



# Truckload Strategy: Spot vs. Contract

Truckload procurement requires more than a one-size-fits-all solution. Your network, your lanes and your position within the market determines that best mix of spot and contract services that will get the best overall results for your business.

## Pros

## Cons

### Spot

- Good source for overflow or recovery capacity
- Widen your current network with brokers or bid boards
- Rates lower than contract when the market is in your favor

### Short-term Contract

- Good source of consistent capacity
- Predictable pricing for budgeting
- Set and hit spend targets vs. long-term contract risk

### Long-term Contract

- Repeatable, market-competitive pricing on high volume lanes
- Consistency with carrier base and shipping requirements
- Long-term network relationships

### Spot

- Quickly impacted by market conditions
- Not predictable for precise budgeting
- Inconsistencies with carrier base may affect service levels

### Short-term Contract

- Pricing typically at the highest point
- More time consuming (contracting, going to bid)
- Bids impacted by current market hurts consistency

### Long-term Contract

- Requires steady volume; may be difficult to add capacity
- High tender rejection in tight market
- More contingency planning

Transportation Insight collaborates closely with our customers to understand the right procurement strategy for them. Whether it is spot, short-term or long-term contracting, we align you with the carrier and broker partners to move your freight based on your cost and service needs.