ARL Logistics Achieves Day-to-Day Rate Positioning and Value Through SONAR

Introduction

Working as both an asset-based and non-asset-based broker, ARL Logistics unlocks new value, profitability and strong growth by using FreightWaves SONAR. In modern freight management, the word of a broker is an unbreakable bond. And ARL Logistics upholds that commitment with a promise to honor the quote regardless of whether profits are gained. Unfortunately, that amounts to lost opportunities and low profitability on loads in high-volume markets or those subject to substantial market dynamics.

What does that mean for ARL Logistics? It could survive through the peaks, but a sudden downturn or upturn in the market could lead to lost opportunities to grow and expand its network.

However, ARL Logistics saw an opportunity to recapture that revenue and align quotes more accurately with market events through SONAR. And after nearly two years of use, ARL Logistics is finding new value and opportunities to increase use cases of SONAR insights and data. And the results are proving SONAR's value as a market trends and planning resource. For example, some top uses of SONAR have led to a few notable benefits for ARL employees and clients, including:

- Increased ability to handle one-off moves in tight markets.
- Relying on data to rate loads and avoid under- or over-valuing brokerage services.
- Much better market responsiveness through near real-time data, using yesterday's data – not week-old data – to make decisions.

The Business Challenge

Like many other brokers, ARL had experienced significant problems before launching SONAR, including the inability to rate loads based on recent data, the uncertainty held within DAT and Truckstop.com, and a generalized failure to recognize which loads would be the most profitable after the fact. Remember that DAT and Truckstop.com compile data based on completed loads, not tendered loads. So, the data could very well be days (if not weeks) old by the time it's in the hands of brokers. And ARL had trouble benchmarking trending rates, only to see the rates projected were outdated and costing the brokerage money. Consider what Greg Morrow, Director of Operations at ARL Logistics, had to say:

> **"** We had historically looked at market conditions from Truckstop.com and DAT, as well as using their monthly overview emails. However, that was only half of the battle. We also worked across our carriers to collect data from our network and understand where rates were trending. Still, we knew that growth depended on expanding our purview of external data."

ARL Logistics uses SONAR to Derive More Efficiency

ARL Logistics is actively using SONAR to educate team members and inform all decisions. By giving ARL network partners the confidence of SONAR-backed rating, ARL clients rely on the granularity of data within SONAR to increase the accuracy of rates. In turn, that allows companies to work with ARL to recognize that the rates are competitive. And since ARL carries characteristics of both a shipper and a carrier – acting as a broker – the company can position each interaction to meet client needs.

ARL Logistics Realizes Increased ROI Through Better Management of Workers

A maximum benefit of SONAR is ARL's use of its data to help frontline workers self-manage performance. In other words, they can better look at market trends, such as those evidenced by SONAR's outbound tender rejection index (OTRI) and the frequency/volume of tenders through SONAR's outbound tender volume index (OTVI) to determine market activity and its likely impact on rates. Thus, they can quote more lucrative loads and respond to changes on the fly. That's critical to building out more relationships throughout the market and growing as a broker. And as further explained by Morrow,

> We broke down the vast insights of SONAR into one or two graphs to show our sales representatives. We took the time to explain what happens, what the data means, and how that's important to deriving the real rate that should be assessed for each shipment. And if our rate is higher than the typically expected market rate for the carrier or the shipper, we can use that same data in SONAR to prove our point. It's a way to add to our credibility."

Of course, the value of SONAR isn't limited to a single type of transportation. ARL Logistics continues to see returns in managing volumes in drayage, using the Ocean Shipments Report, and across whole market swaths with Lane Manager to better allocate assets to high-demand markets. ARL Logistics uses Headhaul Index maps to understand those moves in greater detail. Again, it all proves how SONAR can respond to sudden market dynamics and effectively build more transparency into quoting and asset management processes for ARL Logistics.

Summary

ARL Logistics offers competitive rates and tried-and-true strategies to manage loads across a database of 100,000+ carriers to break down barriers and open customers' eyes to real market conditions. And SONAR adds to those abilities. ARL Logistics has seen SONAR's value time and again by making the company more credible to its trading partners, maximizing profitability, and streamlining frontline management. To highlight the top value derived from its use of SONAR, remember these key operational improvements realized by ARL Logistics:

- ARL has experienced a 24% increase with established customers from 2019 into 2020. Its overall client base growth was 46% in the same time period.
- It has had a 34% increase in repeat carriers among logistics shipments.
- Its load volume has increased 48% year-over-year.
- SONAR data has allowed the company to pre-book shipments – on average, 35-50% faster.
- Its annual profits increased by 54% from 2019 to 2020.
- There has been a monthly increase in volume of 35-47%.

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