**With Optym’s HaulPLAN Software Product, the LTL Trucking Industry Can Adapt to a Changing Economy**

Freight volume and therefore freight operations are tightly coupled with the economy. The July 2019 *Forbes* article “Freight Slowdown Is A Terrible Sign For The Economy,” reported that according to the Cass Freight Index, freight volumes dropped dramatically in 2019 and registered a -6.0% drop in May 2019 alone. According to a December 23, 2019 American Trucking Association press release, “ATA Truck Tonnage Index Fell 3.5% in November.” With such a dynamic and unpredictable economy, the ripple effects of these fluctuations are well-known in the industry. In 2019, hundreds of trucking companies went bankrupt, throwing thousands of drivers out of work. When carriers cannot adjust operations with the changing economy, the bottom line suffers. When the American Transportation Research Institute (ATRI) surveyed the trucking industry on its top concerns for a recent white paper, coping with a fluctuating economy was among the top 10.

Linehaul costs climb to hundreds of millions of dollars every year. For less-than-truckload (LTL) carriers, the impact of a shifting economy is amplified because of the way different markets interact with each other in their hub-and-spoke networks. As consolidation of freight from different markets is a key part in reducing costs, a dynamic economy in one market can have cascading negative impacts on the network cost and important metrics.

Only 70% - 80% of an LTL carrier’s shipments move according to plan, with the rest of the routings decided on the fly each day. Most LTL carriers operate reactively by dealing with light loads and overflows on a daily basis as they occur. But only small improvements can be made daily, and the decisions are made in a matter of seconds without much time to understand the network impact of decisions. To make a better default (static) load plan, it can take months of painstaking effort to create good linehaul plans manually, and the economy and operating conditions change too quickly to adapt a plan effectively using traditional methods.

Fortunately, we at technology company Optym have developed a linehaul planning tool called [HaulPLAN](about:blank) that uses optimization algorithms to give LTL carriers the flexibility to adjust to economic changes, while reducing cost and improving service quality. As freight volumes rise and fall with the economy, HaulPLAN allows you to proactively adapt your network plan to ensure that you’re always operating at minimum cost.

Built into HaulPLAN are features that will enable you to easily adapt to the up-and-downs of the economy. HaulPLAN’s recommendation mode provides you with the best load plan options to save you costs, given a new forecast of freight volumes. HaulPLAN lets you quickly adjust anticipated volumes in specific lanes so you can immediately see the impact of the dynamic economy on your network. HaulPLAN gives you the ability to evaluate the network impact of any decision being considered before it’s made, which empowers planners to make the network run better each and every day.

Our HaulPLAN team also offers consulting services to forecast what your next period of freight might look like. If interested, please contact us [provide link].

Want to learn more? Schedule a demo today.