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FREIGHT BEYOND: A Guide to a Successful 2025



During the fourth quarter of the year, there's still significant work to be done. Freight doesn't stop during the holiday season, and your fleet may have its busiest season of the year in front of it. But for all practical purposes, 2024 planning – especially as it concerns your tech solutions – was finished some time ago.

Now, it's time to turn your attention to 2025. This guide will offer strategies you can use for a successful next 12 months – and beyond. We'll be looking at ways to prepare for profitability through solutions, easy compliance, and the power of predictive insights.

But first, a quick summary of where the market stands as 2025 draws near.

What's the outlook for 2025?

The outlook for the freight market in 2025 is marked by both cautious optimism and significant challenges, as <u>mixed economic signals</u> and evolving <u>industry trends</u> shape the landscape.

The trucking industry has started to see signs of recovery from the freight recession that began in late 2022. Analysts point out that some key indicators — like tonnage and load-to-truck ratios—are gradually improving. For instance, the ATA's Tonnage Index ticked up by 0.3% in July 2024, and flatbed load-to-truck ratios jumped by 8%, signaling growth in construction and manufacturing.

However, spot rates remain under pressure, and Class 8 truck orders have slowed, indicating that the industry's recovery is still fragile.

One major concern for 2025 is a potential decline in truck demand, particularly if broader economic conditions, such as inflation and interest rates, continue to impact consumer spending and freight volumes. According to reports, <u>some analysts</u> have lowered their truck forecasts for 2025, expecting a softer market for new orders as inventory levels rise. Additionally, supply chain or labor disruptions could still linger into 2025. Despite these headwinds, the ongoing push towards digital transformation and automation in the logistics sector is expected to bring efficiency gains. More companies are adopting real-time visibility tools and leveraging data to streamline operations. Automation projects accelerated during the pandemic, and this trend is likely to continue as companies seek to enhance profitability and adapt to fluctuating market conditions.

After an <u>industry-wide recession</u> for the past two years, there's definite <u>optimism in the freight</u> <u>market</u>. That optimism isn't of the unbridled sort, though. By and large, carriers probably won't see a return to the COVID boom era, and significant challenges will persist. But the outlook is certainly more promising than it was this time last year.





Preparing for profitability

Today's <u>carriers</u> need to be equipped with a variety of tech solutions to transport goods efficiently and profitably. From a transportation management system to <u>mobile driver apps</u>, telematics, and <u>back-office automation</u>, fleets that put an emphasis on tech-forward operations will have a greater chance of succeeding in the current market.

But while adoption of tech solutions is crucial for on-time delivery, visibility, safety, timely payment, and more, carriers can also benefit from how they purchase tech.

Let's delve into a hypothetical, with two carriers who each have a few hundred trucks.

Carrier A uses a range of tech providers for mobile driver apps, TMS integrations, app integrations, back-office workflows, and <u>telematics</u>. Generally, its fleet managers, drivers, and executives are pleased with how the solutions work, but they don't get the best level of customer service or configurability. The variety of solutions also means contract renewals come up at different points in the calendar, complicating service consistency at times. Carrier B, meanwhile, bundles its solutions, which helps streamline customer service and gets any technical issues resolved promptly. And while not every solution comes from the same software company, they are all seamlessly integrated. This carrier doesn't have to worry about the revolving door of contracts or the confusion that comes with onboarding drivers and the back office to new platforms. And perhaps most importantly, bundles offer multiple price points, many options, and can deliver cost savings compared to piece-meal solutions.

Carrier A may be perfectly satisfied with the software it's using, and not notice that small inefficiencies are costing it time and money – whether that be switching between apps, integrations that cause friction, unclear document scanning, a lack of visibility, or tools that don't get drivers paid as quickly as possible.

Carrier B is much less likely to lose out on profit, time, and visibility because of the tech it chose. Since it bundled what it uses for the fleet, its operations can be streamlined easily.

Uncomplicated, intuitive compliance

In the world of freight, compliance is not optional. Every fleet needs to ensure its vehicles are equipped with Electronic Logging Devices (ELDs) to meet regulatory requirements, and proper documentation is crucial to completing jobs efficiently. As a result, there's a huge market for tools, particularly ELDs, video telematics, document scanning, document management systems, and other solutions that help keep fleets within the legal guidelines and eliminate friction in the supply chain.

However, the abundance of providers in this space means many companies offer compliance solutions that tick the necessary boxes but do little else. While these basic offerings may help fleets stay compliant, they don't contribute significantly to growth or provide much added value. This is where choosing the right partner, rather than just a vendor, becomes essential.

When selecting compliance tools, it's crucial to work with a provider that goes beyond just selling a product. A true partner helps fleets integrate solutions seamlessly into their operations, contributing to their long-term success. The goal should be to ease the burden of compliance through simplicity, scalability, and customer service that actively helps the business grow.

Ease of use is a key element, too. Compliance solutions that are difficult to navigate can frustrate drivers, fleet managers, and back-office personnel, potentially leading to costly mistakes or delays. Platforms that are intuitive and offer helpful setup assistance ensure that everyone in your operation understands how to use the technology effectively. Additionally, the best compliance partners continually evolve their products to meet the changing needs of the industry. New features and capabilities, such as enhanced data analytics and integrations, can make compliance less of a chore and more of a strategic advantage. Scalable solutions that can grow with a fleet are also important, especially as it looks to adapt to future regulations and increasing freight volumes.

In short, your compliance tools should not just help you avoid fines or <u>stay legal</u> – they should also be assets that contribute to your overall operational efficiency and profitability.



The power of predictive insights

But telematics aren't synonymous with <u>ELD compliance</u>. Today, telematics offer a wealth of information about your fleet that can help improve efficiency, reduce costs, and enhance profitability.

For starters, modern telematics solutions gather a vast amount of data on both the vehicle and the driver. This includes everything from real-time engine diagnostics and fuel usage to driver behavior like speeding, idling, and <u>braking</u>. This data, when properly utilized, is a powerful tool for running a more profitable and efficient fleet.

One of the biggest ways predictive insights can drive cost savings is through proactive maintenance. By monitoring engine health and other critical components, telematics can help you predict and prevent costly breakdowns before they occur. This reduces unscheduled downtime, minimizes repair costs, and keeps your trucks on the road when they're needed most.

Driver behavior is another area where telematics data can have a significant impact and can be supplemented with video telematics devices like dash cams. Insights into driving habits allow fleet managers to coach drivers on safe, fuel-efficient driving practices. Plus, safer driving leads to fewer accidents, lowering insurance premiums and avoiding the costly disruptions that come with vehicle repairs or replacement.

Beyond vehicle and driver performance, telematics also play a critical role in improving overall fleet visibility. With real-time location data and route optimization, fleets can ensure on-time deliveries, minimize deadhead miles, and improve customer satisfaction. This kind of visibility also allows for more accurate scheduling and better asset utilization, which can be especially important during peak periods of demand.

Ultimately, leveraging predictive insights from telematics goes beyond simply complying with regulations — it's about turning data into <u>actionable</u> <u>intelligence</u> that drives better decision-making.

Make the most of a promising 2025

As the freight industry navigates the evolving landscape of 2025, preparation and adaptability will be critical to success. By embracing technology solutions that prioritize profitability, ensure compliance with a focus on growth and ease of use, and leverage the power of predictive insights, fleets can position themselves to not only survive but thrive in a competitive market.

The challenges of the past few years have underscored the need for operational efficiency and innovation. Carriers who invest in integrated, scalable solutions and proactive strategies will be better equipped to manage fluctuating freight volumes, regulatory changes, and market shifts. Whether it's through streamlined compliance tools or data-driven insights, the future of freight demands more than just meeting today's requirements — it calls for staying ahead of tomorrow's challenges.

By acting now, your fleet can ensure continued success and profitability in the coming year and beyond. The strategies outlined in this guide are designed to help you seize opportunities, mitigate risks, and optimize your operations for a successful 2025.

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