

Tech disruption hits SA road freight industry

Following the lead of tech innovators in the taxi industry, South Africa's road freight sector is reportedly set for a similar shake-up.

According to the latest <u>Logistics Barometer</u> (published by Stellenbosch University), transport remains the most significant portion of logistics costs (57% of the total in 2014)* — an opportunity that is being seized by Cape Town-based startup Linebooker.



A spinoff from the innovation arm of CCS Logistics (part of the Oceana Group), the company has launched an online bidding platform that connects bulk business transport customers and trucking companies to offer transparent pricing, as well as end-to-end delivery facilitation services.

Exposing the imbalanced relation

"It's time for South Africa's road freight industry to join the 21st century," says Naudé Rademan, MD of CCS Logistics and Linebooker. "Technology exposes the imbalanced relation between buyers and sellers, and with our online tools and a single point of service, customers can enjoy more control and insights over the transport of various goods and products."

Operating nationally, the startup is challenging an industry plagued by opaque pricing and antiquated systems. With its online bidding platform, transport customers can quickly submit load requests online to alert multiple transporters that are

given a two-hour window in which to provide the best bid, often competing up to the last second. For transport customers, the offering features:

- A single creditor (a set fee is charged per transaction based on the value of a load)
- · Vetted transporters and truck availability; and
- Facilitation of the entire delivery process.

Linebooker was developed in 2016 with a handful of colleagues — possessing almost 50 years of experience in the sector between them. Since then, the company has facilitated the delivery of more than 1000 loads, saving customers an average of 13% per load. The company currently has more than 60 transporters with over 1300 trucks on its system — an amount increasing weekly — and serves some of the country's most respected brands, including Lucky Star, Shoprite and Heinz.

Reformed transport brokers

Composed of several former transport brokers, the company emphasises that it is not — nor does it want to be — a transport brokerage. And while it does not own any transport trucks, it uses its technology, combined with the team's knowledge of the industry (including some time as brokers), to ensure that trust and fairness are part of every transaction.

"Today, each transport request made online is like a mini-RFP," concludes Nick Hoffman, <u>Linebooker</u> manager. "With our system, we are improving the efficiency of the industry, connecting customers with more transporters (and vice versa), and ensuring transparent pricing. In some cases, customers are saving up to 18% per load."

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