Freight Tech Workforce

The key to future proofing your business

As of July 2022, the U.S. unemployment rate is back to pre-pandemic levels and currently tied with 1969 for the lowest unemployment rate. The transportation and logistics industry has been a part of this overall trend as well with 21,000 jobs in transportation and warehousing added according to that same Bureau of Labor Statistics report. Meanwhile, businesses across every aspect of the supply chain have continued to struggle with transitioning their operations into a new, more digital future while navigating rapidly shifting consumer trends, increasing labor costs and fluctuating demand. For many businesses, investing in logistics technology offers a compelling cure to multiple concerns: operations can scale faster, inflation concerns carry less weight as overhead costs are lower and valuable business relationships can improve through enhanced and standardized communications. But is now the time to invest in building your freight tech workforce?

In this white paper we'll explore the current state of freight tech hiring trends, reasons to invest now, and solutions that can offer both increased speed and fewer risks to businesses in a time where flexibility and resiliency may be called for.

Freight Technology Trends in Action

First, let's start with some notable technology trends we're seeing from leaders in the logistics sector:

> 48% of logistics executives plan to improve their warehouse management systems and cloud infrastructure over the next year

> 54% of companies have plans to invest in workforce management technology

So why are we seeing an increased interest in freight technology now? Global trade growth has not only congested transport nodes and driven shipping costs higher, but it also created an impossible demand for workers. Companies have tried to grow their workforces, but they can't fill jobs fast enough.

The Bureau of Labor Statistics reported that there are 600,000 open warehousing and transportation jobs in the United States, and a recent survey by Instawork found that 73% of warehouse operators can't hire enough workers to meet their demand. In short, attempting to fill unwanted roles is not the solution and logistics executives are leaning into technology to fill the gap.

Technology is no longer a differentiator but a necessity to the logistics sector as supply chains groan under the weight of unprecedented demand. Now, companies are discovering that technology offers a viable solution to the labor shortage and they're countering demand with automating labor-intensive operations.

From real-time rating and back office technologies to digital freight matching, routing and scheduling, logistics tech and automation tools can create efficiencies across the industry. With these technological advances, companies can stop struggling to address daily execution challenges and start strategically planning for the future.

Most importantly, technology can meet demand without adding strain to dwindling workforces. We are already seeing the impact of increased freight technology investments. While investments in freight technology have been increasing each year since 2014, supply chain tech firms raised $62 billion in 2021 which more than doubles dollars raised in 2019. According to the Association for Advancing Automation, a record breaking 11,595 robots were sold in Q1 2022 and their value was a total value of $646 million. Technology is proving to be a viable answer to address the supply chain labor shortage across the board.

Demand for Freight Technology Means There's an Immense Need for Freight Tech Workforce

Earlier in this white paper, we learned that logistics companies know that freight technology can create much needed relief for their business. As Freightwaves reported in June 2022, every industry is realizing that automation and robotics can create efficiencies throughout their operations. Still, they don't have the tech talent required to make the upgrades that they need to be successful.

Logistics companies are expanding in the United States, and the Bureau of Labor Statistics reports that transportation and material moving occupations are projected to grow by 9% from 2020 to 2030. That's an increase of 1.1 million jobs, and we're already seeing this demand. For example, M&P Logistics seeks to fill 210 full-time professional logistics jobs for its new headquarters in Kentucky and Port City Logistics plans to add 75 new jobs in Georgia to expand its services.

Some companies have worked to specifically expand their tech workforce in the United States. The IT Project Management and Emerging Tech US workforce boasts 417K jobs, and unemployment rates across the board remain at historic lows. In the transportation and logistics industry we have seen that Emerge is opening a new office in Atlanta to house 160 freight tech professionals. Other companies are making investments to address this challenge long term – such as J.B. Hunt's $2.25 million donation to the University of Arkansas – in hopes of increasing awareness and interest in the industry, but freight tech is a solution that needs to happen now.

To add another challenge to finding the right talent, many older technologies utilized in the logistics industry aren't something new talent graduating are familiar with. Plus, many technology teams in the U.S. are continuing to work remote so it is becoming difficult for knowledge transition and new project onboarding. Transportation and logistics businesses are struggling to meet current demand, and the cost of onboarding full-time employees or consultants in U.S. is rising exponentially.

Companies need freight tech workers who are highly skilled, share their values, and have the precise experience required to succeed. That's why several companies are moving towards their freight tech goals by working with partners outside of the U.S. who have the skills they need to scale without worrying about additional overheads.

Outsourcing Partners Can Provide the Right Relief at the Right Time

While we don't recommend building a completely outsourced technology team, we do think that the most successful and efficient approach involves a collaborative model. Luckily, there's already a highly skilled workforce filling the gap. According to Business Insider, the Indian information technology sector is the largest industry in India and it works with 75% of the Fortune 50 companies.

Working towards a ratio of full-time onsite employees and offshore partners can help you in several ways:

WORK WITH THE RIGHT TALENT

Utilize an existing workforce that has the skills you need. Imaginnovate has a large talent pool that work on both old and new technologies so that you can build a team that is cost effective and productive. We also have specialized teams that focus on Data Science and ML that can be deployed as required.

CREATE STABILITY

There has been a lot of attrition in the IT workforce. Establishing a long term relationship with a technology partner will ensure that product knowledge is maintained even during turbulent times.
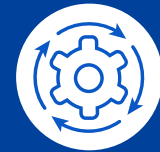
SCALE OPERATIONS QUICKLY

At Imaginnovate, we can begin a project within one month's time. Working with the right partner can help logistics companies scale their development teams quickly without worrying about additional overheads.

MINIMIZE RISK

Digital technology has become a necessity rather than a nice to have. Instead of companies holding off on technology development due to the looming concerns of a recession, they can work with companies like Imaginnovate to ensure that they can meet their goals on time while saving costs.

UNLOCK 24/7 DEVELOPMENT & SUPPORT

With operations in multiple time zones, your team can quickly work towards a common goal.

Logistics Studio by Imaginnovate offers a long-term solution. Our teams solely work with clients in the logistics sector and our tech workforce is trained on both older and newer technologies. Imaginnovate is a true, long-term partner, not just low-cost overseas outsourcing.

> " *At Imaginnovate we believe in collaborating with our customers in understanding their vision, growth plans and design technology solutions that allow them to realize their goals.*

KRISHNA VATTIPALLI
Imaginnovate, CEO

Imaginnovate's offices in both Visakhapatnam, India and Bentonville, Arkansas operate by our core values: mutual respect, shared responsibility, integrity & trust, humility & modesty, flexibility, and family values.

At Imaginnovate, we are actively responding to the need for digital solutions in the logistics industry by [tripling our tech workforce](#) by next Spring. We are currently hiring 200 additional developers to address tech talent shortfalls in the logistics industry. 50% of our workforce are women, and we are committed to expanding on diversity initiatives as we grow.

About Imaginnovate:

Imaginnovate is a 9-year-old digital solution company supporting the freight transportation and logistics industry. It provides innovation for transportation and logistics companies ranging from start-ups to the nation's largest carriers. Its solutions touch the entire supply chain and include: route optimization, load management,routing and scheduling, capacity management, fleet optimization and rate prediction.