

WHITE PAPER

You've evolved, it's time transportation procurement did too

Your complete guide to updating your
RFP process through automation



Technology essentials for automating your RFP process

Your complete guide to eliminating the mini-bid grind

Most supply chain professionals would agree that the traditional annual procurement season is on its way out. Not to say that there isn't an increase in request for proposal (RFP) activity around the end of the year, but that the procurement process is hardly limited to a single season any longer. Supply chain disruptions, fuel price changes, and carrier capacity to name a few have driven a requirement for shippers to be more agile and responsive to how they price their lanes. As a result, they have largely moved to more frequent mini-bids, but lack the tools to enable a seamless mini-bid process.

And that's where automation comes in.

Procurement automation isn't a new concept, in fact there are a multitude of expensive tools tightly controlled within the procurement department for this purpose. Yet with many companies still maintaining an almost entirely manual process for managing their shipping capacity RFPs, it can be hard to know where to start to engage.

The difficulty is understandable. With all the challenges in the supply chain and the economy at large, how many organizations prioritize procurement processes, of all things? But while executives regularly and openly discuss the benefits that big data and artificial intelligence can bring to different aspects of their organization, transportation bid procurement still operates off of spreadsheets, phone calls, and paper forms. For the typically small teams that this responsibility falls on, these inefficiencies paired with the other responsibilities and requirements of their positions in managing the supply chain make prioritizing procurement nearly impossible.

Shippers who find themselves asking any of these questions may need to reexamine their procurement process and tools:

- How does my current contract pricing compare to the spot market?
- How frequently are market changes requiring renegotiated agreements?
- How do changes in carrier pricing impact my transportation budget?
- How can I access and understand lane level pricing characteristics to compare them with the bids I receive?
- How can I quickly see lanes where pricing is out of line with the market?
- How can I discern carrier conduct to better balance price against performance?
- How can I speed up the process without sacrificing credibility or cost savings?
- How can I leverage the procurement process to become a shipper of choice?

So why automation?

Historically, the carrier procurement process has been so time and labor intensive not because it wasn't viewed as a priority, but because its very nature makes it an incredibly complex process. Shippers spend a significant amount of time preparing and reviewing RFPs to identify the right carriers based on price, service, reliability, and network compatibility before submitting them to their carrier network and awaiting responses. Finally, after a long and laborious process involving negotiations, resubmissions, careful evaluations, and phone tag, agreements are made and contracts are signed. That kind of inefficiency can easily cost a business a significant amount of both time and money in today's incredibly fast-paced shipping environment, not to mention the added risks of human error and data inconsistency that always accompanies highly manual processes like these.

Over time, unforeseen challenges and changes can cause carriers to reject a shipper's negotiated tender, leaving shippers scrambling to on the spot market. A focus on speed in the process can likewise mean too much weight is given to the lowest priced options, leading to a trade off of rejections or poor performance that can end up costing thousands. Poor communication driven by manual processes conducted through email and phone calls can mean carriers or shippers are left waiting on important information and impacting a business's reputation. Put simply, there's a lot that can go wrong in an inefficient procurement process that automation can resolve.

Now is the time for shipping to embrace and refine the RFP process to meet the demands of the transportation industry. And when it comes to procurement, embracing automation through the use of intelligence and configurable workflows is one of the best ways to ensure supply chain continuity, and this guide will outline what you need to make it work.

The current state of freight procurement

4
months

The average amount of time it takes to manually complete the RFP process

25%

The rate at which many businesses overpay for their shipping costs

14%

The average cost increase when rebooking a rejected tender

97%

The percentage of companies that rate procurement automation as a priority

[\[Source \]](#)

A strong transportation network

One of the factors that hold shippers back from conducting a better transportation RFP is a lack of visibility beyond their immediate networks and their own freight footprints. When a shipper is limited to analyzing the insights gleaned from within their own footprint, it's all too easy to miss the big picture of what's happening in the market. And when shippers are limited to that narrow window of data, they're unable to understand how carrier networks interact with the broader freight ecosystem.

To gain that understanding, many shippers look to supply chain consultants who are able to provide market data to guide the RFP, offering snapshots from certain points in time during the prior year. The problem with this is that while it may help shippers to identify macro trends, it is unable to provide the level of granularity, shipper-specific specificity, and real-time accuracy needed to navigate today's volatile market.

Achieving that level of detail in market data is obviously a challenge for most shippers. Simply building the network itself would be an incredible undertaking, let alone organizing the data involved. However, with the right partner, shippers can easily gain access to more accurate and robust data, achieving a broader view of carrier networks outside their own to help guide an effective freight procurement strategy.

To take those insights further, a partner should be capable of providing analysis of the living data behind those constantly evolving transportation networks, delivering near real-time intelligence, and guidance. This adds agility to your supply chain and procurement strategy, and allows you to make calculated adjustments throughout the year.

What to look for

- The ability to aggregate market data from across the industry to set benchmarks
- Capabilities to incorporate your own data to unearth valuable insights on your unique situation
- Granularity in data to allow for identification of micro trends in rates and performance
- Real-time analytics to allow for ongoing adjustments to procurement strategies



What to look for

- Built in integration with pre-vetted national, regional, and local carriers
- Support for multiple modes to uncover new opportunities and improve scalability
- Integrated support for tracking and visibility across the full carrier network
- The ability to sort carrier options by service, freight requirements, and other specifications considered in the procurement process

The right carrier mix

Determining the right carrier mix for your RFPs is challenging, and most shippers have little insights into what a healthy, balanced carrier portfolio looks like. Imbalances in carrier selections put shippers at risk. And risk hurts shipper-carrier relationships in the long run.

It used to be common practice for companies to regularly negotiate exclusive shipping contracts with their own trusted group of carriers on an annual basis. In the past these kinds of arrangements came with predictable costs and delivery guarantees, making them a reliable option. Today, however, is a different story, and companies that limit themselves to a small pool of carrier options face rising costs, increased risk, increased volatility, and limited flexibility.

One of the biggest risks of working with a limited set of carrier options for any level of service is the lack of choice – the choice to make a better decision. Without the ability to rate shop multiple carriers and their services, you're out of luck if a single carrier begins dropping shipments, starts performing poorly, or raises their rates.

When vetting carriers during the procurement process, shippers should evaluate how they allocate freight to their partners. The routing guide should be balanced and diverse, and carriers should demonstrate positive performance metrics. It's no good adding new carriers to the mix if you can't trust that they are reliable, so gaining insights into performance and compliance history is vital.

Likewise, while it may be the case that your specific challenges at this time are limited to a single mode or your focus is on national carriers only, don't neglect other options when looking to improve your carrier mix. By gaining access to a wider pool of trusted carrier options, you can open up additional opportunities for efficiency and savings.



The right data and analytics

With combined global challenges and market shifts, it's been years now since we've experienced any kind of stable predictability in the freight market, which makes the task of predicting anything from pricing to performance a serious challenge for procurement teams. Even for those with a strong freight network and good data visibility, making sense of the information to guide the procurement process is difficult. And for those still leveraging spreadsheets and manual processes? It can take days to sort through everything, all while the market continues to shift. So how can a shipper confidently determine which carrier options present the best value? Procurement data is the key, but the real need is for the right data, coupled with reliable analytics to help make sense of it all.

For companies with no access to reliable data, this may seem obvious. However, 40% of companies reported having too much information (either trivial data that isn't useful, or data that is simply not useful to them personally) as a top concern in a study by [APICS](#). Data overload and the abundance of trivial information are challenges many organizations face, so when looking at any solution that promises to deliver even more data, it's vital to ensure that there are methods for ensuring the right information is being analyzed, weighted and delivered to help guide the procurement process.

Bringing these capabilities to pricing data is of course a great way to cut down on data overload and gain valuable insights. For most transportation executives, price is the

primary consideration when looking for a carrier, and since savings are never guaranteed when pricing data is based on historic trends, real-time market insights provide a clear advantage. However, price is only one factor that needs to be considered to ensure value.

Additional metrics also need to be included in analysis to provide more insights and greater value to a transportation strategy. Is the carrier meeting on-time pickup and delivery requirements regularly? Is the carrier reliable when it comes to adhering to tracking requirements? What are the current rejection rates on the selected lane? How much volume is the lane currently handling? Having clear visibility into these factors can be just as important as pricing, and in today's volatile market, being able to quickly weigh all of these factors against each other is vital to ensuring the best value for your shipment.

What to look for

- Market data and rate comparisons to provide instant insight into which lanes have an average bid that is above or below current market price
- Scoring on lane pricing volatility and rejection rates to indicate which lanes may be harder to move freight on
- Carrier performance data for on time delivery, tracking scores, past volumes on the selected lane, previous bids and other details
- The ability to re-order carriers for a given lane based on your own tailored weighting of price, performance and other factors

What to look for

- Capabilities for instantly pushing contracts to the full or selected network for bidding
- Integrated messaging capabilities to eliminate the need for phone calls and emails
- Automated negotiation features that provides rapid feedback for carriers to tailor their bids
- Intelligent routing guides that automatically request bids and tender loads based on your business requirements

Rapid communication and carrier selection

Whether you are a big company with thousands of shipments per month or run a small business with few shipments occasionally, efficient freight negotiation and communication with the shipping companies you work with is crucial to your bottom line. Because while data is the first key to efficient negotiation, quick and clear communication is also vital. If done right, it is the simplest way to drive cost savings on every shipment.

There's nothing worse than being blocked by delays in communication when you're trying to do your job — and that goes both ways. Carriers have their own jobs to do as well, and if they're regularly waiting on key information from you, they are likely to remember the next time a request comes through.

The easiest way to avoid souring relationships and improving your negotiating power is to not leave anything to chance by automating your bulk communication. That way, you can be certain that all of your carriers have accurate and up-to-date information when they need it.

Much of your carrier communication can be automated through a digital procurement platform. For example, triggers can be set up to automatically inform carriers if their quote has been successful or not, and provide those unsuccessful with the opportunity to tailor their bids accordingly. Or if there's an urgent update that you need to send to all of your carriers, you can send it out in bulk with all the details they need pre-attached.

The portal should digitize manual processes for both you and your carriers, automating the time-consuming back and forth work that often slows down the quoting process. Ensuring that you deliver smooth communication and accurate information to carriers is key to establishing a good relationship with those you work with, and a faster quoting process is a win for your team too. The faster your carriers quote, the faster your tendering processes will be, and the faster you can get your shipments moving.



A centralized hub for all freight management

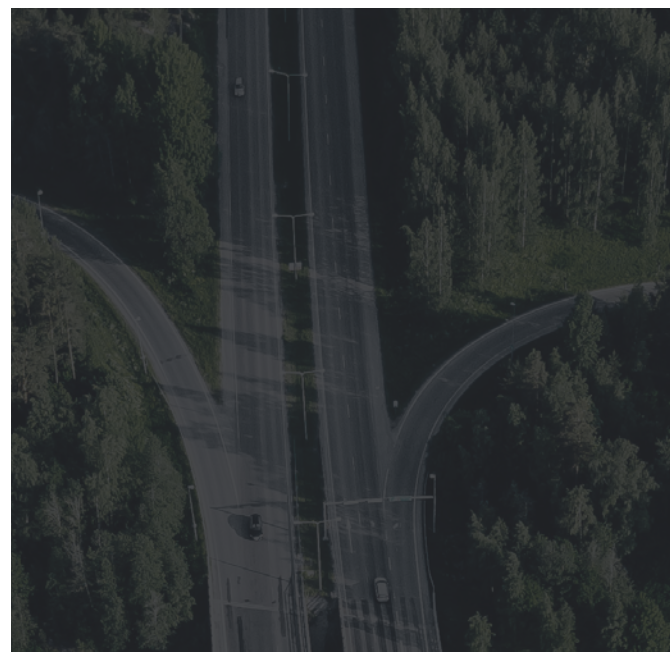
From procurement to order management to load planning and tendering, some businesses require whole teams dedicated to each facet of the supply chain, while others can rely on a few people to cover multiple aspects. But when each team works in a siloed environment utilizing different tools and data to get their work done, any benefit gained by implementing technology in one aspect can be quickly lost in translation.

Following the guidance above should allow you to centralize and automate the RFP process, gain clearer insights, drive increased value, improve carrier relationships and eliminate the daily grind of manual operations. But procurement is just one step in the lifecycle of a shipment, and to bring the most value to an organization — the silos have to go.

By ensuring your data-driven procurement platform or tool is able to be integrated with your TMS, visibility, carrier, and other business processes and technologies, it's possible for the same automation capabilities enjoyed in the RFP process to translate to other aspects of the shipment lifecycle as well.

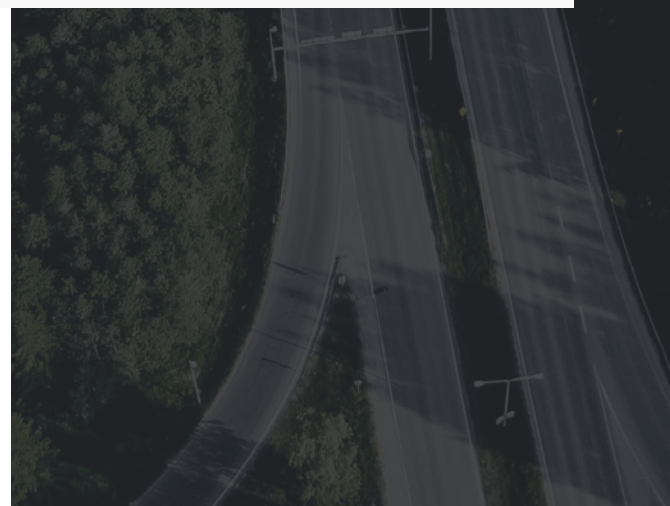
For example, integration with financial tools can allow information like shipment invoices to flow directly into your financial management application after completing the tendering process. Having the ability to bring purchase orders onto the platform prior to the RFP process through an integrated ERP system. Carrier performance monitoring can be improved even further through an ELD integration for near real-time visibility into shipments and issues, while bringing data to the creation of routing guides makes it possible to bring greater speed and efficiency to that area as well.

By bringing all systems together in one place and centralizing the data collected by each aspect of the supply chain, it's possible to automate tendering, location tracking, communications, documentation, exception management and more across the supply chain, delivering greater value to the entire organization.



What to look for

- The ability to consolidate and automate time consuming processes from RFP to contract execution
- Integration with other business processes, systems and data through built-in carrier, shipment tracking, financial and ecommerce integrations
- The ability to instantly create and deploy bills of lading (BOLs) and other documentation to selected carriers upon bid acceptance
- Integration with your TMS at no additional cost, allowing for one click capabilities to bring information into it after awarding a bid



RFP Checklist

Wondering how your current RFP process stacks up? Complete the checklist for a clear view into your current strengths and weaknesses.

My current transportation network:

- ❑ Aggregates market data from across the industry to set benchmarks
- ❑ Includes capabilities to incorporate my own data to unearth valuable insights
- ❑ Provides granularity in data to allow for identification of micro trends in rates and performance
- ❑ Delivers real-time analytics to allow for ongoing adjustments to procurement strategies

My current carrier mix:

- ❑ Includes a mix of reliable national, regional, and local carriers
- ❑ Supports multiple modes including FTL, LTL, parcel, and intermodal
- ❑ Allows for tracking and visibility across the full carrier network
- ❑ Allows me to sort carrier options by service, freight requirements, and other specifications

My current data and analytics:

- ❑ Provides instant insight into which lanes have an average bid that is above or below current market price
- ❑ Delivers scoring on lane pricing volatility and rejection rates
- ❑ Displays carrier performance data for on time delivery, tracking scores, past volumes on the selected lane, previous bids and other details
- ❑ Includes the ability to re-order carriers for a given lane based on my own tailored weighting of price, performance, and other factors

My current communication processes:

- ❑ Includes capabilities for instantly pushing contracts to the full or selected network for bidding
- ❑ Features integrated messaging capabilities to eliminate the need for phone calls and emails
- ❑ Provides automated negotiation features that provides rapid feedback for carriers to tailor their bids
- ❑ Creates intelligent routing guides that automatically request bids and tender loads based on my business requirements

My current procurement solution:

- ❑ Features the ability to consolidate and automate time consuming processes from RFP to contract execution
- ❑ Integrates with other business processes, systems and data through built-in carrier, financial, ELD and ecommerce integrations
- ❑ Allows me to instantly create and deploy bills of lading (BOLs) and other documentation to selected carriers upon bid acceptance
- ❑ Is integrated with my TMS at no additional cost, providing one click capabilities to bring information into it after awarding a bid

If your current procurement process and tools aren't able to check all the boxes above, it may be time to look into an update.

Ready to upgrade your procurement process?

Shipwell's RFP solution checks all the boxes

For transportation managers that are tired of the grind that comes from utilizing spreadsheets and manual processes to manage the labor intensive mini-bid process, automating the RFP process can help to relieve much of the burden. But in order to deliver greater value while scaling their business, a solution needs to have some powerful capabilities behind it.

At the base level there are some common challenges in manual mini-bid processes that RFP automation can greatly reduce. Slip-ups such as misplaced orders and incorrect shipping schedules due to human error, bottlenecks and delays caused by the sheer number of RFPs that need to be managed, poor communication with carriers due to challenges and limitations that come from manual methods — all of these challenges can be reduced with any RFP automation tool that's worth its salt. But to go deeper and achieve tangible results that go beyond simply reducing manual processes, that solution needs to be backed up by some serious data and analytics.

A cutting-edge tool built right into Shipwell's dynamic TMS platform, Shipwell's RFP automation solution was designed specifically for this new era of frequent mini-bidding for freight procurement. From automating processes to save time, to delivering clear insights on performance and pricing to ensure value, to integrating directly into a complete supply chain management platform to break down silos across your entire organization, **Shipwell checks every box on the list, allowing you to focus on the big picture.**

Pricing analytics

Avoid overpaying through visibility into detailed analysis of all carriers' bids and how they stack up to current market prices

- View list of bids organized from lowest to highest price, color-coded to show if they come in under, over or at market rates
- Provide feedback to high-priced carriers within the system, allowing them to revise bids until the deadline
- Leverage your up-to-date knowledge of market prices to gain the upper hand in negotiations

Balanced value

Move forward with the bids that offer the best balance between price and lane-level performance data and acceptance rates

- See at a glance which carriers tend towards pricing volatility, based on seasonality, weather or other factors
- Learn which lanes have high rejection rates, so you can avoid potential problems down the road
- Exclude overpriced or risky carriers from your list with this click of a button, and choose your best options

Scalable efficiency

In a fraction of the time it takes to send one manual RFP, you can complete dozens of requests, receive bids and execute contracts — all within a centralized TMS platform

- View detailed data on each carrier and use tags to select the ones that best fit your specifications
- Set one deadline for all carriers to submit bids and view all bid data on one easy-to-compare screen
- Eliminate the relentless back and forth of sending emails, updating spreadsheets and calling to verify information

Ready to streamline your freight procurement processes?

Request a personalized demo today to see how Shipwell's reliable RFP automation tool can help you scale and secure the best shipping lanes, no matter how the market shifts.