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TOP FREIGHT
MANAGEMENT 2021
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Trucknet Enterprise

REVOLUTIONISING
THE WORLD
OF FREIGHT
MANAGEMENT



Hanan Fridman,
Founder and President



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Trucknet Enterprise

REVOLUTIONISING THE WORLD OF FREIGHT MANAGEMENT

By Linda James

“Failure” is one word that has been ruled out in Hanan Fridman’s dictionary for years now. And for a good reason. A born go-getter, Fridman loves to challenge the status quo with two quintessential qualities that keep his entrepreneurial ship sailing: concentration and endurance. It is no surprise that he spends his free time kitesurfing, a hobby that exemplifies these characteristics. Excellence follows all the way from his years of army service when he was awarded a medal of honor from the President of Israel. These qualities, coupled with the rabid tenacity, are precisely what have changed the game for his clients in the logistics and transportation industry.

He helms Trucknet—a company that provides fleet management companies with an intelligent transport optimization platform—bringing an unprecedented level of efficiency, profitability of transport routes, and significant reduction in environmental impact to the table. As of July 2021, the Israeli capital market website HOTSTOCKS noted that the value of Trucknet’s share put the company in sixth place on the Tel Aviv Stock Exchange, among those 64 companies that commenced trading this year. Trucknet’s ascension to prodigiousness has nothing less than awe-inspiring. Founded in 2016 with a singular focus on building unique business ecosystems, Trucknet

has been empowering transportation companies with the opportunity for sharing economy, improving visibility, and using electronic documents and payment solutions.

Today, the company proudly serves numerous elite clients across the globe, including the logistics giant DSV Solutions SLR (Romania). Trucknet also empowers Saint Gobain Glass Romania, which transports over 200,000 consignments in Europe alone every year across the continent by working with subcontractors. Two additional pilot projects are being carried out; one with Chronopost that deliveries for Amazon in France and another with DPD Portugal, implementing Mobileye 8 which documents rides with a camera that can connect with the Telematics of the truck.

At the core of Trucknet’s rapid success, one can find a common thread that binds all successful ventures together: it all starts with an epiphany and humble beginnings.

The Genesis

For Fridman, this epiphany arrived when he managed a large project to privatise the food division in the army (IDF) in his position at the Israel Ministry of Defense. This complex logistics project was a real eye-opener for him to the lack of efficiency in the logistics arena. For starters, he

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observed that there were about 46 billion miles of empty truck rides every year on the roads in the world. This is where the effectiveness and capabilities of the existing transportation management systems (TMS) were tested.

As a natural progression to advance his resolve to address this issue, Fridman concocted the idea of developing a platform that had the potential to revolutionise the older and traditional world of freight management. To begin with, he wanted to change the work scheduling method in the conventional land transportation market that relied on in-house optimisation of the fleets. This gave birth to the model of economy sharing—a platform based on resource sharing among different companies. A development team was established that built a system to schedule and calculate rides in real-time. Through digitalisation and automation for transport processes, the system could now receive transparent information from companies and create one transport ecosystem based on location in real-time, allowing for sharing resources. Next, he focused on the optimisation problem. At the time, transportation companies had only limited solutions for filling empty truck rides, based on a particular company’s inventory or the

work manager’s knowledge of the inventory of similar companies operating in the market. Companies now had a new way to fill empty trucks with efficient trips by using a bidding system to ensure the most profitable rides.

Fridman was invited by the Israeli delegation to the annual Climate Change talks in Paris in 2015 (COP 21) to present Trucknet's technology. At the EcoMotion event for innovative technologies and smart mobility the same year, Fridman decided to address the elephant in the room: sustainability. He wanted his automatic platform to bring in financial savings and offer calculation of greenhouse gas (GHG) emissions. The dual advantage of economic savings and environmental benefits was a big breakthrough. “The number of trucks on the roads is reduced, and so is the amount of emissions, with significant added value for companies,” recalls Fridman, founder and president of Trucknet.

Again in Madrid at COP 25, Fridman had the opportunity to present his expertise in the area of logistics and sustainability, where he participated in a panel of the International Transport Forum (ITF), at the OECD. He is already looking ahead to COP 26 to be held in Glasgow, Scotland later this year.

It was only a matter of time before Fridman’s path-breaking idea ushered in its seed funding through Capital Nature Investment, which enabled the start of business development in France. Within two years, the company had half a million trucks registered in the system from about 4,000 transport and logistics companies. What followed was rapid expansion and roll out through Israel, Romania, and France. Future plans are already on the table for expanding into Portugal, Germany, Spain considering Europe’s advantages as a huge transport network that knows no borders. Fridman also is beginning business development in Italy and Brazil.

Creating the 'Perfect Match'

At the core, Trucknet is solving a long-standing challenge in the industry that existing TMS powered by advanced technology cannot solve: bringing the required efficiency to those 27 per cent of empty truck rides. With a lack of a sharing economy model, the existing systems can handle assignments within an organisation and provide information on the value of each mile travelled, allowing to maximise space inside the truck. Yet, no TMS system can assist with filling empty rides if a company does not have the next transport leg scheduled for loading at the point of delivery/unloading. With Trucknet, users can match, view and consider thousands of companies with thousands of requests simultaneously. To provide the perfect fit, the platform locates the best match in terms of location, time, and price and adjusts other factors, such as driver rest time, allotted driving hours, insurance for the load, road traffic, and choosing the route intended for transport. Trucknet’s solutions allow companies to increase their number of shipments and to significantly improve efficiency through a system that matches empty

trucks and available cargo via an automated bidding system. This feature provides automation of the order management process for companies, enabling them to considerably reduce the many work hours currently spent on negotiating for loads, making bookings, securing shipments, sending orders, and more. “Companies using established systems can fully integrate Trucknet’s platform and gain the added value of eliminating the empty mile,” adds Fridman.

Trucknet has explicitly been designed keeping the diverse regulations of each country in mind. The TMS system provides the latest updates and fully digitalized documentation for real-time visibility throughout the entire delivery process. Trucknet follows the discussions of the regulators so that its system can be adapted to the changing requirements in each country. Ride-sharing solutions that operate according to the law provide services to end consumers. They pose competition for services offered by logistics and transportation companies. That said, Trucknet meets the requirements of the logistics world and is ready to provide a classic B2B service, which improves efficiency for companies.

Trucknet’s sharing economy model allows companies to communicate digitally with each component, see the big picture and then offer a solution. The platform includes a sophisticated BID system adapted to the world of logistics, capable of connecting to any TMS, ERP (Enterprise Resource Planning), and SAP (Systems Applications and Products). The system is powered by smart AI (Artificial Intelligence) and BI (Business Intelligence) algorithms and machine learning that drives continuous improvement from the technology standpoint.

The company offers applications for both drivers and transportation companies. The driver application includes Professional Navigator and the issuance of an e-CMR (electronic consignment note), together with internal communication between the driver and the office or customer. On the other hand, the Trucknet Tracker



Keeping up with Change in a Post-COVID World

According to Fridman, the need for regulatory digitalization measures is enhanced in a COVID-inflicted world. The dependence on digital technology in the industry is more pronounced than ever in the wake of increased e-commerce and the number of orders that require digital delivery documents. Fridman cites a recent McKinsey report, “Resilience in transport and logistics”, and how it highlights the importance of digitalisation for improved performance and cost-savings in several areas. In the same vein, Trucknet’s solution enables the transportation and logistics industry to meet many of the industry’s challenges by providing:

- Full connectivity between land, air and sea transportation (customers, logistics companies, transport companies)
- Digitalisation
- Transparency
- Improved work methods
- Digital transformation of people management
- Process automation
- Improvement of data quality
- AI-BI-ML system

The uniqueness of Trucknet also stems from its efforts focused on reducing the environmental impact. Considering that 20 per cent of global GHG emissions come from the hard to abate transport sector, Trucknet’s system can serve as a milestone on the way to decarbonising the sector.

“Emissions will be reduced by decreasing empty truck rides and lowering the number of vehicles on the roads. Our unique technology offers a system for matching empty space in trucks with available cargo. In addition, our customers receive a tool for calculation of CO₂ emissions in real-time,” adds Fridman.

A Testimony of Improved Efficiency and Excellence

To elaborate more on the value that Trucknet brings to the table, Fridman cites a pilot project conducted by the Trucknet team for road transport with the Renault France supply chain management for their factories operating in Europe. The project involved an undertaking to optimise 370 trips. Renault operates about 1,200 haulages per month between their factories, using the traditional methods; their digital Bidding system is used only for in-house. In what was

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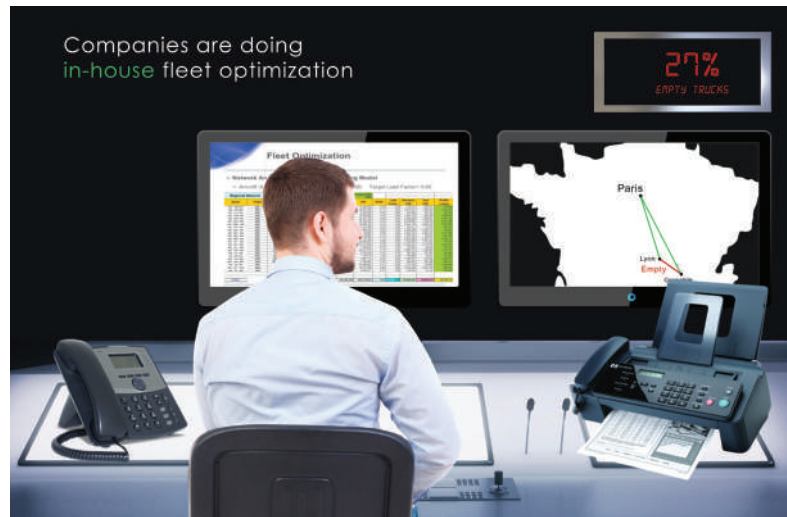
Beyond the many benefits that the system offers, the biggest advantage is that it provides a one-stop-shop that includes one of the best Bid systems adapted to the logistics industry.

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a true validation of excellence, after just two weeks, Trucknet's system won 268 contracts (out of the 370 trips)—a 68 per cent success rate—and saved € 215,000 for those trips. The potential savings amount to € 2.8 million a year. This outcome was actually very similar to a pilot project conducted with Chronopost France; there was a 50 percent success rate with savings of 20% on the cost of trips.

When asked about the secret behind such successful figures and how the company pulls it off, Fridman's answer was as instantaneous as it could



get. “Marketplace does not offer an automatic match, rather it is necessary to search for contractors. The solution of the “perfect match” offered by Trucknet and the use of a cloud-based ecosystem is a unique and novel service. As soon as the trip information is entered in the system and a full assessment is given (regulatory, driving hours, cargo properties, insurance, arrival time etc), a comprehensive screening and filtering process is performed. In Spain we were tagged as the Tinder of the Logistics World, due to our ability to make adjustments instantaneously, based on a patented algorithm,” he quips. However, beyond the many benefits that the system offers, the biggest advantage is that it provides a one-stop-shop that includes one of the best Bid systems adapted to the logistics industry. It includes complete documentation digitisation, Professional Navigator, tracking consignment, scheduling, security warnings.

Despite the numerous obstacles and testing times, Trucknet's solutions have rocketed to the top of the marketplace. Besides Fridman's rich expertise in sustainability and logistics, the corporate culture plays an instrumental role in accomplishing these milestones. A team player at heart, Fridman believes that in Israel,

the start-up nation, bringing young professionals into this market who are used to working in an informal style can make all the difference. Employees are chosen based on their exceptional skills and creative thinking, not only from reviewing their resumes.

On the Horizon

Fridman anticipates that the world of logistics will become autonomous. The autonomous truck will no longer “talk” with the work manager; rather, it will be connected within a cloud-based platform. The automated system will be able to determine at any given moment how to manage a shipment based on data received from business intelligence (BI) and machine learning (ML). “Our system is another one of the stepping stones that paves the way towards the autonomous truck, as these are the operational systems of the future,” he says.

Moving forward, with a stronger value proposition in place, Trucknet has no plans of slowing down. The primary goal is to expand geographically and spread throughout Europe. “Next year we hope to open operations in countries between France and Romania - Spain, Italy and Germany and we already have started a pilot project in Brazil. My vision is to list Trucknet on NASDAQ within two years,” reveals Fridman. **LT**