



# Improving Carrier Relationships as a Shipper

Discover 5 ways to strengthen your carrier relationships and help your business thrive





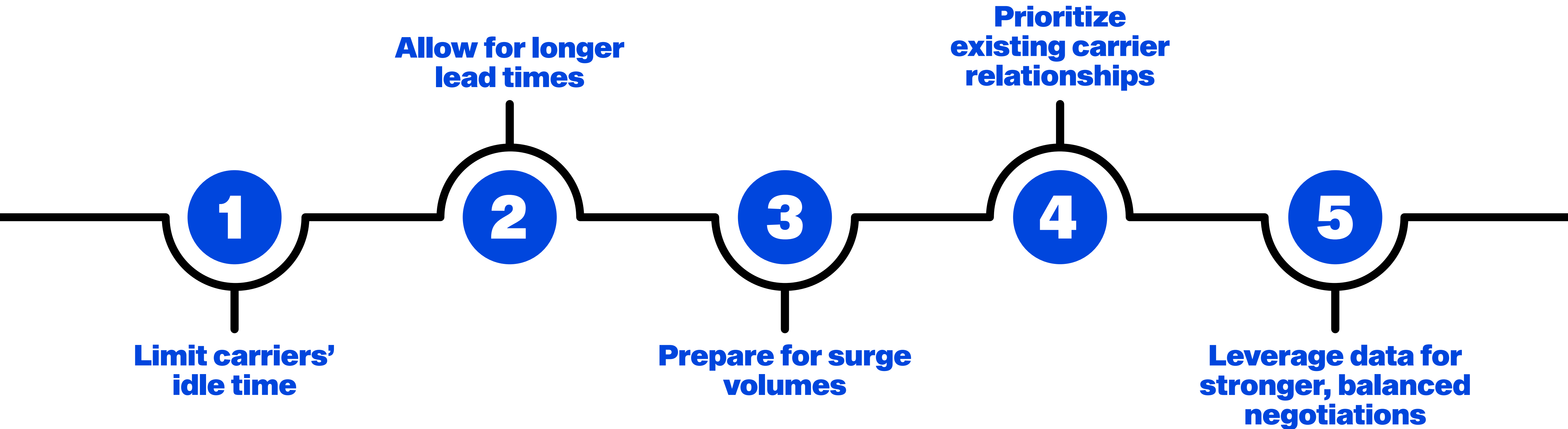
## Introduction

Reliable carriers are an essential component of shipping success these days, regardless of market conditions. However, shippers often don't prioritize the softer side of these carrier partnerships – or, worse yet, don't know how to do so.

Read on for tips on how best to build better carrier-shipper relationships and learn why it's so important to maintain strong, mutually beneficial relationships with carriers within your network.



# 5 ways to strengthen your carrier relationships





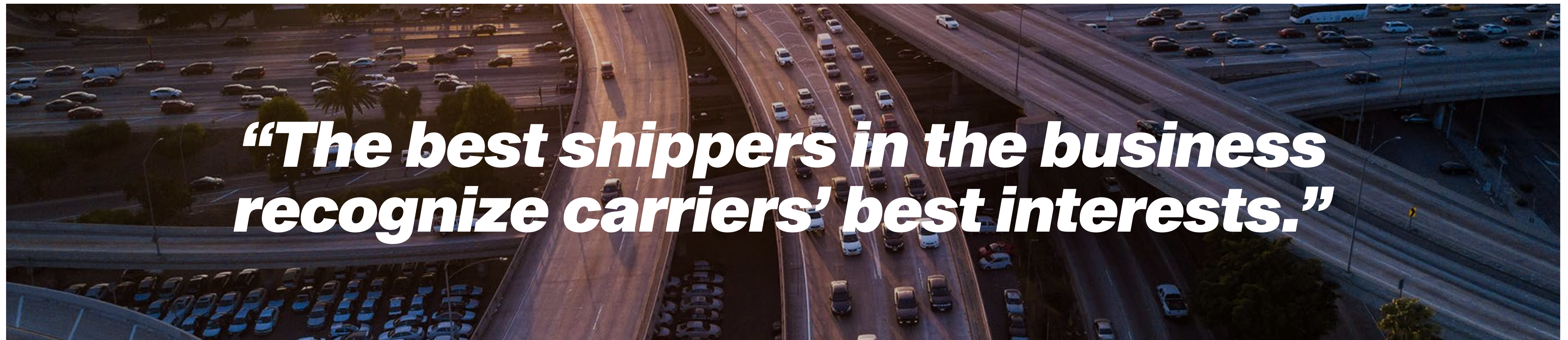
# 5 ways to strengthen your carrier relationships

## 1 Limit carriers' idle time

Idle time can become one of the biggest pain points for carriers. After all, the more time carriers spend waiting to load or unload, the less uptime – and earning capacity – they have. The best shippers in the business recognize carriers' best interests. By increasing accessibility, sticking to scheduled appointment times, and delivering fast turnaround times to carriers, shippers are often rewarded with higher quality carrier service and more dedicated carriers who are happy to work with them again and again.

## 2 Allow for longer lead times

Time remains a limited resource for freight professionals, especially carriers. The best shippers help carriers optimize their finite time by extending lead times between load tender and pick-up. According to a recent MIT study, tender acceptance increases when shippers allow for at least 2.4 days lead time. When shippers increase lead times, carriers can operate more efficiently and effectively optimize time-value. Like with limiting carriers' idle time, allowing for longer lead times is a great way to demonstrate to carriers that you value their time and effort.





### **3 Prepare for surge volumes**

Top-notch shippers take note of volume changes through the RFP process, proactively building volume movements into their projections. For example, if you expect a new sales campaign or product launch that will drive sales, the best practice is to proactively relay forecast adjustments to your network carriers ahead of time.

Staying on top of volume surges can ultimately be key to avoiding the spot market. Plus, you'll engender goodwill from your carrier partners – most will appreciate the advanced notice to accommodate surges and alter networks.

### **4 Prioritize existing carrier relationships**

When new freight needs arise, some shippers may take the ill-advised approach of hurriedly posting lanes to attract new bids and, hopefully, cut costs, focusing on new, cheaper connections instead of strengthening long-standing relationships.

The best shippers know better. When these needs arise, the best shippers will work together with their existing carriers to negotiate new lanes, rates, or volumes. By showing a desire to work together as business needs change, shippers demonstrate their value to carriers as quality partners, strengthening relationships that will make their shipping operation more resilient.

### **5 Leverage data for stronger, balanced negotiations**

The best shippers these days use verifiable freight analytics to guide carrier negotiations, whether those are produced in-house or via a third-party data vendor. Objective freight metrics create a shared reference point for the shipper and carrier, allowing for smoother, more streamlined negotiations that leave both sides feeling confident. By ensuring shippers obtain rates that remain competitive with the market without short-changing carriers, advanced rate data helps shippers thrive in fast-paced freight markets.





# The importance of building strong shipper-carrier relationships

When the going gets tough and freight markets suffer bouts of turbulence, the value of maintaining strong shipper-carrier relationships shines through. Cultivating deep connections with carriers can be the key to staying afloat and navigating evolving market cycles effectively. After all, shippers reduce cost uncertainties, budget with more predictability, and meet bottom lines more effectively when they can rely on their network of carriers to consistently get the job done.

Strong relationships can help shippers navigate changing freight cycles. When relationships are strong, shippers are in a better position to renegotiate rates when the market is down and keep getting quality service as the market turns. But be careful! It's important not to renegotiate too low so that carriers have a reason to bring rates up significantly and even refuse to fulfill on contracted volumes in favor of higher bids when the market turns. As with every aspect of trucking, renegotiation is always a balancing act, but by having strong relationships with carriers, that act can become less precarious.

And negotiating power isn't the only benefit. Investing in your carrier relationships – especially with incumbent carriers – typically pays dividends over the long haul. The more you invest in generating goodwill and loyalty from your carriers, the more lifetime value your shipping

business stands to reap. Keep in mind that incumbent carriers right now account for anywhere between 60 to 80 percent of a shipper's loads on average. If you want to create a more sustainable shipping business, taking care of your incumbents and demonstrating that you value their commitment is a good place to start.

Of course, there's no point in sticking with an underperforming carrier for the sake of continuity alone. Building strong carrier-shipper relationships takes energy, and it's only worth investing that energy into the best partners. [Proper due diligence](#) prior to the RFP process is important in order to ensure shippers work with the best people. Proactively reviewing track records allows you to steer clear of substandard carriers and move in the direction of mutually beneficial, win-win partnerships.

Bottom line? Building strong carrier-shipper relationships is the best way to ensure your business can stay effective in the face of changing markets, shipping demands, and more. When carriers feel valued, they're more likely to be willing to work with you to meet your changing needs, whether that means changing volumes, rates, or anything else that needs adjusting. As a shipper, one of the best investments you can make is in strengthening those relationships.



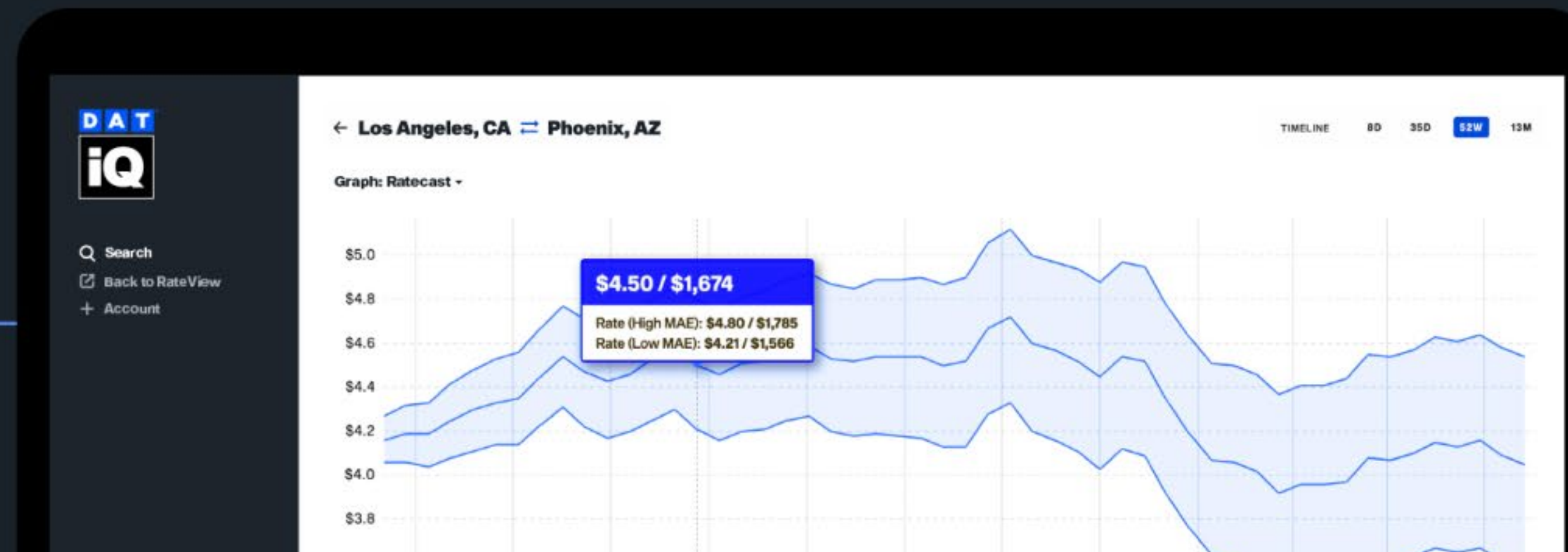
# Meeting shipper cost management priorities while maintaining strong relationships

Cost management is a key priority for shippers, however service levels (like on-time delivery, meeting consumer demand, etc.) are often just as, if not more, important. For a shipper, having trusted carrier partners in their network can be the deciding factor in whether they are successful in meeting their goals or not. The question is: How do successful shippers build those quality carrier partnerships without losing sight of cost management? By using advanced freight analytics to drive negotiations and better navigate ever-changing freight markets and supply chain challenges of course.

The best way to access those freight analytics is through DAT iQ, the most powerful, all-in-one freight data provider on the market. Shippers flock to [DAT iQ](#) to leverage

an unparalleled range of real-time freight metrics, intelligent data services, and cost-saving tools. DAT iQ's benchmarking insights allow shippers to gain a leg up on competitors and gauge their financial performance relative to the market. DAT iQ also features historical tender rejections so shippers can see how carriers' services stack up with the rates they charge.

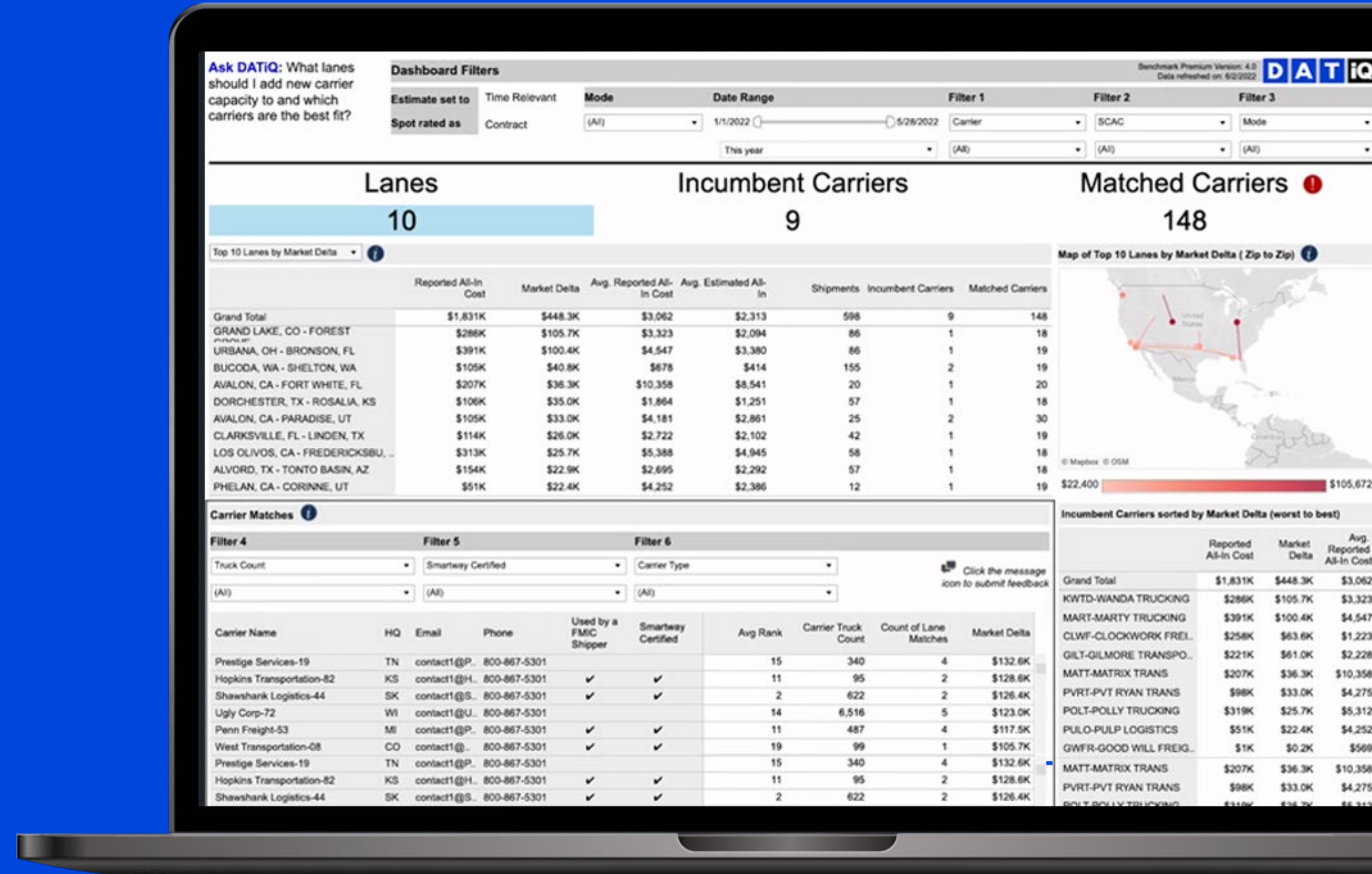
DAT iQ is the go-to data provider for shippers across the country for good reason. It includes a variety of tools designed to help shippers improve their business. Advanced rate analytics solutions like [DAT iQ Benchmark Analytics](#) contextualize the performance of your shipment business against competitors, segmenting performance benchmarks over historical periods to deliver deep insights into your performance.





And that's not all. [DAT Rateview](#), another hallmark DAT iQ solution, empowers shippers with an inside view of past, present, and future freight rates. DAT's historical reports, real-time metrics, and predictive forecasts keep shippers one step ahead of fluctuating market conditions. Data-driven freight rate insights guide shippers toward hot markets and in-demand lanes. By pinpointing the areas where your services are in highest demand, DAT iQ allows shippers to break into new markets and optimize profitability.

[DAT Carrier Select](#), DAT's latest Capacity Analytics solution, meanwhile, is designed to catalyze your carrier network – ensuring your capacity needs are properly met as your shipping business evolves. DAT Carrier Select comprehensively breaks down your network costs and accounts for every dollar that flows in and out of your shipping business. The dynamic and deep cost analysis tools you'll find on DAT iQ not only help you root out costly network inefficiencies, but they also connect you to carriers that are capable of meeting your service, capacity, and budget needs. From there, it's up to you to start developing the strong relationships that will take your business even further.







## Dive into DAT today!

If you're looking to take your carrier network to the next level and scale successfully, [DAT iQ](#) is your best bet. DAT iQ evaluates more than \$150 billion in freight transactions annually, delivering the most comprehensive and trusted market data in the business. Thanks to DAT iQ's high-powered analytics, shippers can maintain data-informed carrier negotiations that keep relationships strong, obtain the best rates, and thrive in competitive freight markets. To learn more about how DAT can help you, contact us today!

**DAT** Freight & Analytics