

8TH ANNUAL

# GLOBAL TRANSPORTATION MANAGEMENT

## BENCHMARK SURVEY

Discover the transportation management strategies, tactics and technology that top performers are leveraging to capitalize on market opportunities and adapt to challenges of a constantly evolving supply chain landscape.

CHAPTERS



# About the Survey

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CHAPTERS

Since 2017, Descartes has conducted an annual benchmark survey of global transportation professionals to identify the strategies, tactics and technology-thinking of top-performing organizations.

Survey participants represent a wide range of industry leaders including Descartes customers and followers, trade association members and industry publication readers to provide a balanced view of transportation management (TM). Only the last five years of results are used to keep the study relevant.

Each year our benchmark survey:

- Explores how companies view the role of TM
- Identifies key industry trends driving the market
- Examines how transportation value is measured
- Uncovers which capabilities, technologies, and competitive strategies/tactics are making the greatest impact
- Provides the outlook for future IT investment

## The 2024 Survey: Transportation Management Through Disruption

2023 saw inflation decelerate and many economies stabilize. While prices remain high for many goods, consumer spending continues to grow. Disruptions in the form of the ongoing Russia invasion of Ukraine, Red Sea attacks, Israel-Hamas war, Panama Canal drought have continued to impact global supply chains. Over the road, ocean, and air rates all saw declines in 2023 and into early 2024. Transportation leaders are focused on improving visibility and order management and are investing more in technology. Fuel costs and environmental regulations are foremost concerns in the market. Top performers continue to take more aggressive actions become more competitive and grow, while poorer performers are more focused on cost cutting. This report concentrates on the aggregate results, other reports will be published that highlight differences in responses by Geography (North America vs. Western Europe) and company type (Shipper vs. Logistics Service Provider).



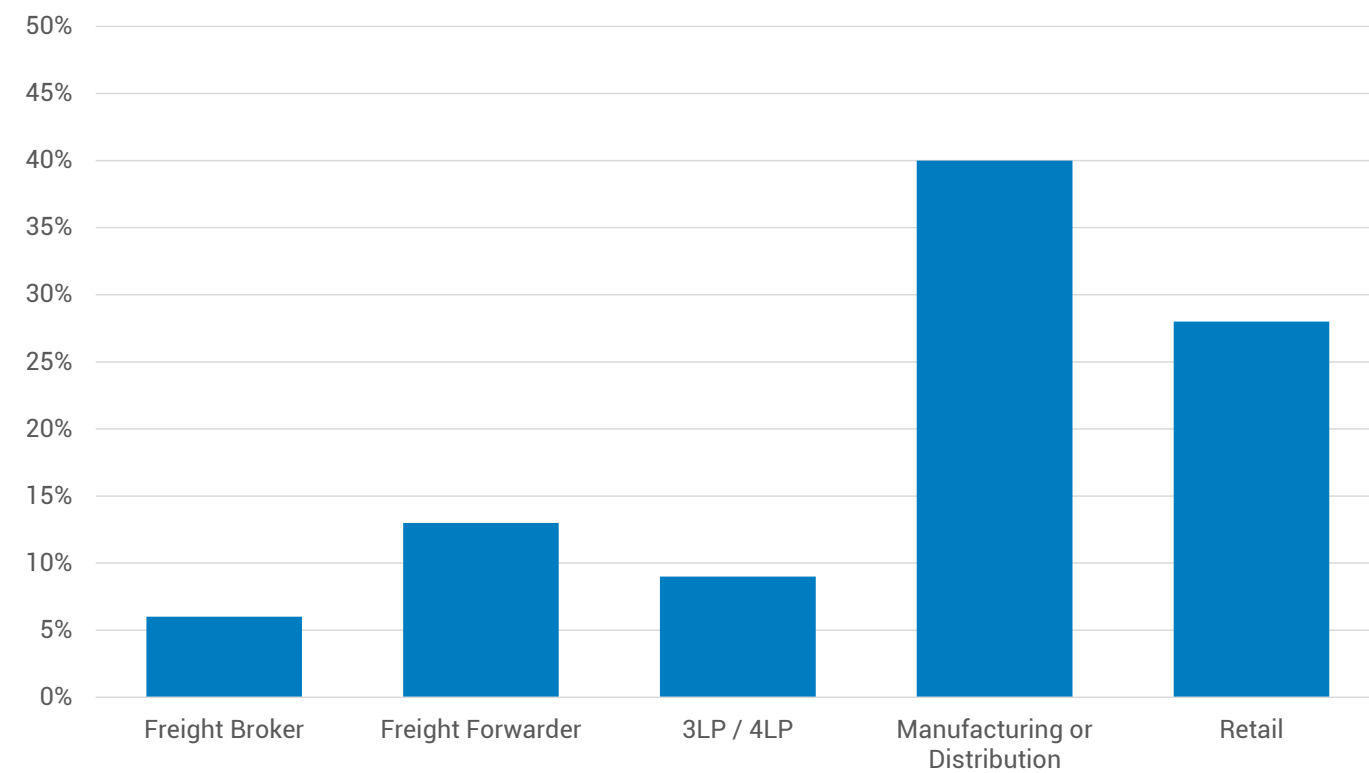
# Who We Surveyed

This year's 630 survey participants represent the logistics community and shippers from a wide variety of industries. Again, there was a significant emphasis and success on garnering more respondents beyond North America. Here's a snapshot of respondents' business type and global footprint.

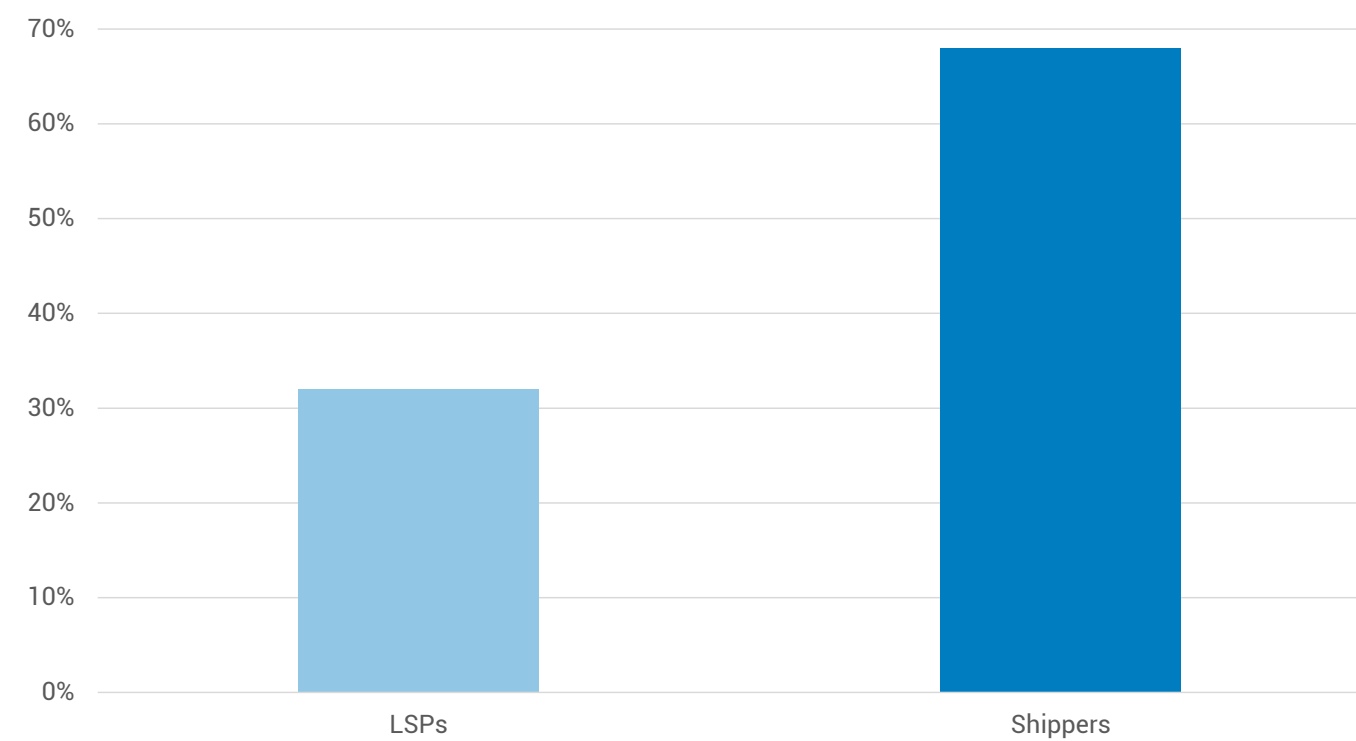
## Growing participation by logistics community

- Manufacturers / Distributors are the top business type represented (40%)
- Over two-thirds of respondents (68%) are Shippers (Manufacturers, Distributors, and Retailers)
- Logistics Service Providers (LSPs) had at 32% of respondents are a good mix of Brokers, Forwarders, and 3PLs
- A future report will break down responses by LSP vs. Shipper, this report will focus on the aggregate responses

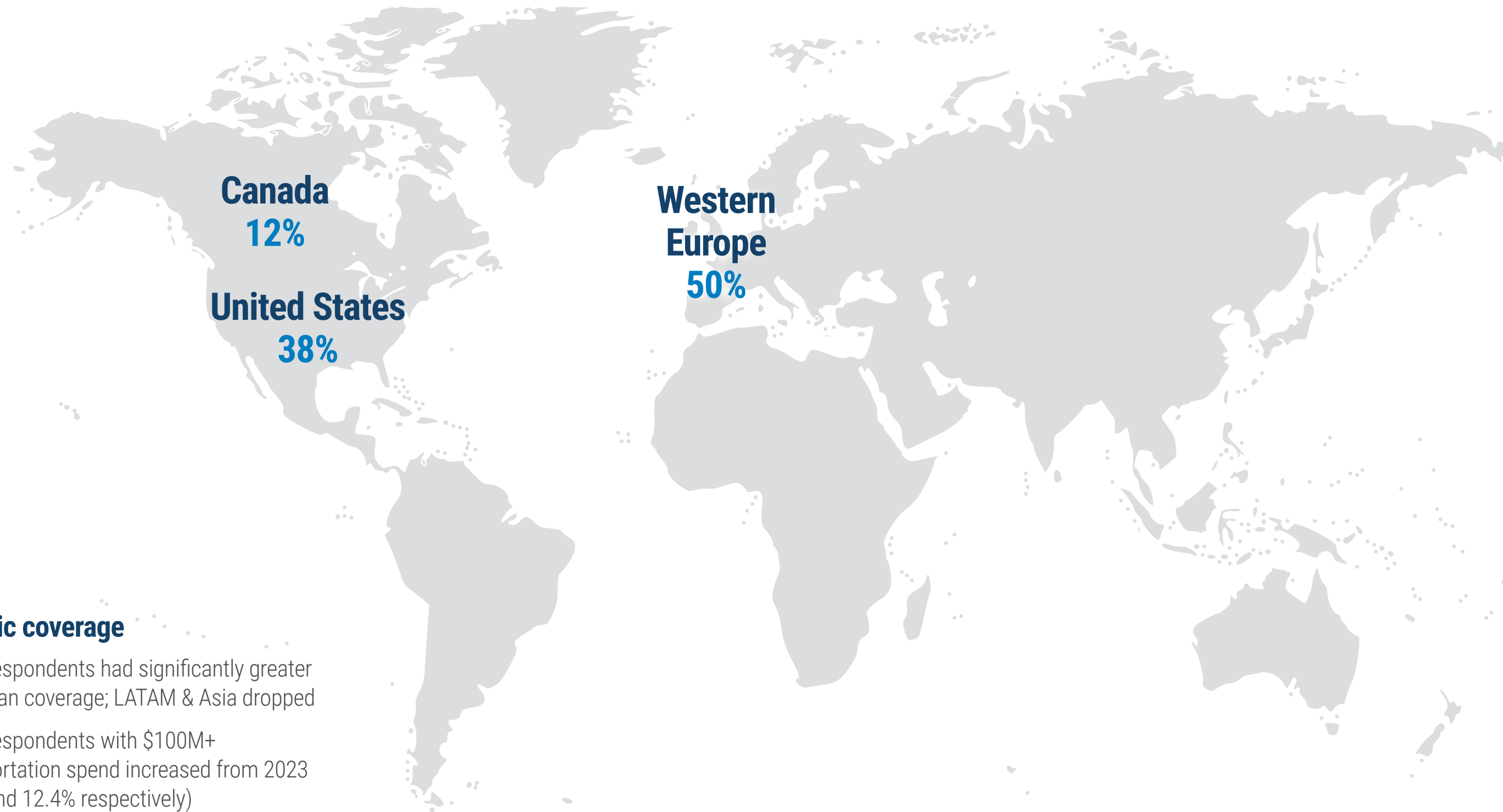
What is your primary business type? (select one)



Business type aggregated



# Who We Surveyed (cont'd)



## Geographic coverage

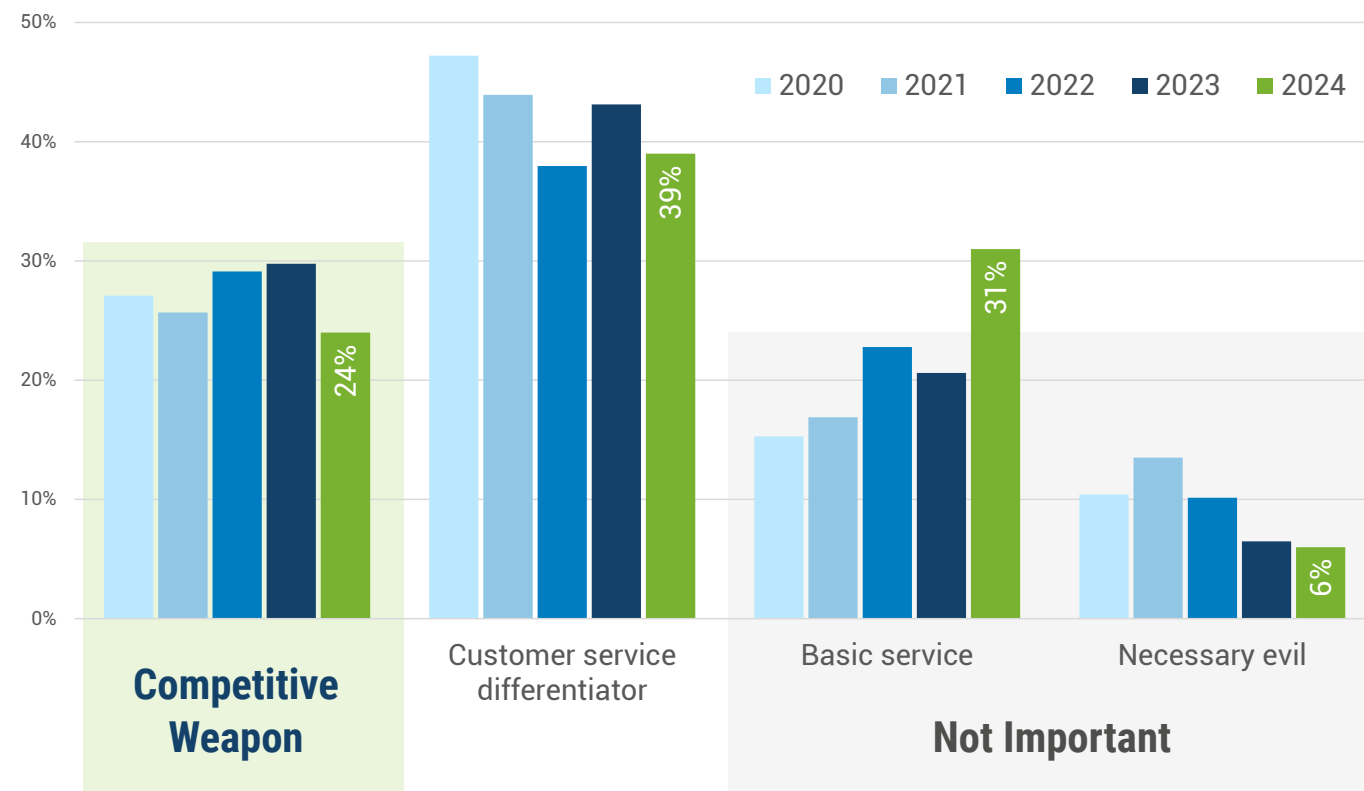
- 2024 respondents had significantly greater European coverage; LATAM & Asia dropped
- 2024 respondents with \$100M+ transportation spend increased from 2023 (17% and 12.4% respectively)



# Respondent Perspectives

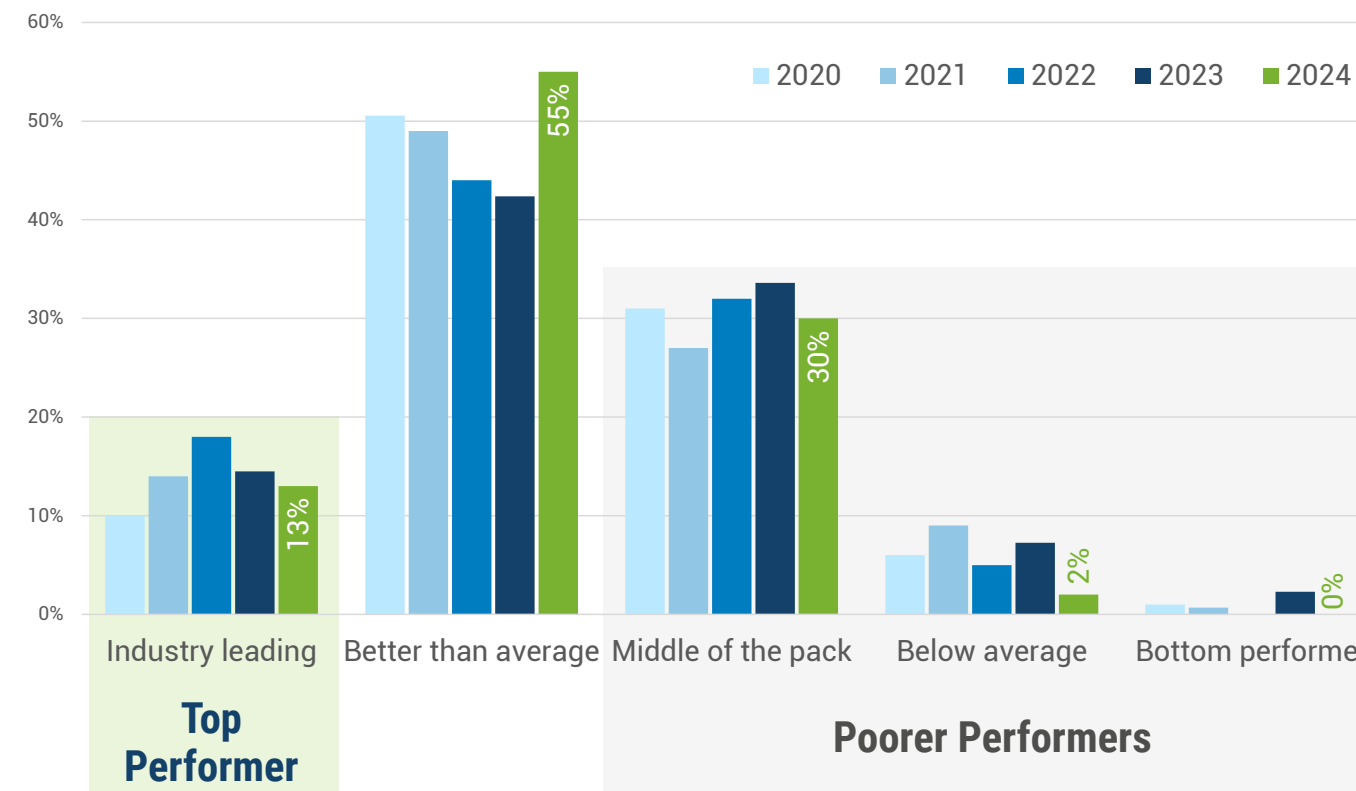
To get a better sense of how companies think and act, we asked respondents to rate their companies on senior management’s strategic view of transportation management. We also wanted to see how those perspectives related to overall financial performance. Based on their ratings, respondents were consolidated into groups for further analysis. The first grouping concerns the strategic importance of transportation and whether management believes it is a Competitive Weapon or Not Important. The second grouping looks at the difference in financial performance where industry leaders are defined as Top Performers, and average financial performers and below are defined as Poorer Performers. The results of the study were then compared by these groups to see if management importance and financial performance had an impact on strategic, tactical and technology decisions.

**How strategically is transportation viewed by management? (select one)**



- Management that views transportation management as a Competitive Weapon has grown the previous 4 years, this year saw a dip of 5%. That is likely due to the higher responses of shippers in this dataset
- 23% of Shippers and 29% of LSPs selected competitive weapon

**How well financially is your company doing today? (select one)**



- Better than average jumped 13% to 55% of respondents, other categories dropped slightly
- In 2024 Top Performers down slightly (13%), while Poorer Performers decreased their 4-year low (32%)



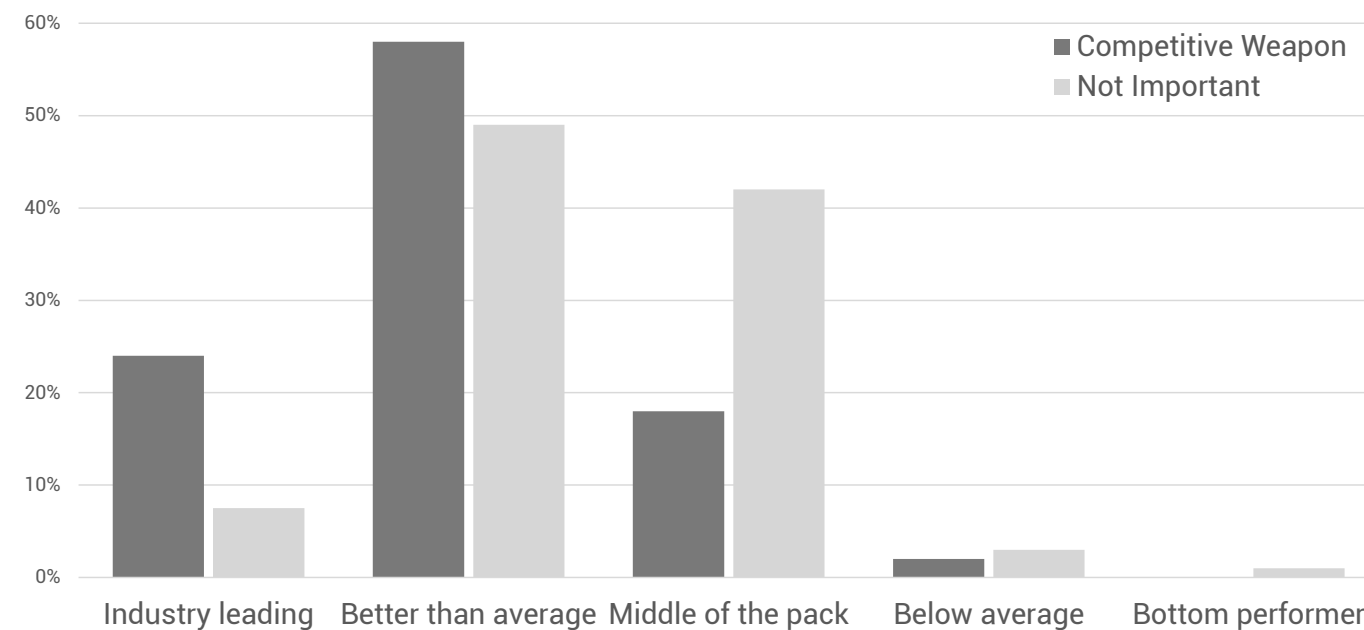
# TM Strategy, Financial Performance & Growth: A Strong Correlation

As in previous surveys, the 2024 results once again indicate a correlation between how well a company performs financially and the strategic importance senior management places on transportation.

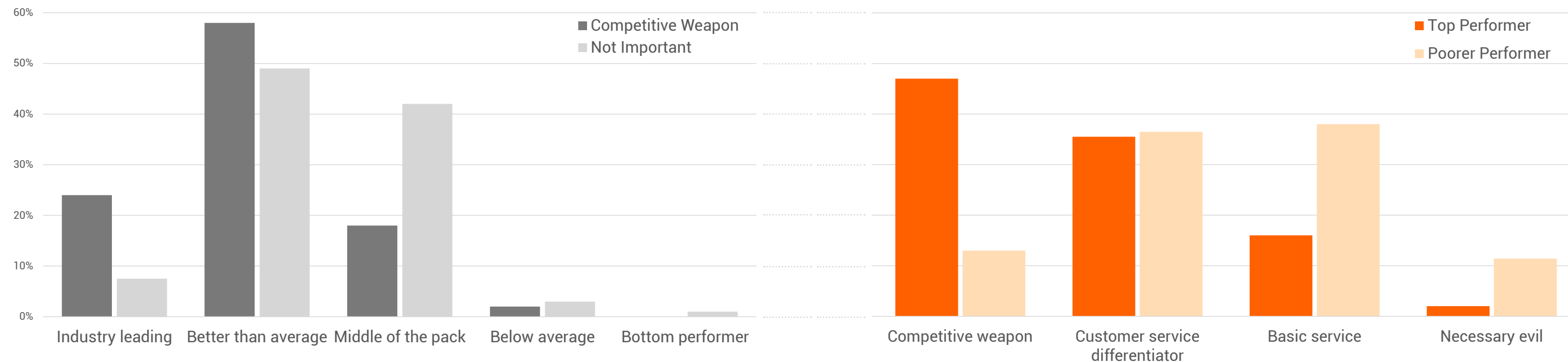
## Survey findings

- Industry leading financial performance increased in 2024 (2024: 24% vs 2023: 18%) for Competitive Weapon respondents and was 3.4X higher than Not Important respondents
- 46% of Not Important respondents had poorer financial performance
- Poorer Performers (49%) were more than 2X likely to view transportation as not important than Top Performers (18%)

How well financially is your company doing today? (select one)



How strategically is transportation viewed by management? (select one)



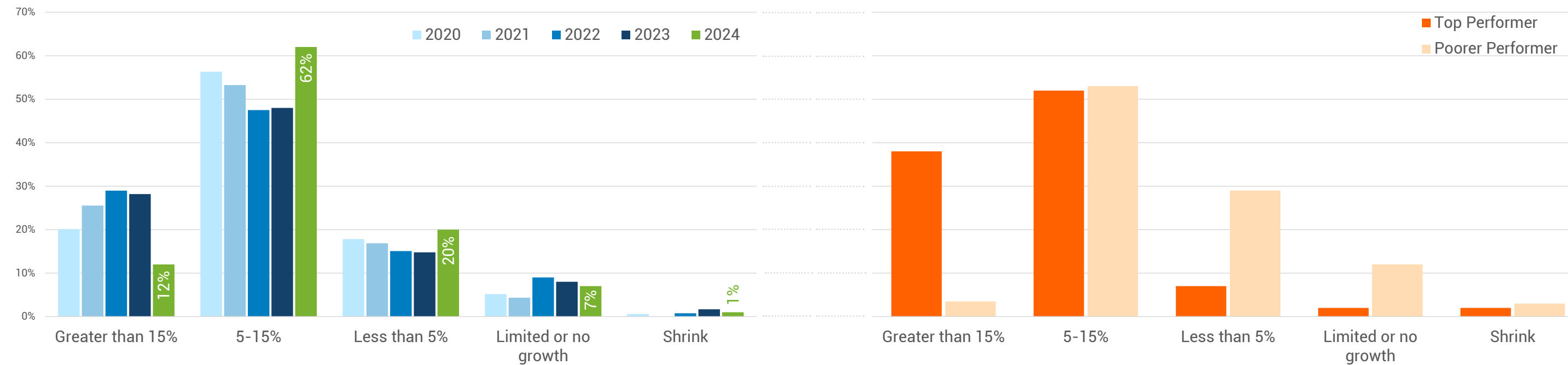


# TM Strategy, Financial Performance & Growth: A Strong Correlation (cont'd)

## Company growth: Looking forward

- Respondents expecting over 15% growth dropped to 12% in 2024 from 28% in 2023, but companies expecting growth was 94% in 2024 compared to 91% in 2023. Overall, 74% expected at least 5% growth
- Top Performer respondents are more than 10X more likely to grow >15% annually than Poorer Performer respondents
- Competitive Weapon respondents are 13% more likely to expect to grow at least 5% than Not Important respondent (79% versus 66%, respectively)

Based on current economic climate, what do you expect your annual growth to be over the next 2-3 years? (select one)





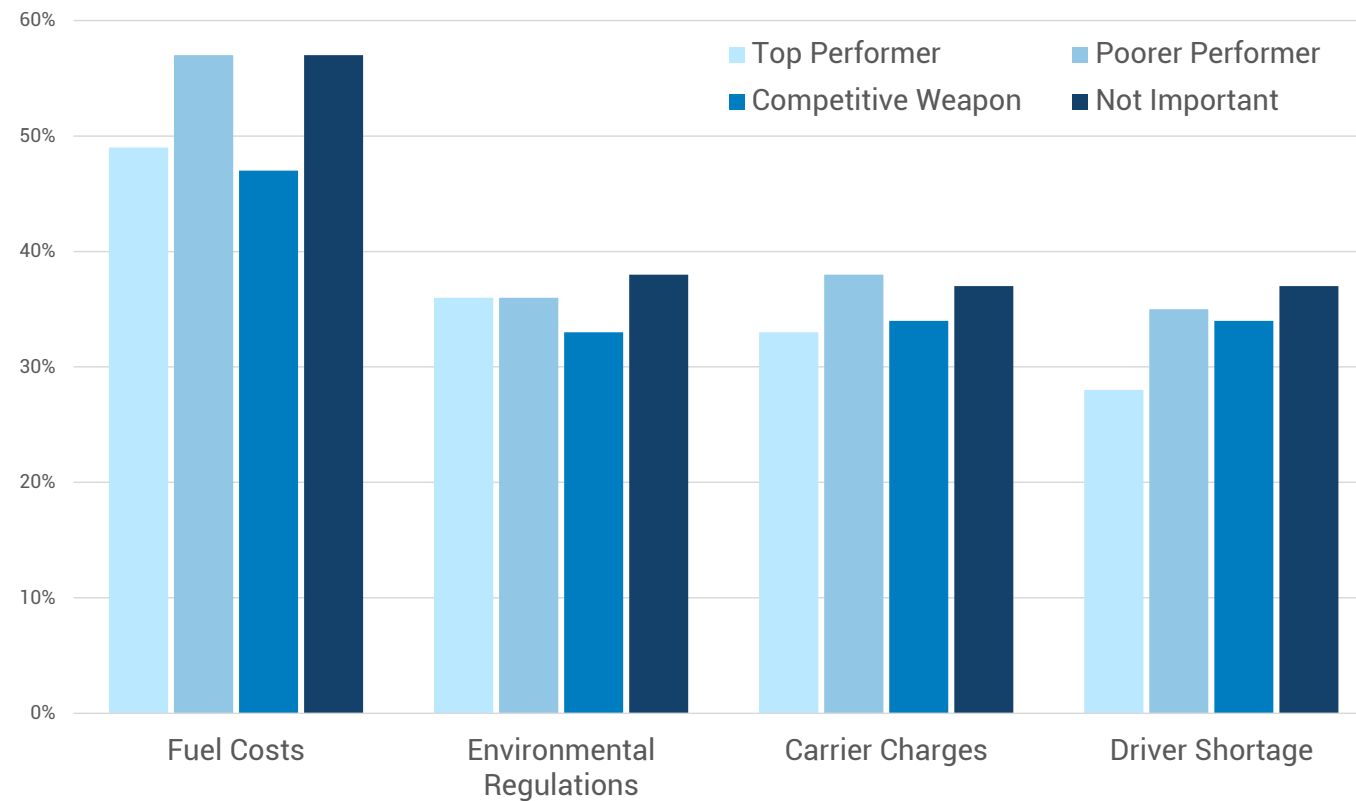
# Key Trends & Practices

We asked respondents several questions related to transportation management regarding the future significance of current market and business drivers, value measurement, where information is used and concerns about competitive strategies.

## Industry or regulatory changes with the greatest market impact over the next 5 years

- Only Fuel Costs (52%) remained in the top three impact categories from past years, up from 39.6% in 2023
- Environmental Regulations (34%) and Carrier Charges (34%) enter top three in 2024
- Fuel costs for Not Important respondents (57%) ranked 10% higher than Competitive Weapon respondents (47%)

What industry or regulatory changes will have the greatest impact on transportation management over the next 5 years? (select three)



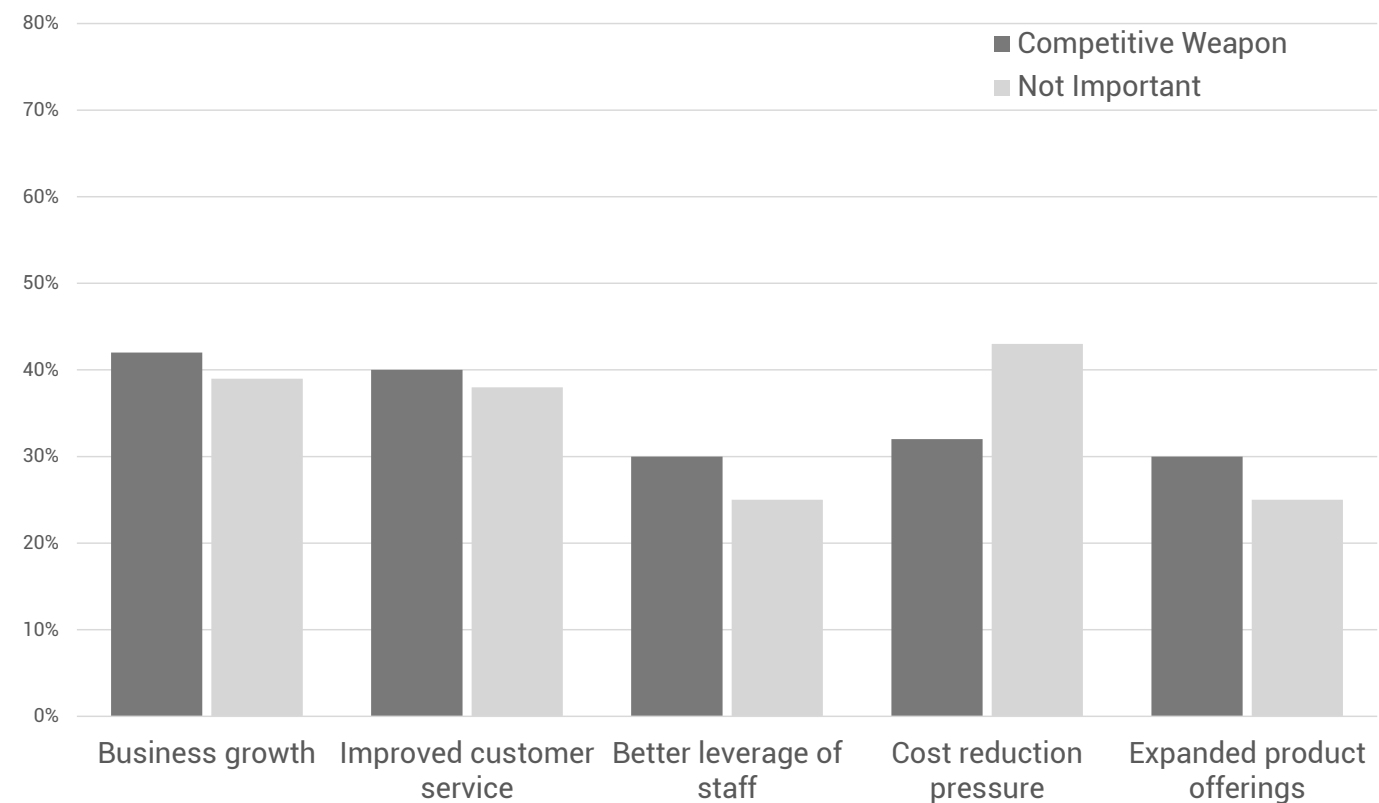


# Key Trends & Practices (cont'd)

## What's driving TM expansion?

- Cost Reduction was the top choice (40%), with Customer Service (39%) and Growth (38%) close behind (Customer Service and Growth were the top choices for the past 7 years)
- Business Growth was significantly more important to Top Performers (43%) vs. Poorer Performers (32%), similarly Expanded Product Offerings had a large gap between Top Performers (38%) vs. Poorer Performers (18%)
- Cost Reduction was more important to Not Important (43%), vs. Competitive Weapon (32%)

What business drivers are resulting in your expanded (or initial) use of a transportation management system? (select all that apply)



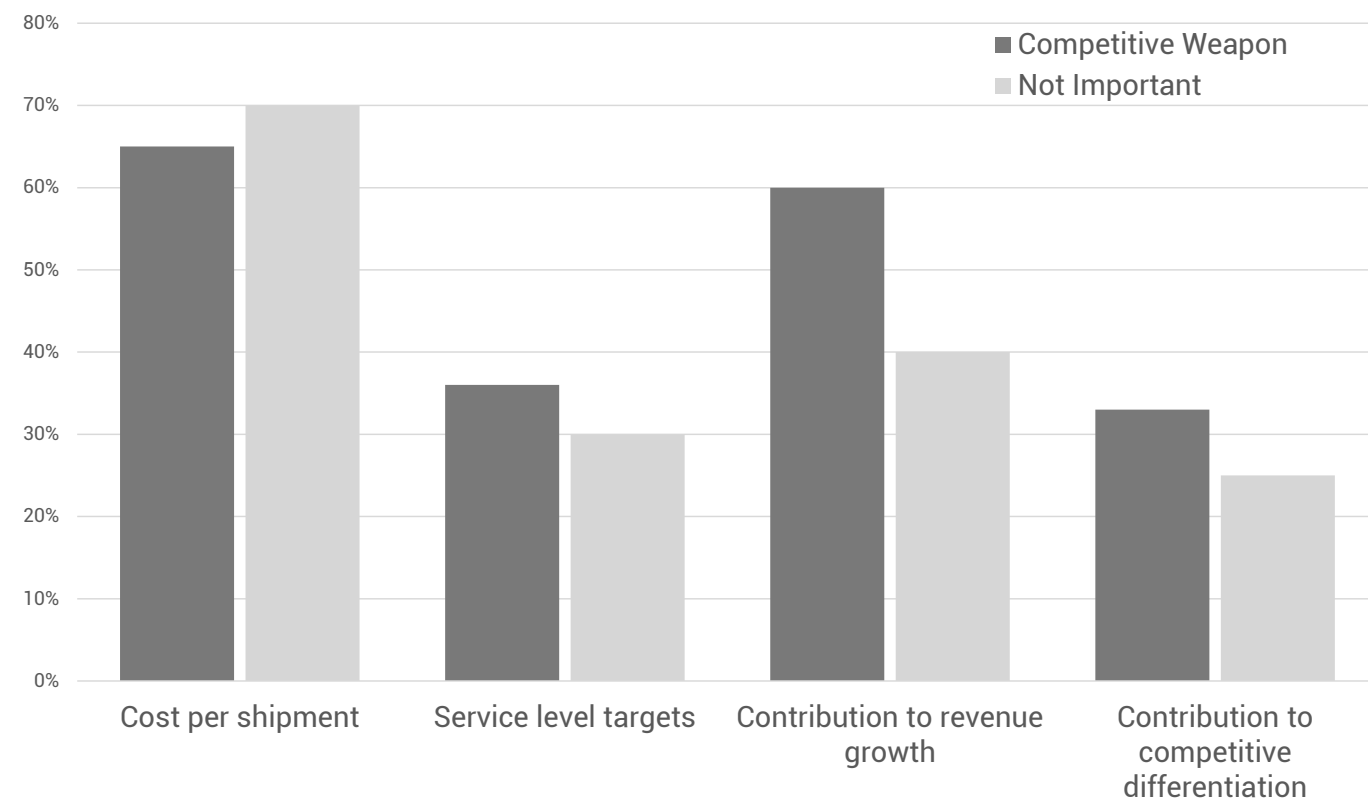


# Key Trends & Practices (cont'd)

## Measuring transportation value

- Cost per shipment remained the top choice in 2024 (61%) as it was in 2023 (68%)
- Competitive Weapon respondents picked Contribution to Revenue Growth 1.5 times more than Not Important respondents (58% vs. 38%)
- Contribution to Competitive Differentiation was also selected over 1.5 times more by Competitive Weapon respondents compared to Not Important respondents (37% vs. 23%)

How is the value of the transportation measured?  
(select all that apply)



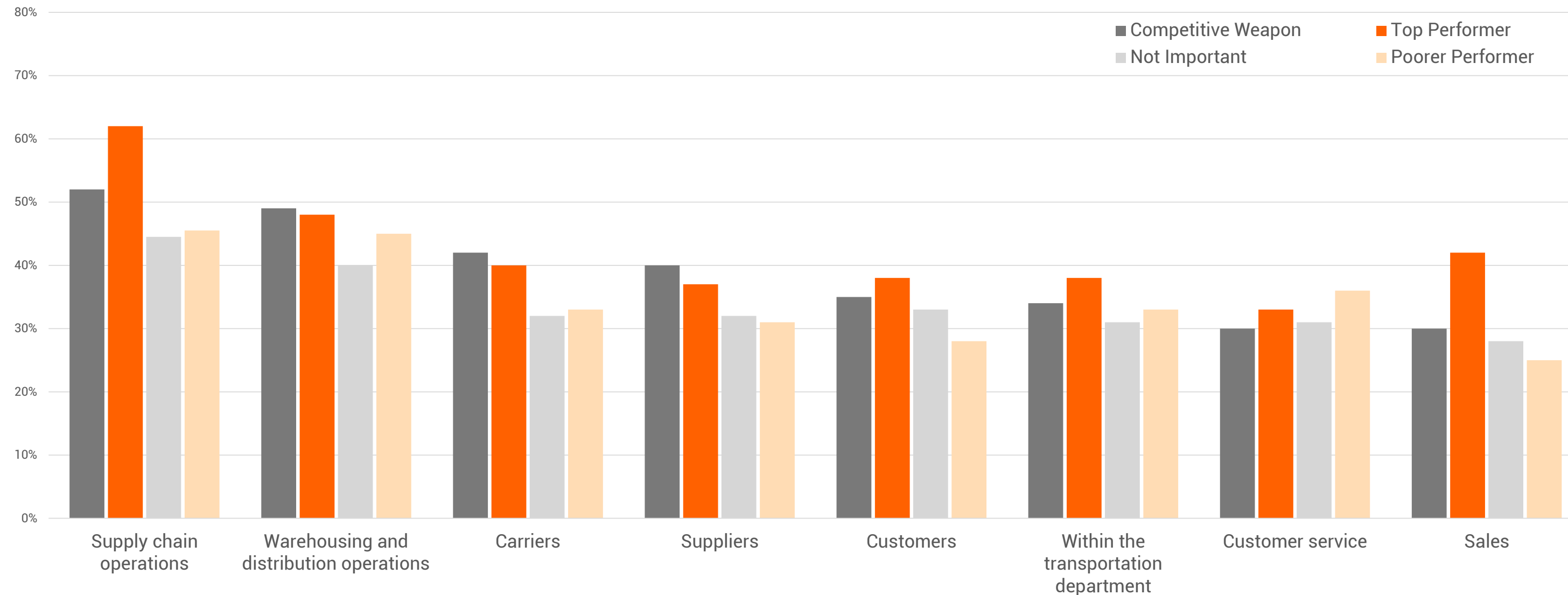


# Key Trends & Practices (cont'd)

## Sharing information beyond transportation operations

- Supply Chain Operations (48%) took the top overall response spot, followed by, Warehousing and Distribution Ops (45%). Carriers (37%) and Customers (35%) in top four
- Competitive Weapon respondents chose Suppliers (39%) over Customers (35%) and overall do a significantly better job of sharing information across the organization and external supply chain. Top Performers share information with Supply Chain Operations (62%), Customers (38%), and Sales (41%) at much higher rates than Poorer Performers (46%, 28%, and 25%)

Where is transportation information used to create value? (select all that apply)

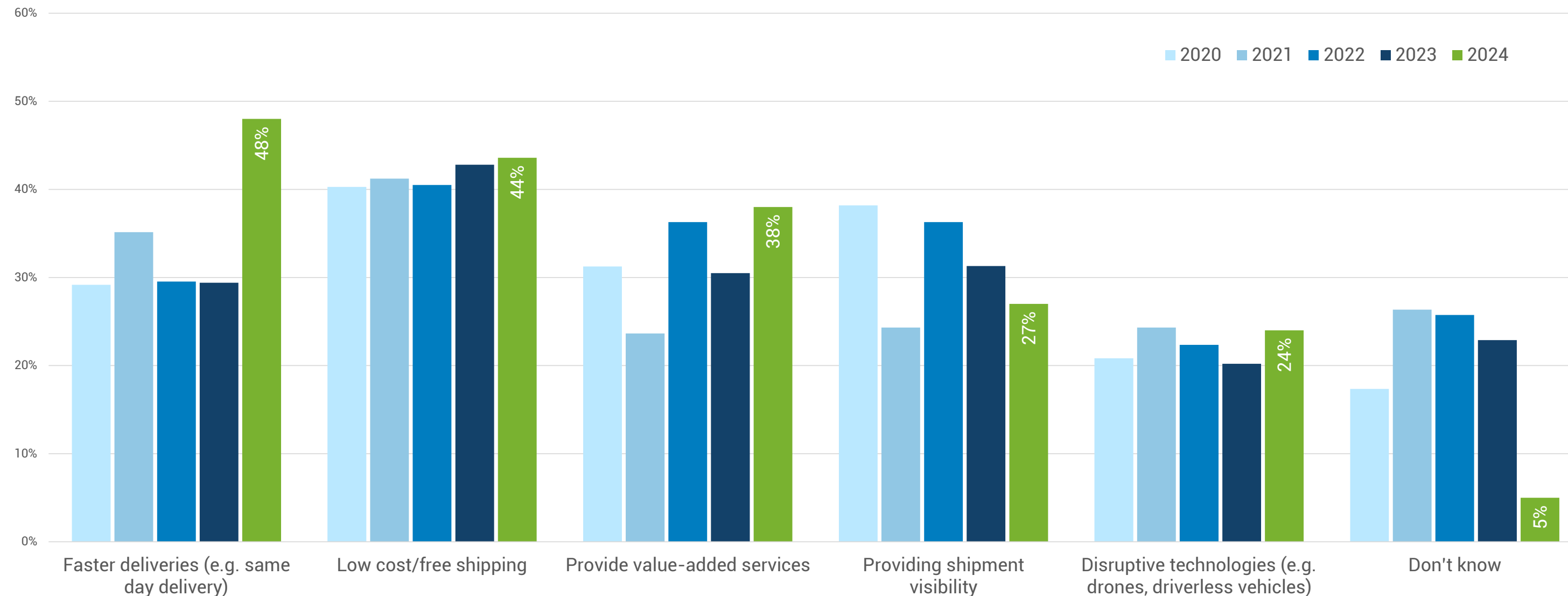


# Key Trends & Practices (cont'd)

## Pinpointing competitive concerns

- Faster Deliveries jumped to the top spot at 47% up from 29% in 2023. Low cost/free shipping had about the same overall response rate (43%) as in past years
- Low cost/free shipping was picked at a much higher rate by Not Important (49%) and Poorer Performer (47%) respondents as compared to Competitive Weapon (40%) and Top Performer (33%) respondents.

What transportation strategies or tactics are the competition using that are the greatest concern to you? (select two)





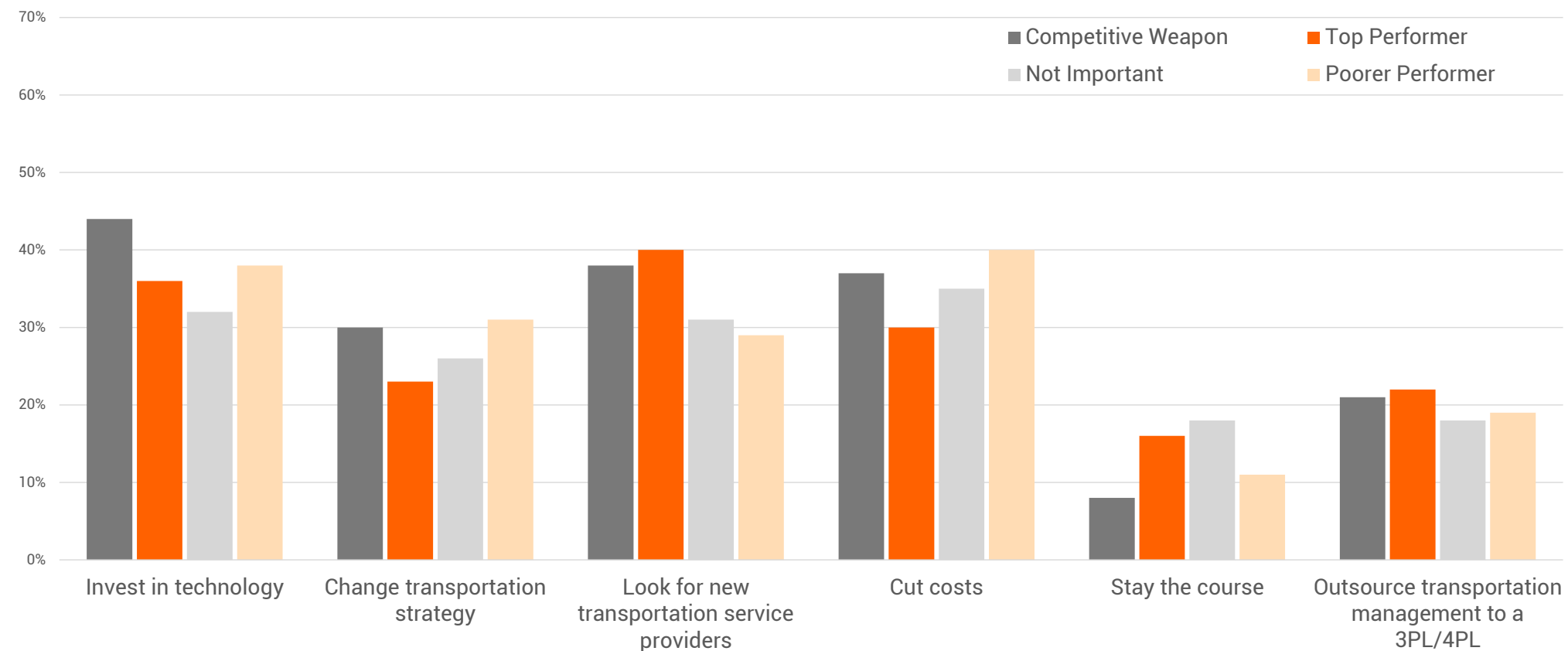
# Strategies & Tactics

Survey respondents were asked how they are planning to address the key trends and improve transportation value—both strategically and tactically. In addition, they ranked the capabilities required to effectively manage transportation, and then took a deeper dive into the highest ranked capabilities.

## Preparing for industry and regulatory change

- Overall, invest in technology was the top overall response (40%) for the 7th year. Competitive Weapon were more focused on investing in technology (44%) compared to Poorer Performers (32%)
- Poorer Performer (40%) respondents were more focused on cutting costs than Top Performers (30%). Top Performers (40%) chose looking for new transportation providers much higher than Poorer Performers (29%)

How are you preparing for the industry and regulatory changes? (select two)



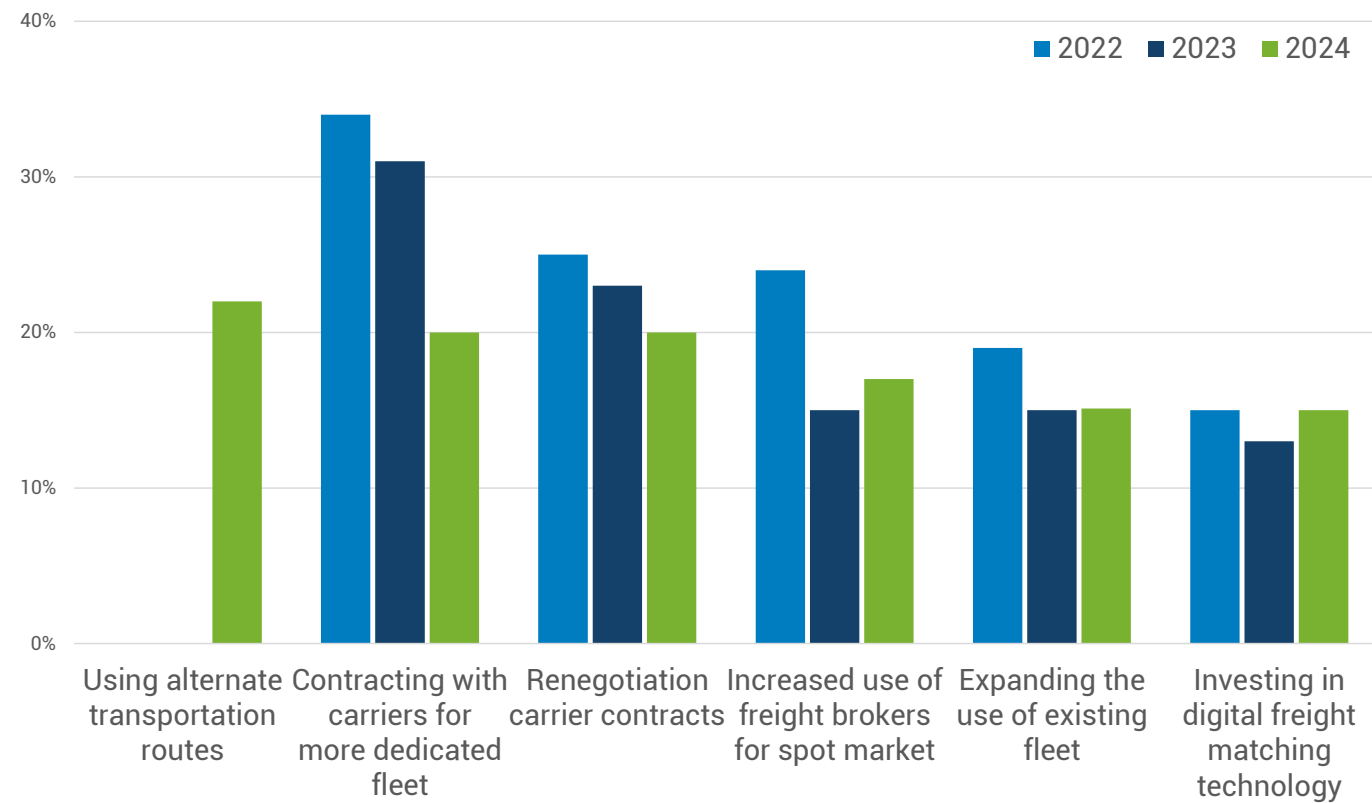


# Strategies & Tactics (cont'd)

## Addressing the capacity crunch

- Using Alternate modes was the top choice (22%), Dedicated Fleets (20%) and Renegotiating Contracts (20%) were close behind
- Using spot market dropped from 34% in 2023 to 8% in 2024
- Capacity not an issue was the lowest response again, and reduced to 7% in 2024 from 13% in 2023, or another way to look at this is that 93% of respondents still have capacity issues
- Competitive Weapon chose digital freight matching (17%) much higher than Not Important (9%)

How are you addressing capacity challenges?  
(select up to two)



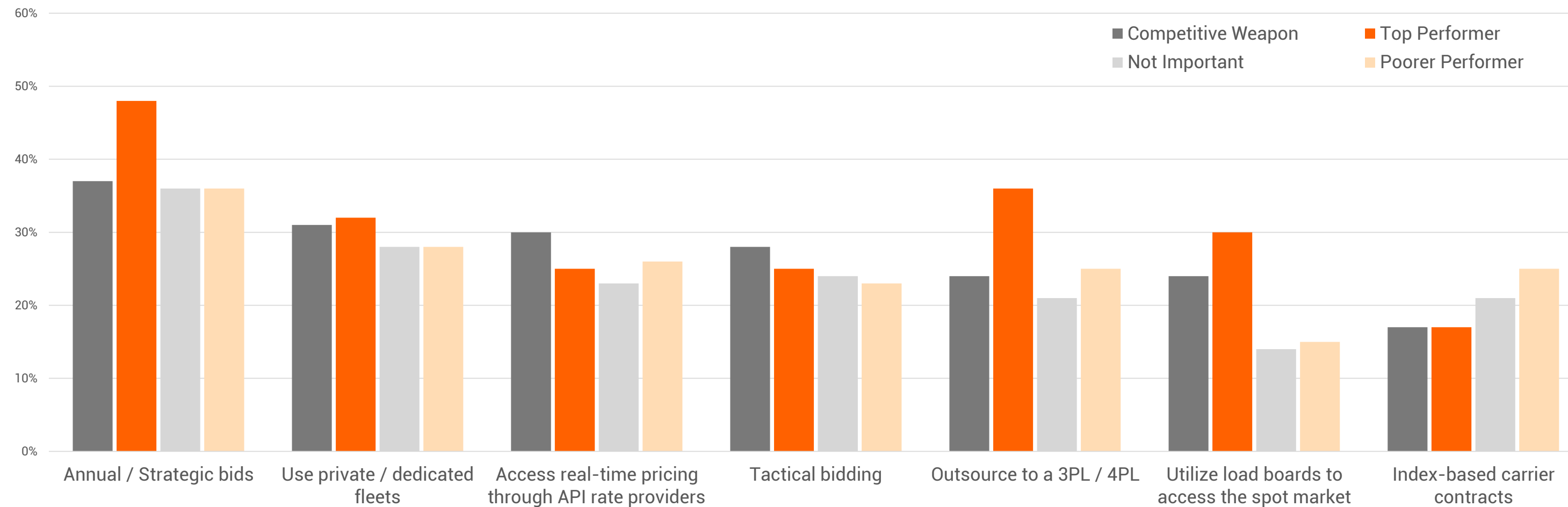


# Strategies & Tactics (cont'd)

## How are Truckload Contracts Managed?

- Annual bids are the top choice (37%), fleets (32%), real-time pricing (29%), and tactical bids at 28% round out the top four. Index rates were bottom choice at 20%, will keep track if this changes moving forward
- Top Performers choose Annual bids (48%), Outsourcing to 3PL (36%), and Load boards (30%) more frequently than Poorer Performers (36%, 25%, and 15% respectively)
- Competitive Weapon chose Real-time pricing (30%) and Load boards (24%) at a much higher rate than Not Important (23% and 14% respectively)

For Truck Load freight, how do you contract rates with carriers? (select all that apply)



# Strategies & Tactics (cont'd)

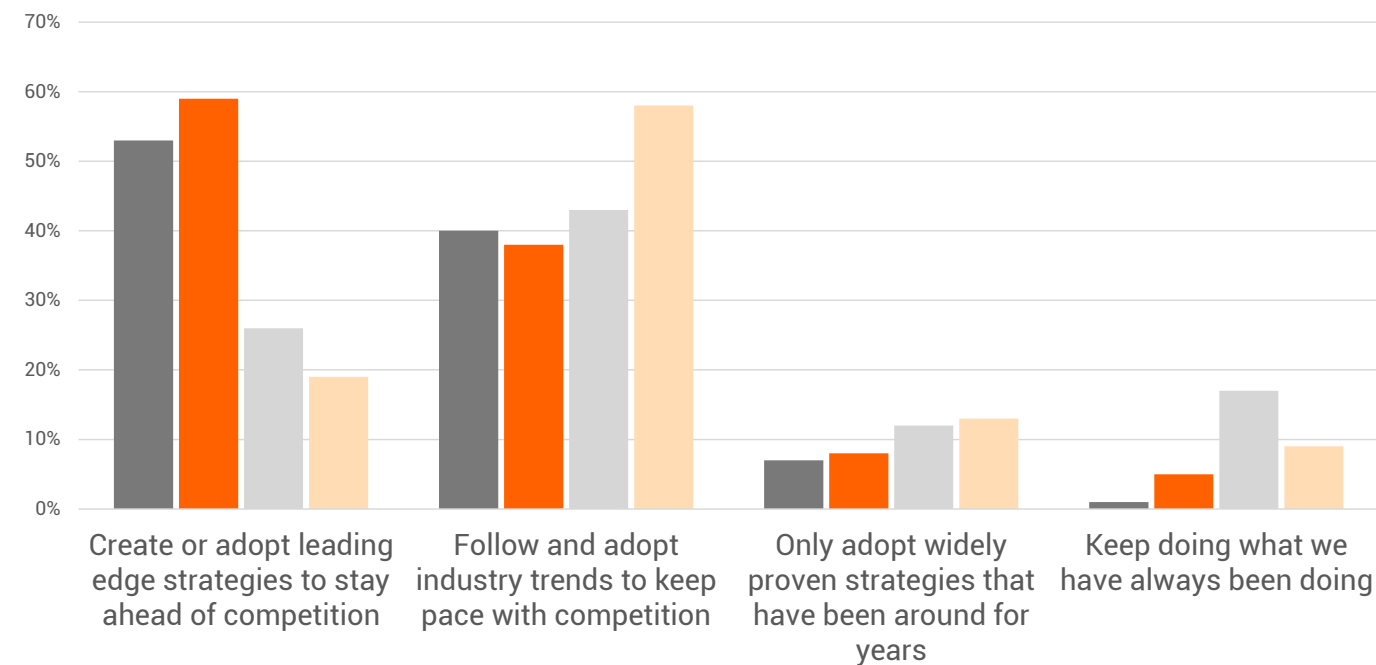
## Organizational approach to transportation strategies

- Overall, 'Follow and adopt industry trends' was the top response in 2024 (47%) replacing 'Create or adopt leading edge strategies', the top choice (42%) in 2023
- Competitive Weapon (54%) and Top Performer (59%) were both 2X+ and 3X more likely to select Create or adopt leading-edge strategies than Not Important (26%) and Poorer Performer (19%) respondents
- Europeans (51%) chose industry trends 9% more than North Americans (42%), while North Americans (41%) selected leading edge strategies 10% more than Europeans (31%)

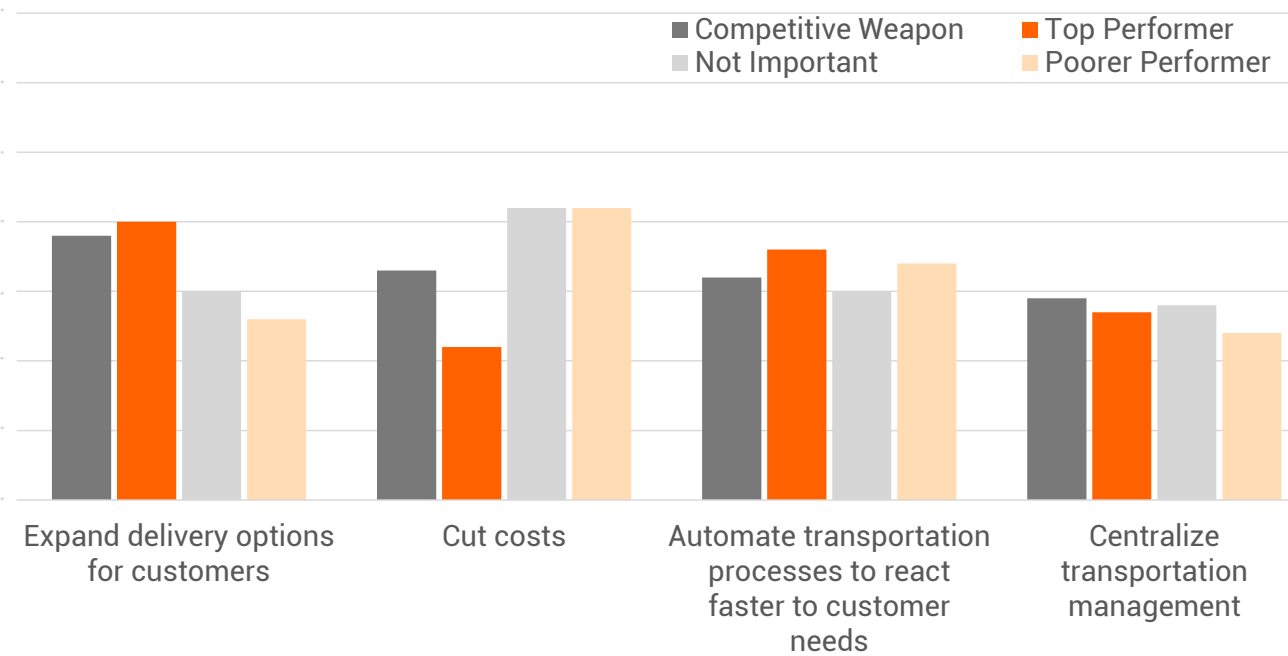
## Strategies and tactics for improving transportation value

- Cutting costs, Automating processes, and Expanding delivery options were basically tied for first place with 33%
- Competitive Weapon (37%) and Top Performer (40%) respondents were more focused on expanding delivery options compared to Not Important (30%) and Poorer Performers (27%)
- Cut costs was selected by Not Important (42%) and Poorer Performers (42%) compared to Competitive Weapon (34%) and Top Performer (22%)

What is your organization's approach to transportation strategies? (select one)



What are the most important strategies or tactics you are using to improve the value of transportation? (select two)



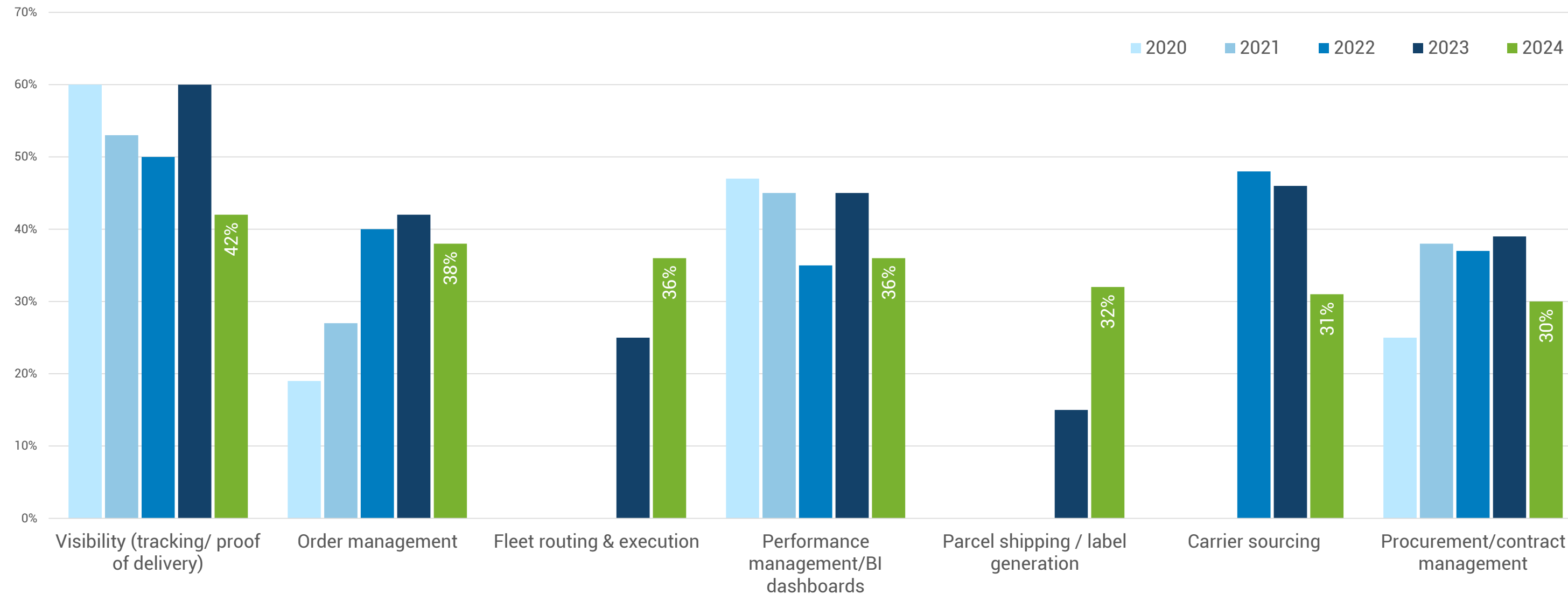


# Strategies & Tactics (cont'd)

## Capabilities needed for effective transportation management

- Visibility (42%) was top overall capability for the seventh year, but with a significant drop partially due to the mix of respondents this year and backed up by a large split between North Americans (51%) and Europeans (33%)
- Most category responses dropped from 2023 except Parcel Shipping doubled to 32% in 2024 and Fleet routing increased to 36% in 2024 from 24% in 2023

Which of the following capabilities does your organization need to manage its transportation effectively? (select all that apply)



# Strategies & Tactics (cont'd)

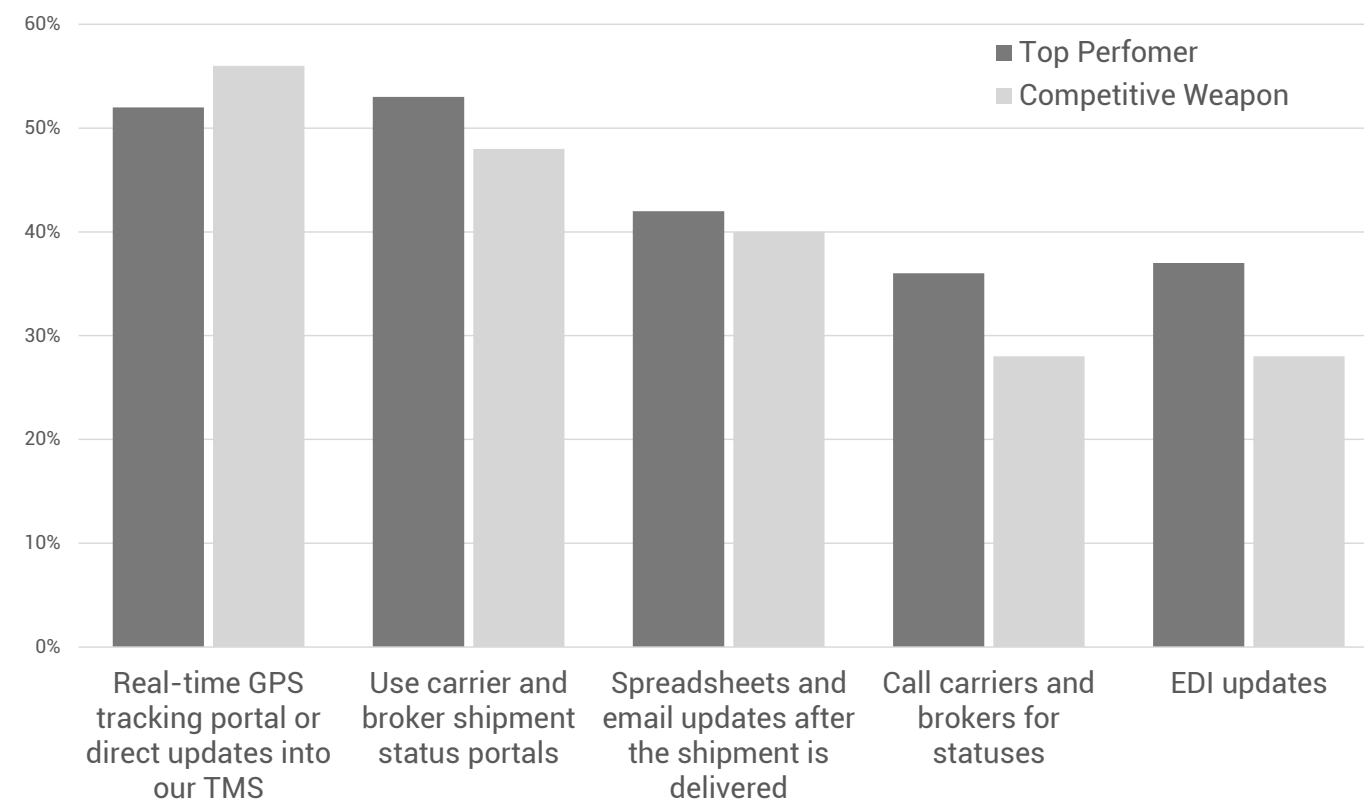
## Shipment visibility today

- Real-time GPS/ELD (52%) and Carrier/Broker Shipment Statuses (51%) were the top responses by a large gap. Spreadsheets and emails (37%) are still used by more than a third of respondents
- Competitive Weapon respondents were the greatest users of real-time GPS/ELD (56%) compared to 50% for Not Important
- Top Performers selected EDI (37%) at a much higher rate than Poorer Performers (18%)

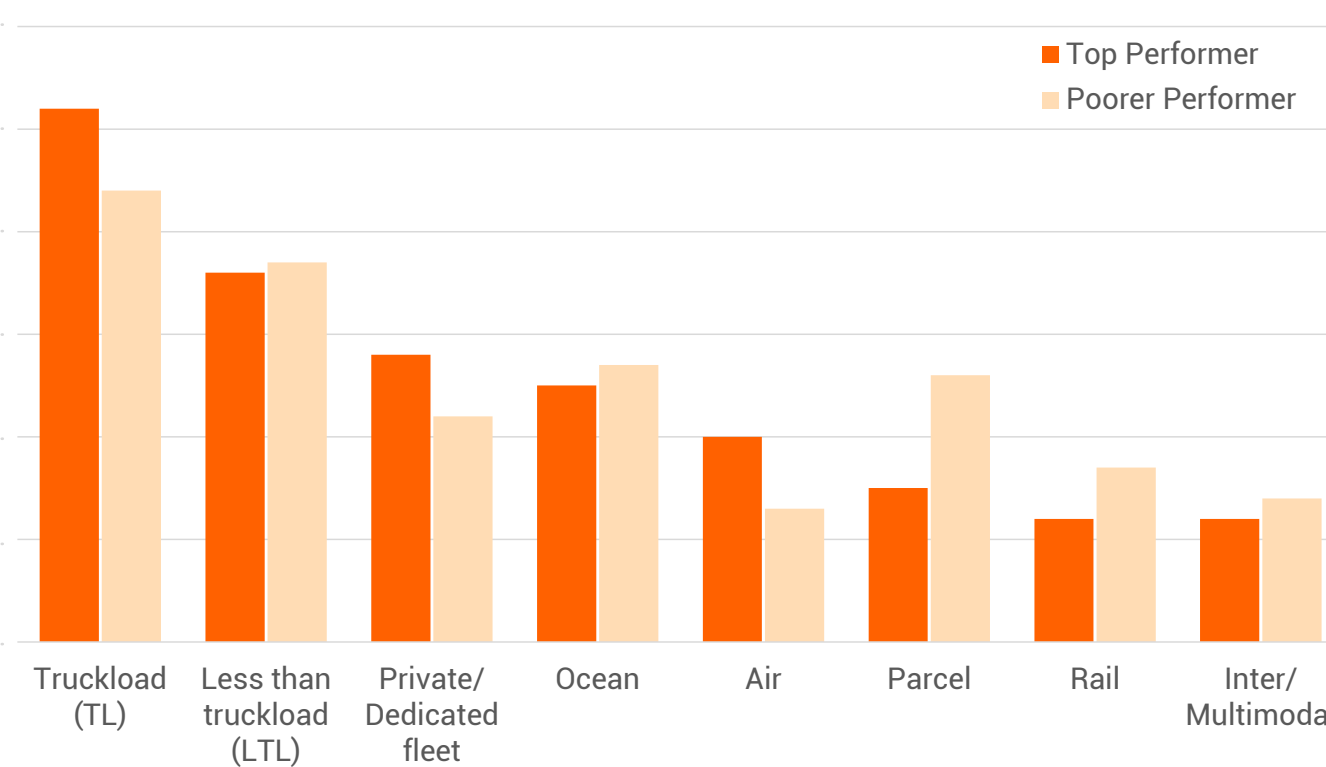
## Real-time visibility performance

- Truckload (47%) followed by Less than truckload (40%) as the modes perceived to have the worst performance overall and the poorest perceived performer for 6 years
- Parcel, Ocean, and Fleets tied for a distant third place at 22%
- Poorer Performers chose Parcel (26%) more than Top Performers (15%)
- Competitive Weapon selected Truckload (53%) at a higher rate than Not Important (44%)

How is your organization getting shipment visibility today?  
(select all that apply)



What modes need the most improvement in real-time visibility?  
(select two)





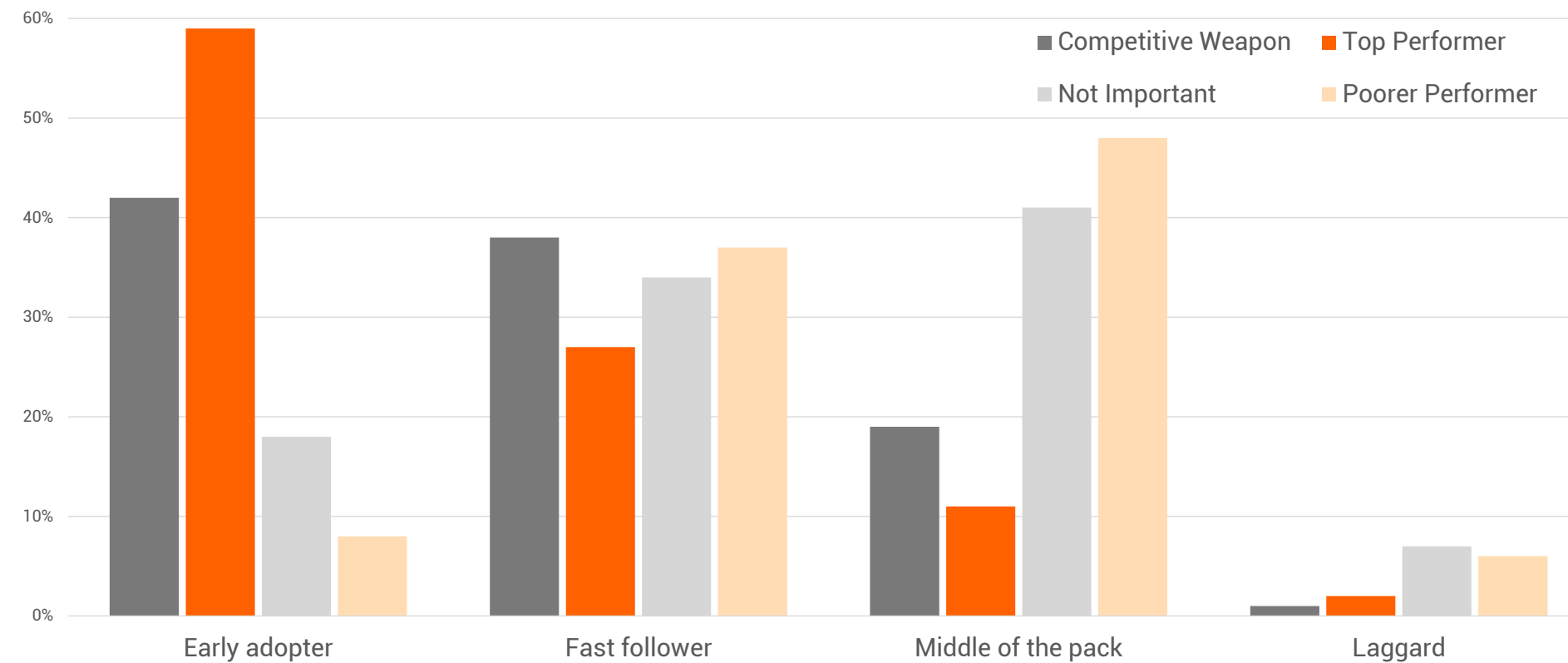
# Technology Implications

This year's survey asked participants questions designed to learn how they view the role of technology as well as their strategies and plans for adopting, investing in and leveraging it to create value for their companies.

## Technology adoption strategy

- Fast Follower (39%) took the overall top spot
- Competitive Weapon (42%) and Top Performers (59%) were much more likely to select Early Adopter versus Not Important (18%) and Poorer Performer (8%)
- Few respondents chose Laggard, but Not Important (7%) and Poorer Performer (6%) selected Laggard more than Competitive Weapon (1%) and Top Performers (2%)

How would you describe your company's technology strategy? (select one)

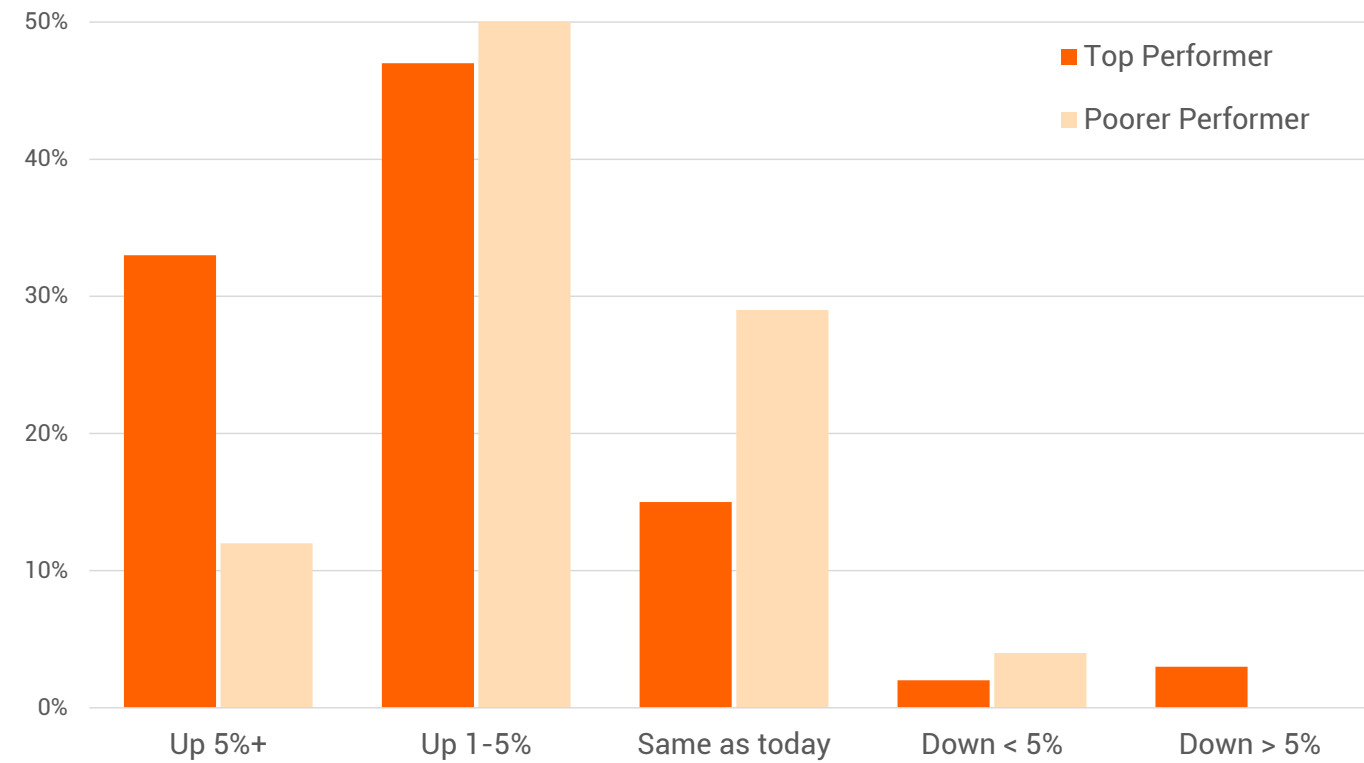


# Technology Implications (cont'd)

## Transportation management IT spend outlook

- Increasing transportation spend by 5%+ in 2024 (22%) was down for the second consecutive year (33% in 2023)
- Overall, three-fourths of respondents indicating they are increasing the TM IT investments for the next two years
- Top performers (33%) were 2.5X more likely than Poorer Performers (12%) to increase TM IT investment by 5%+

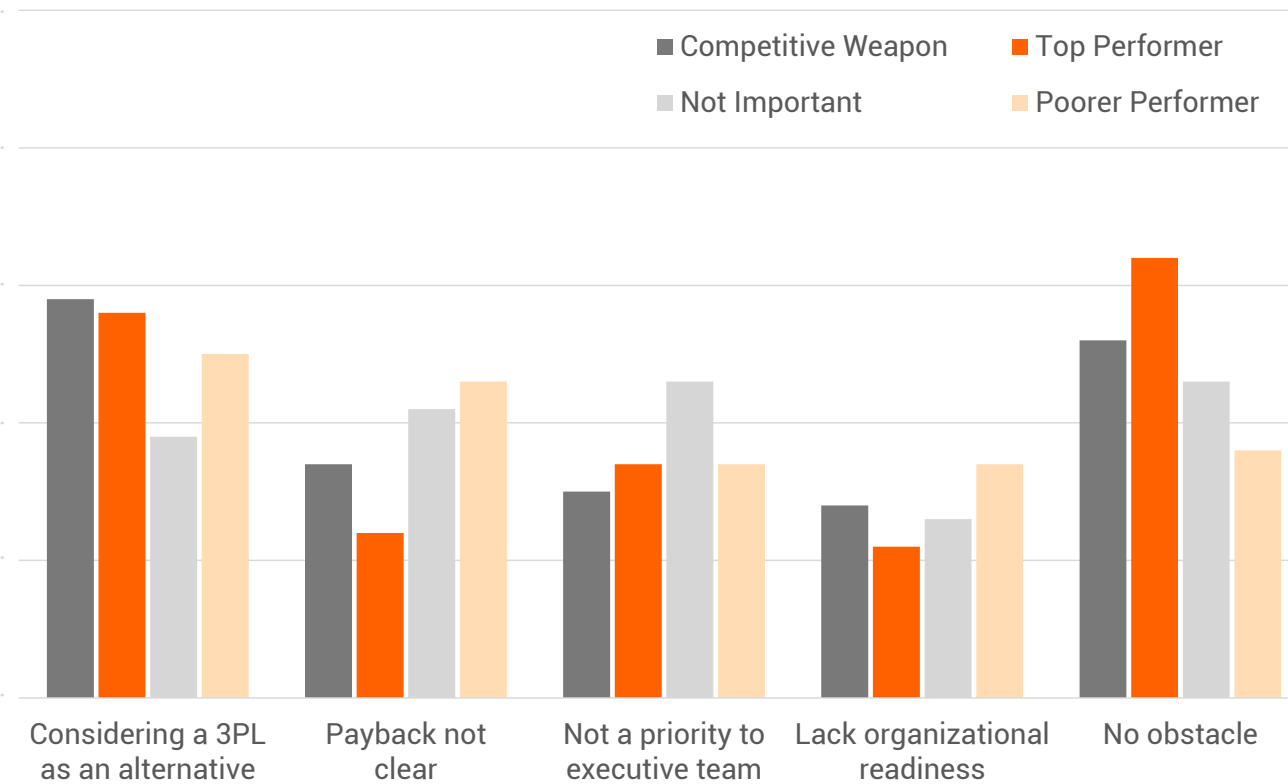
How will your Transportation Management IT spend change over the next 2 years? (select one)



## Primary obstacle to TMS investment

- No obstacle (23%) responses declined by 10% versus 2023, but was the 2nd highest choice overall in 2024
- Considering a 3PL / 4PL was the top choice at 27%, and Unclear Payback was the next top obstacle at 20%
- Top Performers (32%) were significantly more likely to not have an issue getting TMS investment versus Not Important (18%). Payback not clear was selected by Poorer Performers (23%) more than Top Performers (12%)

If your organization is considering an investment in TMS but has not yet done so, what would be the primary obstacle? (select one)



# Technology Implications (cont'd)

## Greatest TMS value in the next 2 years

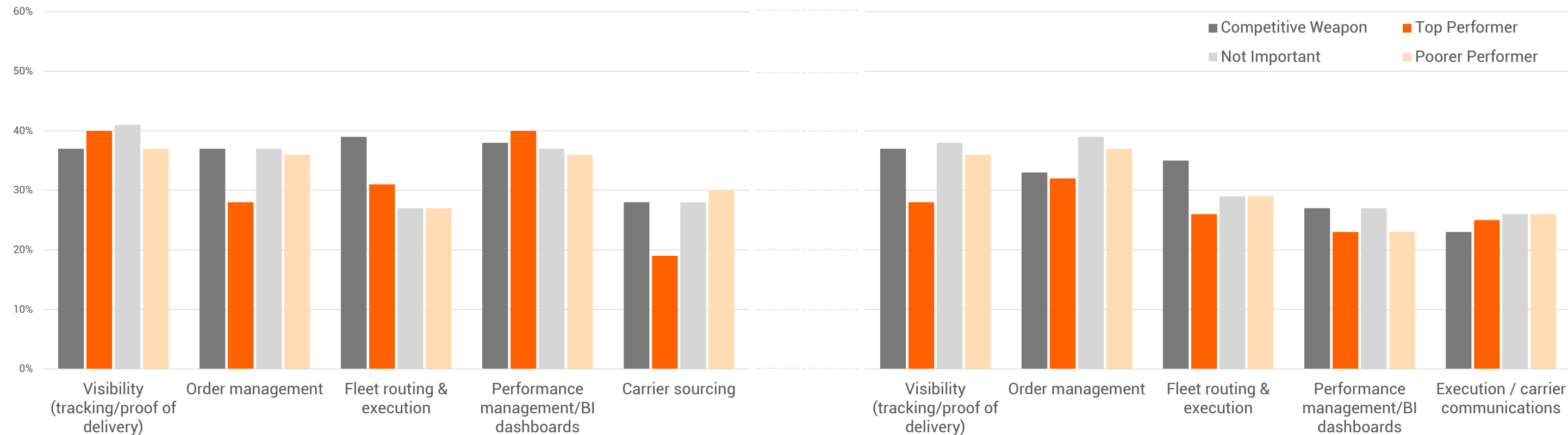
- Visibility (37%) and Order Management (36%) were the top two choices by a 7%+ margin. They were the same top two choices in 2023
- Fleet routing (29%) jumped into third place this year just ahead of Performance Mgt (27%) and Carrier Sourcing (27%)
- Competitive Weapon selected Fleet routing (39%) vs. Not Important (27%)
- Poorer Performers selected Order Mgt (36%) and Carrier Sourcing (30%) much more than Top Performers (28% and 19% respectively)

## Greatest TMS investment in the next 2 years

- For the 7th year, visibility is the top investment overall (36%) and closely followed by Order management (35%) which is #2 for the 2nd year in a row
- Fleet routing (29%) jumped into the third spot. Carrier sourcing (20%) continued its decline the last three years to #10
- Competitive Weapon selected Fleet Routing (35%) compared to Not Important at (29%). While Not Important chose Order Mgt (39%) compared to 33% for Competitive Weapon

Which TMS capabilities will deliver the greatest value to your organization in the next 2 years? (select two)

Where will you make your greatest transportation IT investments in the next 2 years? (select three)





# Key Survey Findings



Direct relationship between management's perception of the strategic value of transportation and performance – higher strategic value results in better financial performance and growth



Fuel costs was selected as the top industry or regulatory change that will have the greatest impact on transportation management over the next 5 years



Sustainability reporting and planning was not selected as a top 5 TMS capability to deliver the greatest value over the next two years



Competitive Weapon and Top Performer respondents are much more likely to focus on customer service and expanding delivery options vs. cost cutting



Competitive Weapon and Top Performers do a much better job at measuring TM value and sharing TM information across the supply chain



Annual bids are still the top method of contracting Truckload freight, supported by other methods



There is good alignment with TMS value and investment for the top 3 most cited capabilities (Visibility, Order management and Fleet routing)



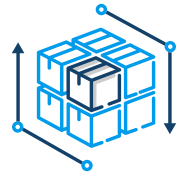
Visibility was the top capability selected for managing, improving, and delivering value to transportation and another year of increased IT spend will focus on it





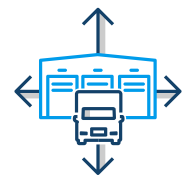
# Descartes Transportation Solutions

Descartes' transportation solutions suite provides standard and advanced capabilities that improve transportation efficiency, coordination and visibility.



## Shipper Transportation Management System

- Optimize and execute transportation across modes
- Easily maintain multimodal contracts
- Automatically rate shipments, optimize loads, select carriers
- Streamline carrier interaction (tendering, booking, tracking, delivery)
- Audit freight bills to identify discrepancies



## Retail Distribution

- Control inventory flow from distribution centers to stores
- Leverage a network to reduce costs and improve delivery frequency
- Track items from to reduce loss and claims
- Provide delivery visibility to stores to reduce labor costs
- Use a single view to manage all delivery operations



## Supply Chain Visibility Platform

- Enhance performance with real-time shipment statuses and predictive ETAs
- Know load location and status (temperature, customs, etc.)
- Find available capacity using real-time data with AI
- Communicate load status with customers and suppliers



## Parcel Shipping

- Automate and optimize small package shipments
- Optimize multi-carrier shipments
- Ensure rate and label compliance
- Manifest support for parcel and LTL
- Streamline the pick, pack and ship process
- Track deliveries and evaluate service performance

# Descartes Transportation Solutions (cont'd)



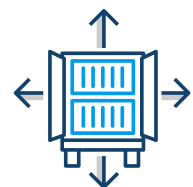
## Reporting & Analytics

- Transform data into actionable insights
- Better understand operations, customers, and suppliers
- Visualize data with intuitive charts and graphics
- Create accurate scorecards to support contract negotiations



## Fleet Management

- Route planning, optimization & dispatch to maximize fleet
- Reduce delivery costs
- Improve customer experience
- Improve driver and vehicle performance and safety



## Freight Broker TMS

- Robust transportation management for freight brokers
- Shorten cycle times and reduce costs through streamlined user interface and systems integrations
- Track loads in real-time and find available capacity using with Descartes MacroPoint™



## Dynamic Dock Appointment Scheduling

- Automate and improve visibility for dock door scheduling
- Reduce load/unload times, DC congestion, labor costs, and inventory
- Gain control over supplier-managed freight



## Carrier Connectivity

- Single connection to Descartes provides connections to tens of thousands of carriers and providers
- Supports all connection protocols and message types
- Global, multi-mode coverage
- Reduce manual labor, eliminate errors, streamline booking through billing process



# About Descartes Systems Group

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Descartes is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, security, and sustainability of logistics-intensive businesses.

Customers use our modular, software-as-a-service solutions to:

- route, track and help improve the safety, performance and compliance of delivery resources
- plan, allocate and execute shipments
- rate, audit and pay transportation invoices
- access global trade data
- file customs and security documents for imports and exports
- complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community

Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

Learn more at [www.descartes.com](http://www.descartes.com), and connect with us on [LinkedIn](#) and [Twitter](#).



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Uniting the People & Technology  
That Move the World

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