its asset-based division. And while the enterprise may apply SONAR primarily in this capacity now, the planned expansion of SONAR, including the 2021 launch of SONAR SCI, will inevitably lead to additional value for ReedTMS. Regardless, the future of freight is bright at ReedTMS with SONAR in its freight analytics toolkit. And a few concrete results from ReedTMS' use of FreightWaves SONAR include:

- A 10% growth rate over the past year.

- An increase of 5% in average revenue per load.

- Executing 29% more loads annually.

- Steady profitability despite the massive disruptions caused by COVID-19.

- Increased market focus for fleet optimization.

Get a demo and learn more at sonar.freightwaves.com