

Truckload brokers eye human-technology balance as AI takes hold



CH Robinson, the largest truckload broker in North America, said in October it can automate most of the shipment lifecycle. Photo credit: Owlie Productions / Shutterstock.com.

Eric Johnson, Senior Technology Editor | Dec 5, 2024, 2:04 PM EST

Freight brokers deploying generative AI (GenAI) are creating a path to eventually remove people from tasks where they don't necessarily belong.

That cuts against the going narrative around the truckload industry's use of GenAI, namely that it won't replace jobs but will instead enhance the volume and quality of work people can tackle each day.

This concept, often called "human in the loop," is meant to underscore the augmentative nature of AI rather than its more worrisome ability to perform tasks previously handled by people. But many core tasks that truckload brokers manage are already happening in a system-to-system environment, without a human in the loop.

“If I automate a quote request, then I can quickly take that quote and convert it to an order without having humans in between,” Megan Orth, senior director of commercial connectivity at CH Robinson, told the *Journal of Commerce*. In turn, the structured data associated with automated quote requests informs and improves CH Robinson’s GenAI models, she added.

CH Robinson in October said it has built the internal capability to automate quoting, load acceptance, appointment setting and tracking, and Orth said one of the metrics by which the company gauges the efficacy of those tools is “touches in our system. We want our employees not touching as much and being more strategic.”

That doesn’t mean that GenAI will replace the need for humans to be in the loop on certain decision-making tasks, Orth said.

“I’ve used the analogy of the summer intern,” Orth said of GenAI. “It’s not like you hire an intern and on day two, they’re doing complex tasks. But in order for us to automate, generative AI was our lever, because the data was so unstructured that we always had to have humans reading things.”

Scott Friesen, executive vice president of strategic analytics at Echo Global Logistics, said brokers should be focusing on processes where GenAI can eliminate a human-executed task that two systems interacting directly can accomplish better or faster.

“How many situations do we have where basically a set of information is coming in and then you have a human inputting that information into another system,” he said at DAT Freight & Analytics’ DATCon conference in Kansas City, Missouri, in October. “Every time you have a human in that loop, they’re acting like an end point. And every time that’s happening, there’s an inefficiency there that can eventually get eliminated.”

Operational vs. customer focus

While CH Robinson and Echo are using GenAI to empower operations teams, Uber Freight sees potential in building customer-facing GenAI applications. The company is using GenAI to allow customers to query their own data, a capability Uber Freight has been building for two years, CEO Lior Ron told the *Journal of Commerce*.

“The idea was ‘let’s unleash it for shippers,’” he said. “You can ask anything about your supply chain in a natural language process. We have numerous users, from analysts to directors of procurement to the C-level, using the AI tool on a daily basis.”

Ron said the next stage would be a user not only making a GenAI-enabled query, but also receiving proactive recommendations.

Those initiatives would seemingly point to a future where humans are less involved not only in repetitive tasks but also in some of the consultative duties brokers perform.

For some brokers, the question is how to parse investment between their human workforce and technology. This has impacts not just on the business and how it orients tasks to people or systems, but also on how brokerage employees get paid.

Friesen said these “very material” shifts in how money is allocated are “already underway,” and this “makes people really uneasy.” Commission structures for brokers, for example, will adapt as GenAI changes the speed and costs associated with certain core tasks, he said.

“What we pay as a proportion of our revenue goes down,” Friesen explained. “That translates to, over time, lower commission rates. How does a person absolutely make more dollars while the company pays them a lower percentage? The answer is much more volume per person.”

‘Speed matters’

Orth noted speed as a specific dynamic that is driving the imperative for large brokers to invest in GenAI.

“Speed matters,” she said. “If I get that tender accepted, then it’s faster to get the appointment, and then it’s faster to get the carrier. It just speeds up all the pieces of the shipment life cycle.”

Matt Blackledge, vice president of enterprise pricing, analytics and market intelligence at Dupre Logistics, said GenAI tools can help to clarify which tasks humans need to do and which tasks they can hand off.

“How many of us still do quarterly business reviews with carriers? Not too many anymore,” he said. “These products are actually going to lead us to more relationship building. People are not going to just start mass exiting the industry because AI is taking over. You’re actually going to spend more time face-to-face in front of your relationships.”

And if that’s the case, large brokers, with tens of billions of dollars of transactions upon which to base their models, are going to be in a position to leverage their size.

“You have to train the models, and to do that, you could either go purchase the data, which is really expensive and it’s not yours, or you have that proprietary data,” Orth said.

The flipside to that is recent investments into companies such as Vooma and HappyRobot, software vendors that landed venture capital funding rounds in excess of \$13 million this week to build automation agents that help brokers with tasks including quoting, load building and communicating with drivers.

While those tools are being piloted by big brokers, they theoretically democratize access to GenAI and automation for midsize brokers with less capital and less proprietary data.

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