

RFP Q&A WITH TEAM EVANS

The final quarter can be a stressful time for many shippers. This quarter is when shippers with truckload volumes tend to release their requests for proposals or RFPs. Shippers pull together what information they have and reach out to their transportation providers to secure capacity for a given timeframe. An RFP typically takes tremendous effort, and you must stay organized. If you do not have a solid plan in place before releasing the RFP, you could end up with a result that costs you more money and time.

We sat down with our Director of Strategic Sales, Derek Mansur, and Strategic Procurement Manager, Tyler Battle, to discuss the different strategies shippers can implement to secure the best outcome of an RFP.

WHY IS IT IMPORTANT FOR SHIPPERS TO PARTNER WITH AN OUTSIDE RESOURCE WHEN BUILDING AN RFP STRATEGY?



Derek Mansur
Director of Strategic Sales

From a resource's perspective, it is essential that shippers understand the amount of legwork it takes to manage the RFP process. As well as understand the best practices in performing an RFP. A transportation provider or a 3rd party is going to be the subject matter expert. Each customer is different, and a good 3PL with an extensive carrier network can listen to your company's needs and customize the RFP process.



Tyler Battle
Strategic Procurement Manager

It helps to have an outside perspective looking out for any business. You may know precisely what you need, but transportation tends to be external facing.

WHY IS IT IMPORTANT FOR SHIPPERS TO EXPAND PAST THEIR SEASONALITY INTO THE SEASONALITY OF THE GENERAL MARKET?



Tyler

It is easy to get stuck in the day-to-day of your own freight. You will still be affected by outside markets regardless of what you are shipping. Shippers in volatile markets may experience this more than others, as capacity will be pulled in different directions. Markets are cyclical, but a good transportation provider will be able to give static pricing based on operating costs and challenge the ebbs and flows of seasonality with consistent rates and service. This is especially true where there is lane density.



Derek

A good pulse on the freight outside your network is understanding the cadence of when you release RFPs. Does an annual RFP make sense for your business and potentially get eaten up during the down months? Or does it make more sense to release a quarterly RFP? Otherwise, it could lead to greater spending and poorer service.

WHAT ARE SOME EFFECTIVE STRATEGIES YOU HAVE TO HELP SHIPPERS BECOME MORE EFFECTIVE IN THEIR RFP STRATEGIES?



Tyler

The biggest focus should be savings, relationships, and service. At the end of the day, if you don't have to put out RFPs and know you have the best service and rates possible, you can uphold it longer versus going back to market. It all evens out in the end. Being willing to discuss the RFP rather than fielding responses and going with the cheapest rate is critical. It is a bit more detailed and in-depth, but if you are willing to dive into the weeds and talk, you will find more synergies and be able to classify a strategy around cost, relationship, and efficiencies. To take this a step further, try to classify your strategy before sending out your RFP.

Contingent offers are an effective strategy that allows carriers to bundle lanes. Let's say you have 1,000 loads from Chicago to Minneapolis. Out of Minneapolis, you have several outbound locations. Allowing your partners to offer lower rates if they are awarded those lanes. The greatest synergies we have had in the past come from the side conversations that stem from the RFPs.

Allow your providers to present solutions that others may oversee and let them ask questions to determine better what is best for you, the customer. If shippers can hone in on a specific area that makes more sense for the provider, your chances for an attractive award will be better.



Derek

Something else that is important is to set goals. Is it cost savings, additional support, or new business development? Then, identify the goal of the RFP. When you release the RFP, you want to answer the question, what do you want to gain from this?

WHAT HAS THE MOST SIGNIFICANT CHANGE BEEN WITH THE SHIPPER'S APPROACH TO AN RFP IN RECENT YEARS?



Derek

Frequency and commitment. You were awarded a lane, and you had it all year. It used to be you get the lane or you don't. Now, the RFPs have volume commitment fields. Introduction of second, third, and fourth place carriers. The waterfall tendering has been more prevalent, especially with more aggressive ratings. RFPs used not to have any feedback, and now, there are typically multiple rounds with feedback.

HOW ARE WE CURRENTLY HELPING CUSTOMERS THROUGH THEIR RFPs?



Derek

An annual pricing event is not as prevalent. We are pulling data together from our customers to help them make sense of their freight. We are putting the data into our technology to identify consolidation and multi-stop lanes to optimize their supply chain. Then, taking an approach of modal optimization by looking at other options.

HOW WOULD A SHIPPER START THE PROCESS OF WORKING WITH A THIRD PARTY TO DEVELOP A STRATEGY AROUND THEIR CARRIER NETWORK?



Derek

A crucial component is gathering and organizing your historical data. Understand your equipment types, where your freight is coming from, going to, and how frequently you ship in those corridors. That is usually the first question.



Tyler

Reach out to Evans and let us help. Talk with someone who knows what they're doing and who is submitting RFPs daily. We can help them build it out.

If you are overwhelmed or unsure how to have a more effective RFP event, do not hesitate to reach out to Evans. We are your valued resource in all interactions of your supply chain. Leverage the #EX and Keep Moving!