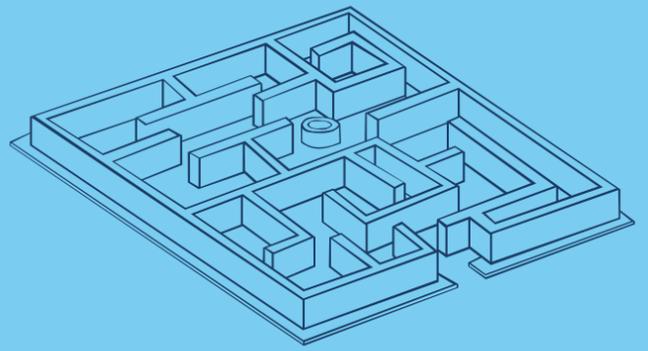


THE PAST, PRESENT, AND FUTURE OF COLLABORATIVE FREIGHT

Q&A with SemiCab Co-founder, Jagan Reddy

We've entered a new year, but one thing remains the same: the freight industry is fraught with a number of challenges and inefficiencies. To gain a better understanding of where we are at and where we are headed, we sat down with members of the SemiCab team to discuss how we can collectively become more efficient, stable, and wholly collaborative. Here's a snapshot of our discussion with Jagan Reddy, SemiCab Co-founder.



Q: TELL US ABOUT FREIGHT VOLATILITY, SPECIFICALLY HOW YOU PREDICT 2021 WILL UNFOLD.

A: Well, 2020 was filled with volatility, and I don't believe that will slow down in 2021. So far, rates have started out strong for this time of the year, but I believe they will remain unpredictable for the foreseeable future. In fact, I think demand patterns are going to be similar to 2020 through at least the first half of the year, and I don't foresee any significant additional capacity entering the market during this time. The freight industry also continues to struggle with a driver shortage, and this will place more stress on the industry as a whole. Though this is all specific to what I see unfolding in the coming year, these aren't new factors. The reality is, capacity fluctuations, lack of transparency, a driver shortage, and underutilized assets have been a problem in the freight industry for many, many years.



Q: WHAT SHORTCOMINGS IN THE FREIGHT INDUSTRY DO YOU BELIEVE CONTRIBUTE TO CONTINUED MARKET VOLATILITY?

A: There are so many factors that contribute to freight volatility, and many of them work hand in hand. For starters, a lack of transparency between shippers and carriers means they're unable to collaborate, making their relationships fragmented, transactional, and reactive. So as peaks and valleys occur in freight due to global macro-economic shifts, regulatory changes, global challenges like the COVID pandemic, etc., there is no collaborative platform to bring shippers and carriers together to ensure stability in freight markets. Then, there's dynamic pricing, which more often than not further perpetuates volatility as shippers and carriers chase better prices from their respective perspectives, leading to an abundance of capacity in some lanes and acute shortage in others.



Q: DO YOU BELIEVE THERE'S A WAY TO SOLVE THESE ISSUES AND HOW CAN SHIPPERS AND CARRIERS BE PART OF THE CHANGE?

A: Yes! First and foremost, bringing stability into the market will drive efficiency, and that starts with technology. There have been a multitude of technological advancements in the freight industry to date, but none of them have managed to hit the nail on the head.

Traditional Freight Brokers have taken a stab at it, but they mostly employ a load-centric approach to match supply and demand, with almost no emphasis on optimizing the overall network, bringing stability, driving down costs, or creating new economic opportunities for stakeholders. There's no transparency in their processes, and usually a 15-20 percent commission to boot. Digital Freight Brokers have made some progress. They use technology to instantaneously match capacity with loads, but really only address shippers' spot market needs without any emphasis on creating efficiencies in the market.

I believe the answer lies in embracing digital technologies that are relational, not transactional. We need collaborative freight optimization, a system that works by taking into account the overall demand and supply across shippers and carriers via pre-built integrations with shippers' TMS, and carriers' ELD solutions.

There are so many ways shippers and carriers can contribute, and of course, SemiCab can help. In fact, Gartner recently released a report, "[2020 Market Guide for Digital Freight Models for Road Transportation](#)" where a variety of Digital Freight models are introduced and explained. In that report, SemiCab was the only vendor recognized as a Collaborative Transportation Platform in North America. We believe this designation accurately represents what we bring to the table: a collaborative platform that optimizes freight needs across shippers to create highly efficient capacity with lower empty miles.

We're confident that as more shippers and carriers join our platform, a more efficient network will emerge. We encourage all shippers to follow Gartner's guidance to "Explore digital freight models for road transportation as a supplementary method to acquire capacity." [Download](#) a complimentary copy of the report to read all their recommendations, as well as a breakdown of the many digital freight options available.



COLLABORATION IS THE ANSWER.



As capacity shortages challenge shippers, we're here to help them secure predictable, reliable, and efficient capacity.

—Jagan Reddy, co-founder of SemiCab

Q: HOW DOES COLLABORATION HELP SHIPPERS AND CARRIERS ALIKE?

A: With a Collaborative Transportation Platform (CTP), shippers and carriers are equal members. That's how we build a more stable and efficient network, reducing the cost to shippers, and increasing carriers' profit margins.

SemiCab is a CTP. As Gartner described it, a Collaborative Transportation Platform is "focused around connecting multiple shippers through their platform to strategically drive efficiencies through the reduction of empty miles or higher usage of backhauls based on insights into shippers' orders and freight rate."



This model presents benefits to shippers and carriers in many ways:

Transparency:

- Insight into demand and supply at all times for all participants on the platform.
- Shippers and carriers have access to all the same information, and their contributions add to the app's functionality. The more they participate, the more they benefit.

Planning:

- The ability to plan and operate private and dedicated fleets where empty backhauls are dynamically assigned to other shippers' loads.
- The ability to plan trips for carriers/drivers that goes beyond single load-matching.
- Analysis of historical patterns for demand and supply, seasonality, and other demand-influencing factors to put together an accurate picture of how the demand and supply may evolve.

Technology:

- Machine-learning algorithms automatically learn from the data, and continuously adjust demand predictions as the data patterns evolve and change.
- Real-time ability to continuously react to changes in execution and simultaneously create and implement a back-up plan.

TO LEARN MORE ABOUT COLLABORATIVE TRANSPORTATION PLATFORMS:

Check out [Gartner's 2020 Market Guide for Digital Freight Models for Road Transportation](#) which outlines the many digital freight options available. You can access a complimentary copy of the report [here](#).