

SOURCE OF EFFICIENT CAPACITY

Q&A with SemiCab Founder and CEO,
Ajesh Kapoor

The idea of fostering collaboration in the freight space is not a new one, and yet it's a goal that has remained largely unattainable over the decades. Why? Mainly because of common logistical challenges, like the overall lack of transparency in the network, which can be debilitating; or the need to honor existing financial and contractual relationships, which can be limiting; or the general hesitation to collaborate outside of existing relationships, which can be exhausting. All of these issues make it challenging to work together, let alone to shape and source demand for available supply in specific shipping lanes across an entire network.

Ajesh Kapoor, founder and CEO of SemiCab Inc., shared his views on how the only way forward is a collaborative transportation platform delivering highly efficient and reliable capacity. Check out what Ajesh had to say below, or download our latest guide, [Collaborative Transportation—The Antidote to Freight Market Volatility](#), for the full scoop.

Q: SINCE CAPACITY IS AN ONGOING ISSUE, WON'T ORDERING MORE TRUCKS ALLEVIATE THE ISSUE?

A: Unfortunately, flooding the market with more capacity doesn't solve the issue of inefficiency, empty miles, or the driver shortage. In fact, in many ways, too much capacity can exacerbate the issues we're trying to solve.

Although orders for Class 8 trucks in January 2021 were high, about 146% above last year's numbers, those trucks won't be hitting the highways anytime soon. And, as we all know, the more trucks we have on the road, the more drivers we need—and in this day and age, they are hard to come by. In fact, hiring and retaining drivers has been a freight industry challenge since day one, and that shows no signs of changing anytime soon.

Think about it...if you inundate the market with too much capacity, the next step in the supply and demand equation will be lower prices. With lower prices, drivers will be paid less, which inevitably leads to a loss of drivers, which tightens capacity all over again. It's yet another example of the volatility cycle this industry contends with.

Q: IF WE START PAYING DRIVERS MORE MONEY, WON'T THAT ELIMINATE THE DRIVER SHORTAGE, HELPING THE INDUSTRY MAINTAIN CAPACITY AT ALL TIMES?

A: If it were that easy, we wouldn't be having this conversation. This is what we know: the only way to realistically retain drivers is to offer fair compensation. But paying drivers more without more revenue coming isn't feasible for carriers—it's impossible to afford. That's why making the network more efficient has to be the goal. By eliminating empty miles, we can add capacity without adding trucks and drivers. The drivers we do have will be well-paid, moving full trucks versus trucks that bleed money driving empty, which will help reduce volatility. I believe the only way to eliminate empty miles is through network-wide collaboration, which SemiCab offers as a Collaborative Transportation Platform.



Q: DON'T DIGITAL FREIGHT BROKERS ENABLE COLLABORATION? WHY HAVEN'T THEY SOLVED THE PROBLEM?



A: Digital brokers operate in a transactional and reactive load matching model. They've brought small carriers and owner-operators into the mix and can facilitate shippers' interactions with carriers, one load at a time. If the goal is to execute a load between two parties, then digital brokerage works, as does traditional brokerage. But if the objective is to make the entire freight network more efficient, transactional load matching isn't enough.

Providing a platform for the entire freight network to collaborate isn't enough. What we need is a technologically-advanced environment that not only connects all parties involved, but takes it a step further by orchestrating collaboration at every level.

ORCHESTRATED COLLABORATION = THE SEMICAB PROMISE

Q: WHAT IS ORCHESTRATED COLLABORATION?

A: Orchestrated collaboration is how we address freight marketplace volatility, and that's exactly what SemiCab provides as a Collaborative Transportation Platform (CTP). With SemiCab, you get more than just a platform to see loads and lanes. SemiCab provides all users within its ecosystem unbiased assistance to address their needs. By employing a robust predictive optimization algorithm that aggregates one-way loads across shippers in the ecosystem, we're able to provide reliable capacity from high-quality carriers operating in a dedicated manner for SemiCab.

The more collaborators on the platform, the more we all benefit. This is how we add capacity to the network without flooding the market, and how we reduce prices and capacity volatility for shippers, while making the carrier revenue stream more predictable. It's also how we ensure both carriers and drivers are compensated for their investment and hard work.

The freight industry is ready for a change. We are confident that by working together we can all be an #emptymileeliminator in the freight space. Check out our new guide: Collaborative Transportation – The Antidote to Freight Market Volatility for an overview of how we can make this happen, together.

Download it today, and then join the conversation about putting an end to empty miles on our LinkedIn page.

