Zaro Transportation Leverages SONAR to Augment Their Rate Model and Manage Freight Better

Introduction

Zaro Transportation is a Laredo, Texas-based transportation company that provides door-to-door freight services and coverage throughout Mexico and the United States, crossing through the port of Laredo and Nuevo Laredo. Zaro Transportation provides transportation and brokerage services that emphasize the care of delicate loads, non-trans-shippable equipment, speed of service, and peace of mind to customers who know where their cargo is at any time, thanks to its website and geolocation technology.

The company's mission is to grow with its customers by offering transportation services with solutions such as flexible service, real-time information, efficiency, and rapid border-crossing.

Zaro Transportation offers better service and data-driven rates due to SONAR. As supply chains grow more complex and pressure-driven in the current market, the need to maintain a strong competitive advantage has never been more important. All shippers are looking for the best solution and freight broker to connect with more carriers, lanes, and capacity. And carriers are looking for brokers that offer competitive, lucrative freight rates and don't undercut profitability.

The Business Challenge

Like any asset-based carrier, Zaro Transportation experienced growing pains in the age of e-commerce acceleration. The company had an 11% CAGR from 2017-2020. And the company had developed its own transportation management system (TMS) and human resources reward system. The continuous flow of freight between the U.S. and Mexico – across 350+ drivers – meant communications were vital to success. However, these communications also left room for improvement. Zaro Transportation needed a way to prove why it was offering each rate for all shipments. The company needed to emphasize its value to maintain profitability during disruption. And frontline workers needed a way to benchmark performance.

That's where SONAR came into play. And it's now been a year since the initial rollout of SONAR at this cross-border carrier.

Zaro Transportation Uses SONAR to Enable Data-Driven Rating and Management

Automating workflows, improving service levels, and expanding operations stand out as the top ways that Zaro Transportation applies SONAR. Using the system in conjunction with its existing TMS and HR platforms, Zaro has successfully gathered and spread information across lanes transecting the U.S.-Mexico border. In turn, SONAR Lane Signal data further helps team members identify the most profitable lanes and which locations are likely to swing more in favor of carriers or shippers.

Additional value was found by using SONAR's Predictive Rates tool. That gave frontline workers an added advantage in generating accurate shippers' prices and offering more competitive rates to LSPs and carriers. Zaro has also used SONAR's benchmarking capabilities to measure how well the company is performing compared to peers. For instance, the Net Revenue per Truck per Week rate has proven invaluable for the company to see how its operations stack up against the competition.

SONAR Data Creates Added Efficiencies and Value

The company has also used various SONAR indices, including the Outbound Tender Rejection Index (OTRI) and Inbound Tender Rejection Index (ITRI), to determine which tendered loads are likely to result in rejection. Company staff members are still learning more about SONAR's possible use cases and applying high-level performance improvement information. That sentiment was echoed by Kunal Dovedy, Director of Innvation at Zaro Transportation:

> We do our utmost to provide our teams with the freedom to decide and operate as they see fit, which includes giving them the authority to make changes to workflows and the application of technology to manage interactions. Using SONAR, we can understand the value of an asset-based carrier from an internal and external view. And we are continuously using SONAR data to improve our internal rate model and the algorithms that power it. We are excited about what the future holds and look forward to additional uses of SONAR to grow our business and meet the demands of that growth."

Summary

Zaro Transportation continues to realize improvements to workflows and profitability using SONAR data. Connecting to SONAR via an API, the company is building out additional automation within the rating process, asset management and self-managed teams. And by using SONAR, Zaro Transportation is securing its future as a competitive, data-driven asset-based carrier. Some top statistics that prove the value-added through SONAR over the last year include:

- Increasing revenue shipment average by 4.3%.
- Securing 32 new shippers as clients since SONAR deployment.

Get a demo and learn more at sonar.freightwaves.com