

Keeping tabs on carriers

RayTrans Distribution manages risk with real-time integration

The basic goal of all freight brokerage and logistics companies is the same: minimize risk without compromising speed. Recently, Jim Ray says he has seen this business model challenged like never before.

For years, RayTrans Distribution Services has experienced few difficulties finding carriers with proper levels of cargo insurance. With the recent rise in commodity prices and high-value consumer products, the value of freight has increased significantly. Together with the downturn in the economy, the risk of transporting freight also has increased significantly for brokers and shippers, says Ray, chairman of RayTrans Holdings, a Boston-based company with three divisions that provide trucking, freight brokerage and logistics services.

Ray estimates that five years ago, only 1 percent of loads in the market were at risk of being hauled by carriers that either were underinsured or unsafe. Today, he estimates 30 to 40 percent of loads are at risk, primarily because small carriers and owner-operators — the carriers brokers typically



RayTrans Distribution has integrated its homegrown software system, White Lightning, with TransCore's Connexion — a version of the vendor's CarrierWatch carrier monitoring and validation program — to minimize risk without compromising the speed of its transactions, says Jim Ray, chairman of RayTrans Holdings.

work with — are unable to pay higher insurance premiums.

RayTrans Distribution uses an integrated software system to minimize risk without compromising the speed of its

transactions. Its homegrown software system, White Lightning, is integrated with a version of TransCore's carrier monitoring and validation program called CarrierWatch. The version of CarrierWatch, called Connexion, is an XML-based Web service that integrates with the workflow of White Lightning for immediate access to information on carrier insurance and safety.

If a RayTrans dispatcher finds a new carrier to move a load, for example, White Lightning automatically submits a request to CarrierWatch in XML. In turn, CarrierWatch sends information directly into White Lightning. Dispatchers know immediately whether or not the carrier is approved to haul the load, Ray says. Every night, White Lightning sends CarrierWatch a list of all carriers that currently are booked on loads. Any negative changes to the carriers' safety or insurance status on file is flagged immediately, Ray says.

"Every time we add a carrier to a load, we compare them to CarrierWatch and to our internal qualifications," he says. "CarrierWatch allows us to keep a more live, tangible handle on carriers."