

Capacity Crunch Breakout

Peeling back the layers of the capacity issues...what's driving it?

- Ineffectiveness in forecasting transportation capacity requirements (shippers) and capacity availability (carriers)
- Changes (downsizing) in ocean/air equipment
- Risk issues and supply chain disruptions
- Economic recovery and increased spending/purchasing
- Tariff concerns causing forward buying
- Labor concerns...drivers and even pilots
- Shifts in carrier/shipper power dynamics
- "Tradition" in load tendering behaviors and tactics
- ELD requirements caused reduction in small carriers
- Temp Control capacity is already limited
- Requiring premium services for needs that don't necessarily require "premium"
- Spot Market Rates
- Quality arrangements and clearance cause last-minute changes

Potential solutions to unlock capacity

- Synchronized runs...round trips...delivery "loops"
- Block space agreements (BSAs)
- Changing culture...uprooting "ways of the past"
 - Monetizing capacity constraints
 - Top-to-Top meetings to change culture
- Predictive capacity analytics
- Incentivizing (and rewarding) forecast accuracy
- Shifting to delivery windows instead of time-definite deliveries (where possible)
- Focus on becoming a "shipper of choice" to be prioritized for limited capacity
- Collaboration across shippers for capacity maximization
- Better collaboration with service providers to increase forecast accuracy