CEOCFO Magazine

Q&A with Chris Ricciardi, Co-Founder and COO of Logistical Labs providing Logistics and Supply Chain Software and Analytics for Shipping, 3PLs and Intermodal Marketing Companies enabling Better Informed Pricing and Quoting Decisions, Data-Driven Insights and Social Collaboration

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CEOCFO: *Mr. Ricciardi, would you tell us about Logistical Labs?*
Mr. Ricciardi: Logistical Labs builds innovative technology for the logistics and supply chain industries focusing on shippers, 3PLs, and intermodal marketing companies (IMCs). Our main product is LoadDex, our software-as-a-service analytics platform. Using this, users can make better informed pricing and quoting decisions through data-driven insights and social collaboration. With so much information now at our fingertips, our goal is to gather all useful data sources into a simplified format to help the everyday user become more confident in making quicker decisions.

> **"Our full concentration is on the user experience, so unless we can make our user's daily lives 10 times better, we do not build it."- Chris Ricciardi**

CEOCFO: *It is an impressive goal. How did you get there?*
Mr. Ricciardi: It really stemmed from how I started in the industry. My first job out of college was a sales position at a Top-50 brokerage firm in Chicago. At the time, quoting LTL was easy because they had tools to tell me the exact cost, but quoting truckload or intermodal took forever because there were so many places to gather intel. After 15 minutes of information gathering, I called my customer back to give them a quote and they had already given that opportunity to someone else. Right away I realized I needed to be both accurate and fast, but there were not any good tools for me to accomplish that with confidence. So, we created Logistical Labs.

CEOCFO: *What was the challenge in putting the technology in place?*
Mr. Ricciardi: Identifying and setting up the right integrations is definitely a challenge. There is so much information out there, so it is tough to recognize what people want and put it all into a digestible format to create a positive user experience. It is also difficult to set up and complete an integration with those sources, as the logistics industry tends to be closed off when it comes to sharing information.

CEOCFO: *What is involved in implementation?*
Mr. Ricciardi: It is very easy to get started. Since we've already done all the hard work in integrating all the components into one system, we can spin up a website in 30 seconds by connecting all the integration pieces. If companies need help coming up with a pricing strategy, we love introducing them to our existing partners too. Once we know a user's goals, we

can simply flip a few switches to get things turned on and then run as many training sessions as needed. It is a pretty seamless process.

CEOCFO: *Do you have different solutions for different groups?*
Mr. Ricciardi: Yes, we have multiple products depending on where you lie in the supply chain. A large segment of our customers are 3PLs, like Worldwide Express and YRC Freight, that use our LoadDex product to instantly compare truckload and door-to-door intermodal spot pricing. We also have a large breadth of intermodal marketing companies (IMCs), like C.R. England, using our RailDex product. RailDex allows companies to sift through millions of data points to analyze the least cost routing options by connecting different dray and rail rate routes. This creates a huge time saver and reduction in spreadsheets to quote their customers instantly. From a big shipper standpoint, if you are a Fortune-500 shipper and you are hosting RFP (Request for Proposal) bids, we have a tool called BidDex. It allows companies to easily host bids and analyze their savings from the year prior to lock in contract rates for the next year. We can also help smaller online shippers with HeavyCarts, which allows companies to push real-time parcel or LTL shipping rates to their e-commerce website.

CEOCFO: *What happens when there is some kind of disaster and things go out of whack?*
Mr. Ricciardi: Pricing definitely gets thrown out of balance, especially with all the weather abnormalities like hurricanes we've been having recently. Companies knew the general regions that would be affected, so a lot of my customers were prepping for inbound southeast rates in certain areas to skyrocket a week before they happened. To accommodate, we have different levers that can be pulled in our system to allow pricing analysts to forecast adjustments for these occurrences. LoadDex is a platform to allow users to create their own pricing algorithms based on ship date in preparation for events just like these. It enables analysts to take a complex problem and simplify it for the everyday user needing to make on-demand decisions.

CEOCFO: *How do you get organizations to work with you from both ends to provide information for customer?*
Mr. Ricciardi: We are proud of the organizations we are partnered with. With higher quality integrations, we can create a better LoadDex ecosystem for everyone. Whether it is market indexes, intermodal providers, or TMS's (Transportation Management Systems), we only work with the best. From a customer standpoint, we also work with a lot of leading edge companies looking to be better by utilizing technology. Companies that have the "don't fix it if it isn't broke" mentality stuck in old ways of operating will be left behind.

CEOCFO: *How do you get a foot in the door?*
Mr. Ricciardi: The job comes with a lot of networking, though I have to hand it to our current customers as they spread the word for us a lot. I feel like logistics is one of the largest, smallest industries out there. By that I mean it is a pretty tight-knit community where everyone communicates with one another, so it is helpful when you have advocates on your side.

CEOCFO: *What is the competitive landscape?*
Mr. Ricciardi: Every company that is building technology is trying to solve the same problem of "how can we do more with less?" With that in mind, Logistical Labs specifically focuses on pricing and we're the best at it. There are some other great tech companies focused on tracking, capacity, and operations. However, I thought the industry was lacking in the pricing area, which is why we decided to focus on that. It is through our partnerships with other providers that concentrate on different problems that enable us to accomplish what we call "closing the loop" – to have all these technologies talking to each other so users can automate their day a little better.

CEOCFO: *Would you tell us about Logistical Labs' RailDex Named a Top 100 Finalist for 2017 Chicago Innovation Awards?*
Mr. Ricciardi: Chicago Innovation Awards puts on an annual event where companies compete to see who can come up with the most innovative product. Our RailDex product, used by intermodal marketing companies, does three things: 1) Organize a company's truckload drayage and rail rates for least cost routing 2) Compare their rates to outside wholesalers to increase optionality, and 3) Let them add a margin to market their services to our other customers, which creates a small intermodal marketplace. There were a lot of applicants this year so we are proud RailDex was recognized on the Top 100 list.

CEOCFO: *What is new in logistics?*
Mr. Ricciardi: It seems to be that everyone is watching Amazon very closely in terms of what they're doing in logistics, but are also excited to see what they are coming up with next, or at least I am. There is a big focus on e-commerce and last-mile delivery, which is why we offer our HeavyCarts solution to help those shippers in need.

CEOCFO: *How is business?*
Mr. Ricciardi: It's been great! We have been hiring this year, bringing on some fantastic customers, and the integration partners are only getting stronger. Every year we have gotten bigger and better, so I am optimistic as we approach 2018.

CEOCFO: *What is the takeaway about Logistical Labs for our readers?*
Mr. Ricciardi: Each day, we are trying to come up with new ways to think about old and current problems with a focus on using data to make lives easier. Our full concentration is on the user experience, so unless we can make our user's daily lives 10 times better, we do not build it.