

Openforce Identifies Five Transportation Industry Trends to Watch in 2022

Driver shortages and higher carrier rates expected to continue; technology and insurance key to mitigating cost increases

PHOENIX, AZ, UNITED STATES,
December 1, 2021 /EINPresswire.com/
-- Openforce, the leading software technology platform for managing commercial relationships between contracting companies and their 1099 independent contractor (IC) workforce, today released its outlook for key

trends in trucking and logistics for 2022, based on the results of a LinkedIn poll the company conducted from October 4-12, 2021. Disruptions in the supply chain have uncovered many vulnerabilities and challenges which are expected to continue into next year, including increased prices, cancellations, delays and driver shortages. Increased utilization of technology and new insurance solutions are expected to help mitigate these challenges.



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*Wendy Greenland, Openforce
CEO*

According to Wendy Greenland, CEO of Openforce, the industry forecast for next year reflects an ongoing trend. "Carriers, shippers, and consumers alike have experienced the frustrations of the broken supply chain that continues to send ripples of disruption around the globe. The pandemic has exposed the weaknesses of just-in-time manufacturing and inventory models, and the repercussions of the supply chain issues will continue to deeply affect the transportation industry. We are all

experiencing the devastating impact of a shortage of eligible drivers, carrier rate increases, delivery delays and skyrocketing expenses."

Openforce highlighted the following trends that will shape the industry over the coming year:

- Driver shortage gets worse; driver retention critical: Massive amounts of freight combined with



fewer drivers means the driver shortage — driven by the natural attrition of older drivers and a waning number of younger replacements — isn't going to improve anytime soon. In a recent poll conducted by Openforce, driver retention was cited as one of the biggest transportation industry challenges. Respondents cited a shifting focus to adopting driver sharing for route density and partnering with third parties for additional benefits.

- Legislation remains a cloud over the industry but won't stop IC driver momentum: Legislation impacting 1099 contractors and increased compliance regulations will continue to loom over the industry, although most experts agree the PRO Act is unlikely to be passed. Despite the threat of additional legislation, Openforce found that 70% of respondents in a recent poll expect to be using an IC workforce in five years. However, the industry will need to keep evolving to stay compliant.

- Rate increases are needed: Some carriers have reached the point of turning away customers. Capacity demands mean that for the foreseeable future, rate increases will become necessary for transportation companies to survive. According to a poll by Openforce, more than half of respondents (55%) note they will increase their pricing, with 44% doing so to eliminate low-paying customers and 11% citing they must increase prices or risk going out of business. Those carriers seeking cost savings are often sacrificing on-time performance.

- Technology adoption is on the rise: As companies' business models change to further adopt 1099 workforces, driver sharing programs and other innovations will help ensure compliance. Use of technology will be key to clearer compliance in the coming years. Openforce reports that 33% of poll respondents are planning to implement a new technology platform to help manage their 1099 workforce.

- Insurance will reshape the transportation industry: Carriers and drivers alike will lean on insurance technology to streamline coverage and equalize rates by leveraging flexible insurance plans. ICs are increasingly looking for flexibility when it comes to insurance coverage, including the option to pay premiums based on the work performed. Innovative insurance offerings will propel the industry toward more competitive pricing, flexible underwriting options, reduced risk, and ultimately better compliance.

"Success in 2022 will depend on the industry unifying around common goals of improving safety, ensuring compliance and advancing innovation through technology," added Greenland. "Though we'll continue to experience supply chain disruptions, Openforce will continue to support carriers and independent contractors navigating industry challenges."

Openforce launched several new products over the past year to help trucking and logistics professionals overcome these challenges. [IC Insure](#), [IC Recruit](#) and [Continuous Driver Monitoring and Safety Education](#) were all launched in 2021 with the goal of helping companies using independent contractors reduce operating costs and mitigate compliance risk.

About Openforce

Openforce® is the leader in technology-driven services that reduce operating costs and mitigate compliance risk for companies using independent contractors. Openforce frees contracting companies from the burden of onboarding, contracting, and settlement processing while helping contractors build their business. Our cloud-based applications help businesses achieve more sustainable, profitable growth by removing financial, operational and compliance barriers to getting business done. Openforce is a portfolio company of Boston-based private equity firm Riverside Partners. Learn more at www.oforce.com.

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