



OEM VEHICLE TRANSPORT

How to Get Vehicle
Asset-Like Quality with a
NON-ASSET CARRIER

OEM Vehicle Transport: How to Get Vehicle Asset-Like Quality with a Non-Asset Carrier

OEMs prioritize competitive rates, speed and consistent service when they partner with a logistics provider to transport finished vehicles. Yet, while OEMs typically rely largely on asset-based carriers for contractual business, they're often missing an opportunity to receive additional flexibility, cost-effectiveness and capacity through a partnership with a non-asset-based carrier.

Even the most sophisticated supply chains have opportunities for improved efficiencies, additional cost savings and better means of tracking and reporting. In the current speed-to-consumer environment, OEMs know they must expand capacity, improve speed and flexibility, as well as reduce spend, mitigate risk and gain visibility.

While OEMs know they want to achieve these goals, they often have concerns regarding non-asset carriers - particularly with the capacity, cost effectiveness, potential risk and overall quality. Many times, OEMs worry that carriers who do not have their own assets won't be able to have as much control over the quality level they deliver. Yet, the best non-asset carriers prioritize financial stability and fast, secure transports.

In fact, by diversifying its carrier portfolio to include a financially stable, efficient and expert non-asset carrier, OEMs can establish more flexibility and customized solutions, more impactful spend, improved security against risks and a more transparent, higher-quality transport process from beginning to end.

Asset-like Quality with Broader Capacity

Speed and flexibility both play critical roles when it comes to hauling vehicles efficiently. Many times, taking advantage of smaller carriers - those with 20 or fewer units - can be crucial to growing an OEM's transport capacity, as well as increasing speed of delivery. Per the American Trucking Association, an overwhelming majority of carriers - about 97.4% in 2018 - operate fleets of this size, with 20 or fewer trucks.¹

Significant fragmentation of the carrier base makes it very challenging and inefficient for OEMs to partner with smaller carrier fleets. This is where a non-asset, third-party logistics provider can successfully enter the picture and assist.

Such a logistics provider typically has a carefully vetted network of carriers of wide-ranging sizes that it can tap into as needed. This carrier network allows OEMs to have access to a much broader, more geographically available and more flexible capacity that can scale up or down with its business. If the OEM's volume suddenly swells, a non-asset, third-party provider simply pulls from its broad pool to instate additional vetted carriers. Unlike asset-based carriers, a non-asset provider faces no real asset constraints or cap on units, allowing it to quickly and easily tap into additional carrier capacity as the need arises.

Vehicle logistics providers must also ensure quality. With contractual volumes assigned to specific carriers, repetition and familiarity naturally increase, driving down the number of damages and claims. Additionally, an effective non-asset carrier will standardize the process and overall operations for a wider pool of smaller carriers, offering OEMs more flexibility and efficiencies.

As carriers acclimate to processes and procedures, get acquainted with railyard personnel and receiving dealers and understand expectations and consistently repeat tasks, the overall quality of service inevitably grows. Crucially, non-asset logistics providers focused on efficiency will thoroughly vet and train all their carriers. They will have a strong onboarding process, rigorously track KPIs such as on-time pickup, on-time delivery and claims ratios. If the non-asset provider delivers a high level of responsiveness, then the OEM has that much more access and reassurance in the process.



6,049
total trucks



5,702
total trucks



6,249
total trucks

1. "Trucking Industry Revenues Top \$796 Billion in 2018." American Trucking Associations. July 31, 2019. [www.trucking.org/article/Trucking-Industry-Revenues-Top-\\$796-Billion-in-2018](http://www.trucking.org/article/Trucking-Industry-Revenues-Top-$796-Billion-in-2018). Accessed April 3, 2020.

Competitive Costs, Regardless of Volume

While OEMs consider many factors when examining their overall automotive supply chain, competitive cost must be a top priority. Beyond the advantage of utilizing smaller carriers to assist with flexing capacity demands, non-asset carriers also have more flexibility it comes to cost competitiveness. Many times, non-asset carriers have room to negotiate better rates, especially with longer-term commitments, ultimately benefitting the OEM's bottom line. However, price must not always be prioritized over all factors; the shipper can unknowingly sacrifice quality for cost when they hire carriers to handle their vehicle transports. Oftentimes, a logistics provider has the ability to sort inventory by lane and bundle orders based on distribution, driver availability and "age, hold, stock, sold." With a strategic bundling-order hierarchy in place, non-asset carriers can add that much more efficiency and cost-effectiveness to the OEM's vehicle-transport process. All of this contributes to lowering the overall price tag for the OEM. Such providers often have the

freedom to negotiate pricing, which allows them to commit to delivering on both quality performance and competitive rates.

Ultimately, OEMs require a logistics provider that can commit to handling contractual volumes – no matter how demand should fluctuate throughout the course of a contractual period – at the original agreed-upon rates found in the RFP (Request for Proposal).

Third-party logistics companies can be just as cost-competitive in this arena as the asset-based carriers, while still providing additional benefits. In fact, non-asset carriers can reduce total transportation spend by reducing number of vehicles going into spot bid, as their business model allows them to quickly scale up or down to meet any volume.

This scalability grants a significant advantage to the OEM, should any last-minute changes need to be made. And while such volume changes can frequently create added costs and risks

for OEMs, non-asset carriers can quickly adapt to any last-minute volume spikes or lulls. Their capacity offerings and inherent flexibility allow them to quickly accommodate any changes and prevent unnecessary stops or lags in the OEM's supply chain.

Essentially, if an OEM truly has a diversified supplier base with both asset-based carriers and highly adaptable non-asset carriers, it will be far more covered from both a transport and an overall cost perspective, should any volume shifts occur.

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Asset Visibility with Intelligent Tracking

OEMs require real-time data and tracking on their assets; up-to-date information is critical for making informed business decisions or changes, and OEMs want visibility into their vehicle inventory in motion and upon tender.

Ideally, any carrier an OEM engages with will have intelligent software solutions with EDI (Electronic Data Interchange) and API (Application Programming Interface) capabilities, which allow for ease of use and a direct connection to the OEM. Through such technology, real-time tracking, regular asset updates, claims information and service quotes will likely be available - giving the OEM full access and visibility to its assets, regardless of the carrier size or location.

Striving to better serve their customers, many carriers now offer ePOD technology, as well, which allows OEMs to receive electronic proofs-of-delivery. Many times, carriers will use an app to send notifications on any damages, with the driver uploading relevant photos and information directly to the app moments after an incident occurs.

The goal of such software is to simplify the process for the carrier, the driver and, most importantly, the OEM. If all service orders, updates, reporting, tracking, notifications and changes are streamlined through one intelligent software platform, the OEM can effectively rely on this one source for all vehicle-transport needs with that provider. As a result, much paperwork is eliminated, and many inefficiencies and risks are no longer a reality.

Clearly, tech-enabled carrier solutions are the new normal, and that is equally the case with leading non-asset carriers. Similarly, OEMs have come to expect these straightforward online solutions with vehicle transport. As OEMs diversify their carrier portfolio with non-asset carriers, broadening their overall capacity and flexibility, they can feel assured these non-asset providers will offer them real-time visibility to their assets.

The ACERTUS Difference

ACERTUS is a third-party vehicle logistics company that delivers solutions to OEMs who need consistent support regardless of any rail disruptions, severe weather, manufacturer recalls, plant delays, or single-unit transports. For contractual work, ACERTUS partners with several small to mid-size carriers that are closely vetted, ensuring they can handle a wide variety of OEM volumes. A contractual-work approach like this sets the stage for ACERTUS to establish strong working relationships between the carrier and the ramp, plant or point of origin – fostering trust with the OEMs, as well as all other points along the transport supply chain.

ACERTUS establishes agreements with regular carriers to support OEM contractual awards, driving familiarity with the process, repeatability and high-quality performance.

ACERTUS can also meet any capacity demands by quickly ramping up lift, aggressively reallocating equipment and positioning capacity into the markets where it's needed. It has a vast network of carriers – currently standing at 6,600 carriers representing 18,000-plus trucks – that allows it to efficiently aggregate extremely fragmented car-haul carriers.

ACERTUS manages its carrier partners closely, holding them accountable to OEM standards. To earn a place in its carefully vetted network, carriers must meet high standards, such as:

- Confirmed in compliance by a DOT operating authority.

- Verified cargo liability insurance with up to \$500,000 coverage.

- Verified auto liability insurance with minimum coverage of \$1 million.

- Ensured additional \$5 million umbrella coverage.

- Electronically integrated with DOT and the FMCSA for ongoing verification of CSA scores and insurance verification.

- Confirmed to have pre-approved equipment and accessories, so they can safely transport all vehicles.

- Agreed to utilizing ACERTUS' electronic proof-of-delivery (ePOD) mobile app for vehicle tracking.

- Agreed to ACERTUS' terms of service.

And with a solid 99.5% damage-free record, ACERTUS' dedicated claims team is on hand to quickly and efficiently resolve any potential incident for the OEM.

Additionally, ACERTUS utilizes an easy-to-use ePOD mobile app, which tracks its drivers in real-time and sends electronic proofs-of-delivery, eliminating any need for paperwork, inefficiencies or risk. Connecting through EDI and API technology, this ePOD app allows drivers to directly upload any damage information, photos or other crucial updates directly into the cloud - where OEMs then immediately receive a notification and have instant access - giving those OEMs full visibility into their assets, as well as control in terms of what action comes next. Overall, a dynamic approach to the automotive transport strategy - with a diversified portfolio of both asset and non-asset carriers - offers expanded capacity, which drives speed and flexibility, as well as reduced spend, reduced risk and improved visibility to the OEM. Through a sound investment in a third-party vehicle logistics company like ACERTUS, an OEM can successfully diversify its carrier portfolio and benefit these crucial elements of its business.

For more information on ACERTUS and our complete solutions for fleet logistics and services, visit acertusdelivers.com. To connect with one of our team members, [contact us here](#) or call us at 855-ACERTUS (855-223-7887).

About ACERTUS®

ACERTUS is a technology-enabled automotive logistics and services provider. We believe in enhancing our customers' experience by providing custom, end-to-end solutions throughout the lifecycle of a vehicle, including vehicle transport, title and registration, vehicle storage, care and maintenance, final-mile delivery and compliance services. Our people, process, innovative technology and relentless drive to deliver are just some of the reasons we were named on Inc. Magazine's list of the 5,000 fastest-growing companies in the United States.