

LDI Edges Out Competition, Triples Revenue in Two Years

At a glance

Logistic Dynamics Inc.

Buffalo, NY

www.logisticdynamics.com



Dennis Brown, President

Goal:

Increase market share and accelerate growth of TL brokerage

Scope:

Brokerage founded in 2003, now includes 15 brokers and 25 agents. LDI handles 90% truckload freight, with 1,200 loads in an average month, 1,500 or more in peak seasons.

Solution:

Real-time integration of 3sixty™ Freight Match, with automatic posting and searching, in LDI's home-grown transportation management system, using TransCore Connexion™ interface.

Results:

Brokers and agents receive matches for 62% of posts before they cover those loads. Phones ring within minutes of posting. LDI tripled revenues in two years.

When you're ready to post a load, five minutes can be a long time.

That's why Dennis Brown focuses on saving time when it counts the most: posting loads fast, to lock in carriers and get the shippers' business. As president of Logistic Dynamics, Inc. (LDI) a Buffalo, New York-based freight brokerage, Brown has pioneered the use of technology-based tools to establish and grow the business from zero to \$6 million in its first three years of operation. LDI's second act: tripling revenues in the two following years, to achieve \$18 million in 2008.

Logistic Dynamics handles about 1,200 loads in an average month, with as many as 1,500 loads per month in peak seasons. Truckload freight comprises more than 90% of the business, according to Brown. The company works almost exclusively in the spot market, with very few ongoing contracts.

"It's a very competitive marketplace. There are a lot of

brokers out there," Brown explained. "In many cases, different brokers are working on the exact same freight. So the guy who gets the truck first is the guy who gets paid," he continued.

TransCore Connexion "Makes the Phone Ring"

Logistic Dynamics honed its competitive edge in June 2007, when the company installed Connexion, TransCore's application interface. Connexion enables brokers to post loads to 3sixty™ Freight Match and view matches from within the company's proprietary transportation management system (TMS.) Posting and searching are automated, which speeds up the process and "makes the phone ring," Brown said.

"If we can post our loads in five seconds instead of five minutes, we can already have it covered and get a rate confirmation sent before it even hits the load board on some of the other services," said Brown. "That really comes down to dollars and cents," he continued.

Logistic Dynamics categorizes freight loads in two ways: "Available" loads are those that the company has committed to move for the customer. "Open" loads are taken on a speculative basis. "If we can do a favor for the customer, and we can find a truck, we'll take it, but we aren't making a commitment," Brown explained. The open loads are typically posted quickly, without much detail about the destination and timing of the shipment. LDI secures open loads only when it is the first brokerage to notify the customer that a suitable truck has been found.

According to Brown, his staff finds matches for 65% of the open loads through Connexion and 3sixty Freight Match, along with 51% of the available loads. All told, Brown said, "62% of the loads we post through Connexion receive a match before we cover that load. That's significant, because we post to other boards, but we can't view our searches automatically on the others," he continued. "We have to log in and manually do those searches."

Loads Post in Seconds

Logistic Dynamics has been using an automatic posting feature for more than four years. Until they implemented Connexion, the export and upload auto-posting process caused a time lag, according to Brown.

"We could tell there was a lag two ways," he said. "First, we'd log into the board and see that the load wasn't posted; and second, the phones wouldn't start ringing," he explained.

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- Dennis Brown, President of Logistic Dynamics

With 3sixty Freight Match and Connexion, "the load posts within seconds," Brown continued. "The phones start ringing within a few minutes," he said.

"We always know it's the 3sixty product that's doing it, because the other boards don't even have it posted yet."

"That's what our brokers and agents will say: 'You push the button and the phone starts ringing,'" Brown chuckled. "If they're going to post a load, they want the phones to ring," he concluded.

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'You push the button and the phone starts ringing.'"*

- Dennis Brown, President of Logistic Dynamics

Connexion provides a competitive advantage for Logistic Dynamics, even when freight volume is down or carrier capacity exceeds marketplace demand, according to Brown. "It's probably most valuable when trucks are tight, but even when capacity's loose, you're still competing with other brokers," Brown explained. "Ultimately it's about being able to identify the trucks, negotiate the rate with them and lock them down," he said.

Technology Attracts Talent

The new system has also helped LDI to recruit and retain agents, a key to the company's growth strategy. "Agents are very impressed with our technology," Brown said. "They post loads quickly, and they get calls faster," he continued. "It's a differentiator for us, and it helps them to be more productive."

"Posting loads used to be a full-time job, but Connexion makes it easy for us to find trucks on 3sixty," Brown explained. "It's so fast. It has made a huge change in our company," he said.

LDI's technical staff integrated Connexion seamlessly with the company's home-grown TMS. "The software development kit (SDK) was comprehensive, and implementation was very straightforward," he said. The new program "paid for itself immediately," according to Brown. "It just made too much sense."