

Visibility and completion

— just as important outside the cab

No one gets into trucking for the love of the back office. But it's the back office that keeps trucks moving, keeps them full, and keeps the cash coming in to cover daily outlays. The truck itself has continued to evolve and push the industry forward, running quieter, for longer, being more fuel efficient, and able to accommodate heavier loads. But engineering changes to the back office have been few and far between. The last big innovations in dispatching were email and Excel. The arrival of online accounting programs improved the invoice-to-cash process but since then there's been no game changing back office improvements. Most tasks are being done today as they were 20 years ago. Any dispatchers or administration staff from 1997 would be perfectly at home if they sat down to dispatch today.

That may be changing. In late 2016 a new service appeared in the marketplace, offering streamlined dispatch and invoice-to-cash processes. Online freight procurement company TNX (www.tnx.co.nz) is already working with some of the largest companies in New Zealand. Those companies use TNX to offer loads out to their preferred carriers. The information can be accessed over the web or via smartphone apps. TNX notifies the carriers, whose dispatchers can accept or decline the loads based on availability. For some loads the carriers are asked to provide offer prices.

One of the key differentiators between TNX and prior attempts at this type of facility is that pricing freight is not a race to the bottom. Prices are set by overall market rates. The carrier with the lowest offer price gets the load, but the actual job price may well be set higher than his offer.

No one likes to change how they do business, maybe least of all back-office staff. But consider some of the benefits. Carriers are getting access to loads they would not have seen before. With phone calls, a load can only get offered to one carrier at a time. With TNX, it can go out to dozens. That cuts down wasted dispatcher time and makes it more likely the best-suited carrier will get offered the work.

Another key differentiator in the TNX offering is payment times. Carriers are paid seven days after the job is marked as complete. All carriers have experienced being chased for PODs or a confirmation that a job is closed. However fast those documents get turned around, the payment for the job is still the 20th of the following month (or later). With TNX, if you POD the job the same day it is completed, you're getting paid faster for it.

Waiting time is also addressed in the TNX offering with the ability to provide support to carriers in an age-old area of contention. TNX gathers feedback on waiting time and scorecards the offered loads with it. In fact one of TNX's biggest pluses is the rating system based on the user experience. Such features are common in online commercial transactions nowadays and provide a powerful point of reference for all parties.

We first heard about TNX at the Road Transport Forum conference in October last year. New Zealand has seen online

load boards before, such as Findatruckload. What makes this different is the amount of value being given back to the carrier.

ALEX ELMES works in operations at well known New Zealand transport company Brett Marsh Transport Ltd, based in Tauranga.

"We've found TNX a good solution which will reach its true potential once a critical mass is reached. The seven-day payment is really good and we've even had an experience where a job was cancelled once it had been accepted by all parties and we still received payment."

While often frustrating, the back office is key to staying in a business you're passionate about. Access to the best loads and timely payment are critical components in an industry with margins as tight as road transport. New ideas like TNX should always be investigated, as there is potential to improve profitability with less back office stress. No one likes change, but this may be a place where it makes sense. □

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