



How Loadsmart Uses SONAR to Train Pricing Algorithms & Provide Freight Market Insights to Customers

Introduction

Founded in 2014, New York-based Loadsmart is a technology company whose online platform makes it easier for shippers to move freight fast, and easier for carriers to keep their trucks full. Loadsmart's mission statement is simple – to transform the future of freight by leveraging cutting-edge technology and strategic partnerships to help its shipper and carrier customers move more with less.

Loadsmart leverages advanced technology, strategic partnerships and deep industry expertise to automate how truckload and intermodal freight are priced, booked and shipped. By pairing instant pricing and one-click booking with guaranteed capacity, Loadsmart is helping to change the way the trucking industry operates.

For enterprise shippers, Loadsmart provides its services by integrating directly with their transportation management systems (TMS). Using Loadsmart, customers can then get instant access to the best possible rate for their shipments, while carriers benefit from demand aggregated across Loadsmart's network of shippers.

The Loadsmart platform enables shippers to receive instant quotes, book a truck in just seconds, and track shipments end-to-end, from pickup to delivery. For each shipment, Loadsmart provides shippers pricing information as well as instantaneous booking capability for over 900,000 lanes throughout the United States, through application programming interfaces (APIs) spreadsheet plug-ins and various TMS.

For their part, carriers provide Loadsmart with information about when and where their trucks will be available, using the same technologies – spreadsheets, APIs or TMS integration. Loadsmart automatically responds with information about the best-paying loads that match the carriers' needs. Carriers do not need to make time-consuming telephone calls, emails or use load boards.

Loadsmart's carriers are vetted and regularly screened to ensure the highest safety standards, insurance compliance and reliability scores.

Shippers and carriers both enjoy complete transparency from pickup to delivery, as well as tracking data for all shipments and smart notifications of key events.

FreightWaves staff had an opportunity to speak with three leaders at Loadsmart who are involved in the process of integrating FreightWaves SONAR with Loadsmart's existing technology.

According to Giovanni Battistella, Director of Product Development at Loadsmart,



Using SONAR, Loadsmart employees are better equipped to do their respective jobs. They're excited; things are moving ahead." He also said, "We are expecting a great deal from SONAR."

Battistella oversees all product development for Loadsmart's shippers, carriers and for the company's pricing squad. His team is integrating the API data from SONAR with Loadsmart's pricing data. His previous positions were in retail and ecommerce and he has been with Loadsmart for a year.

Matt Fleming is the Director of Marketing at Loadsmart, a position he has held for two years. During his career he has specialized in early/growth stage tech startups. Fleming is passionate about the convergence of data, machine learning and marketing. A few years ago he had a “taste” of logistics at Open Mile, “which was probably a digital freight broker before digital freight brokers.” The company was acquired by Echo Global Logistics.



Loadsmart has explored different data providers over the years and does not have an exclusive partnership with any company,” Fleming explained. “Loadsmart engages with rate data via API programmatically as well as ad hoc on the front end.”

Fleming continued, “**We are using SONAR across the company.** For instance, we use it on the product team in our pricing algorithm, on the carrier team to be better informed about the market and we use it on the marketing side to speak more intelligently. When customers or reporters come to us and ask, ‘Hey, what’s going on? What are you guys seeing?’, we rely heavily on SONAR data to answer those questions. Quite often, we take SONAR data and use it in conjunction with our own internal data.”

Early this year Jim Nicholson joined Loadsmart as vice president of carrier sales and operations. At that time, Ricardo Salgado, CEO and co-founder of Loadsmart, said, “Jim is an invaluable addition to our incredibly talented team with a proven track record of developing and nurturing relationships with customers, and an uncanny ability to see the big picture. Driving meaningful partnerships that enable carriers and shippers to move more with less

is the crux of what we do at Loadsmart, and we’re thrilled to welcome a well-respected trucking industry veteran to help guide our efforts.”

With 14 years of experience in the commercial transportation sector, Nicholson previously served as director of carrier sales and operations at truckload, intermodal and logistics leader Schneider National. “Loadsmart is at the vanguard of the evolution that’s happening in transportation and logistics, and the company is innovating new approaches to address long-standing challenges and reshape the movement of goods,” said Nicholson at the time of his hire. “It’s a pivotal time in the company’s development and I look forward to working with carriers as a partner in streamlining their business operations with the very best digital freight solutions available.”

Nicholson came on board “during an industry crossroads when, more than ever, businesses are seeking options to improve operational efficiency and guarantee a simplified, more profitable movement of freight in order to thrive.” according to a Loadsmart release.

Nicholson explained that his responsibilities “are all things operations from carrier procurements to execution level, but I collaborate quite a bit with our product and our pricing teams.”

SONAR Rate Data and Rate Forecasting

In regard to SONAR, Nicholson noted that



One of the biggest values from an operations side is that even other data sources are aggregated through SONAR.”

He also noted a key area, stating, **“Another value of FreightWaves and SONAR is the Customer Success team and their collaborative nature.”** Nicholson also said he and others at Loadsmart like “how we work with FreightWaves staff to help them build products so that they work better for Loadsmart. We talk consistently with FreightWaves staff. **You [FreightWaves] are invested in our business to make sure we’re using and tapping into the data, but also discussing with us about how SONAR’s insights can make our business better.**” Battistella said that



The pricing and operations teams at Loadsmart “use SONAR on the front end for general knowledge about the market and pricing adjustments and see benefits daily. But on the algorithm side, we use over 200 different parameters to calculate price and we use external data feeds as well.”

He pointed out that the FreightWaves data science team members “are generating new data daily and I have access to that data through SONAR. I want to run models, understand how to best use those models – what’s known as feature engineering.”

He added, “We had access to SONAR data on the operational side through a 30-day trial. And together with the other data providers Loadsmart uses, we had good results. We also had discussions with the FreightWaves team about how to best utilize/test different aspects of SONAR to improve the accuracy of our algorithms.” He then said, **“The partnership with FreightWaves has improved our pricing algorithm – our ability to predict prices more accurately.”**

Battistella was asked if Loadsmart had done any benchmarking of its pricing data now that it is using SONAR and whether SONAR has improved Loadsmart’s accuracy. “It does. We’ve benchmarked online – our pricing against our algorithmic pricing, against market rates. And the accuracy did improve.”

More Than a Data Provider



What makes SONAR really impactful,” Nicholson said, “is that there’s so much data that you can piece together to understand what’s driving the market and anticipate what’s going to happen next.” He also said, “There is also all of this other data that is aggregated through SONAR. And I think SONAR does a nice job of bringing that data together to paint the holistic picture instead of a view of a single transaction. On a lane basis, SONAR does both. And I think that there is a ton of value with that.”

Fleming agreed, stating that SONAR has both quantitative data and qualitative data, as well as analysis across “all those use cases. **SONAR gives us the confidence to speak with authority about what’s going on in the market.**”

Collaboration

“Loadsmart has a relationship with the FreightWaves team and SONAR provides us with different perspectives,” Nicholson observed. “**We collaborate**

with our team members and with our contacts at FreightWaves to talk about what is being seen in the market. What are we seeing in the data, and what are the FreightWaves data scientists seeing in the data? That collaborative relationship is very useful to prove and produce the results that we’re looking for. **We want to deliver tools for our customers and give them a very valuable product – the insights and data that we gather from SONAR.** The collaborative nature is critical.”

Battistella explained. “I think to add to what Jim said, what was really important to me is that early on we had the opportunity to discuss SONAR data with the FreightWaves data science team as we were learning to understand how to use the platform and its features. That kind of collaboration and assistance is very important and helpful. I also wanted to see and use the ‘rough’ data as well. So we had the chance to discuss with FreightWaves data scientists and engineers to understand how to use that data.”

He added, “I wanted to see how the SONAR agreement was set up. I used to worry because FreightWaves might come with a new data set in the future and I wanted to make sure I would have access to it. With SONAR, **I know we’re getting what we need today and tomorrow as well.**”

“As mentioned earlier, Loadsmart uses SONAR on the operational side and in the sales organization as well,” Nicholson said. “We use it every day and it’s actually ingrained before we even start the day. Our morning meetings with stakeholders are a pulse on what’s going on in the market and we rely on SONAR data to help us paint that picture. We also rely on SONAR to understand key data points to help us define our strategy and the day-to-day processes.”

Nicholson continued, “SONAR permeates our operations and sales organizations; **it gives us a competitive advantage by helping us understand what’s going on and what’s going to happen next. And that’s critical!**”

SONAR Indices, Charts and Graphs

Battistella described how Loadsmart uses specific SONAR indices. “We use the Outbound Tender Rejection Index (OTRI) and market share data all the time. This information feeds our algorithms. In discussions with the FreightWaves engineering team, we decided on how to use them and the variations that are available. So OTRI and the Inbound Tender Volume Index (ITVI) and other indices all go into the mix with the other 200+ parameters we use at Loadsmart.”



Definitely, the SONAR volume and rejection indices are a primary focus,” Nicholson said. “The different indices and the market maps give you a full picture. And a feature that I love is the maritime imports on the supply and operations sides. I’m very keen on understanding what’s going on in the supply side of the transportation world. And so those are things that I’m consistently monitoring among other data inputs.”

Nicholson added, “I talk with Joel Rosenblatt [FreightWaves Vice President of SONAR Sales] about tying together the import data with the intermodal rail data coming out of the ports and comparing that

data with the truckload rejection data. It gives you an end-to-end understanding of what is driving the freight and why. It is a really holistic view.”

He also spoke about how SONAR was being used by Loadsmart’s sales group. “Everyone’s trying to figure out what’s going on right now. SONAR helps us with that; to know what’s going on today as well as what to expect the rest of the week. But it is also helping us define our long-term contract pricing strategy and we use its insights in that area; they are critical to the process.”

Nicholson continued, stating, **“SONAR data empowers our organization to create solutions and educate and consult our customer base. SONAR provides our staff with data and insights needed to effectively create solutions and they can serve as consultants for our customer base. This is crucial to grow those partnerships and relationships.** So I think SONAR’s impact on the pricing side is key. SONAR gives us accuracy in pricing; it improves our value to our shippers. But **the insights we get from SONAR are important to help create and build relationships.** And the more consultative we can be, the less of an order taker we will be – we’ll be perceived as partners helping as much as possible.”

Battistella added, “While we do not provide SONAR data directly to our customers, I think Jim described the situation very well. Making the leap from ‘order taker’ to ‘consultant’ has been helped tremendously by SONAR data and analysis.”

He then said, **“The partnership with FreightWaves has improved our pricing algorithm and our ability to predict prices more accurately.”**

Rosenblatt talked about the partnership between Loadsmart and FreightWaves. “SONAR is proving its value across Loadsmart’s operations, national accounts, pricing and fulfillment departments. Working with the Loadsmart staff to find opportunities in which SONAR can become a programmatic solution across the entire enterprise has been a great experience.”

He continued, stating “It’s been a true full-service partnership; FreightWaves’ team of market experts have provided context to Loadsmart. Seeing Loadsmart’s operations, sales and pricing staff use SONAR data to come up with new solutions makes all of us at FreightWaves proud of our product.”

In regard to other SONAR features, Robinson said, “We’re obviously exploring SONAR’s newer products and features as well. Joel and others at FreightWaves have been educating us about Lane Manager, Lane Scorecard, Lane Signals, etc. The ability to work directly with technically capable partners helps us learn more, do more and use SONAR to help our customers as much as possible.”

To summarize the FreightWaves-Loadsmart relationship, Robinson said,



I think this is working well in part because many FreightWaves staff have freight backgrounds. They really understand the business and they also know how to use the data effectively. And they have learned about Loadsmart and are invested in us to provide what we need to make our business better.”