

THE GENERATIONAL SHIFT



“ALTHOUGH COMPANIES CAN BE CLASSIFIED BY THE YEAR THEY WERE BORN, THERE IS NOT ALWAYS A DIRECT CORRELATION BETWEEN THE AGE OF A COMPANY AND ITS TECHNOLOGY GENERATION.”

With all the talk about Baby Boomers, Generation X, Millennials, and now

Generation Z, did you ever wonder how trucking and brokerage companies might be grouped in terms of technology generations? What would that mean for the different generations of people working for those companies? So if we were to group transportation companies into generations by the technology they are using, we might call them DOS Tech, Windows Tech and Cloud Tech companies. Although companies can be classified by the year they were born, there is not always a direct correlation between the age of a company and its technology generation. Plenty of new trucking companies start with a fax, a phone, and a stack of pre-printed invoices — very low tech. Let's explore the different groups and see how not all generations of companies are compatible with all the generations of people. Lastly, before anyone gets insulted about their implied classification, we are looking at trends and there are always exceptions.

TECHNOLOGY GENERATIONS OF TRANSPORTATION COMPANIES

DOS TECH COMPANIES

There are two very different types of companies under this banner: small trucking companies and large older companies. The small companies have spent all their cash buying trucks and do not see much need for technology beyond their fax and phone. The more interesting ones are the older companies that were created in the '80s or earlier and comprise a lot of larger companies operating today. Think old MC Number. Taking advantage of deregulation, they built companies the old-fashioned way by hiring sales people, local drivers, and expanding on a regional basis. As the trucks got further and further away from the base, it became more difficult to not bring back the truck empty. Enter the brokers who provide a link between the local shippers and faraway truckers who are looking for a backhaul. This was the age of the fax machine, where you could

get a list of available trucks or loads faxed to you when you were in a particular location or at a truck stop.

The larger companies have survived all these years, because they have proven systems and processes. They don't give credit easily to new companies and can sometimes be difficult to work with, especially for a brand new brokerage. These companies were built by people who did not grow up with technology nor did they ever feel the need for it. Telltale signs that you are in a DOS Tech company:

Physical fax machines, perforated paper on track printers, blue, green or orange single color computer screens with 80 characters across, and of course paper and people everywhere. Amazingly some of these old systems are still operating today. At One Horn on a regular basis, we receive carrier invoices with backup printed on this 1980's technology. These companies have invested a lot of blood and equity in their old systems, and they see a jump to a modern system as a "bet the company" event and are reluctant to do so.

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WINDOWS TECH COMPANIES

These companies were started in the late '90s, think Windows 95 XP. The owners did not grow up with technology but were much more attuned to the need for it and knew they could not just ignore it. So they got a Transportation Management System (TMS) and if they were lucky they got one that has been updated over the years. They use the TMS but that is it. Everything else is run like a traditional company, physical faxes, paper everywhere, and all sorts of departments. Technology is seen

as a support for the people instead as being the core of the business processes. These companies understand the technology more than the DOS Tech ones, but it is more on a lagging basis. They were quicker to use cell phones in trucks but slower to start electronic tracking. Telltale signs that you are working in a Windows Tech company: Windows-based TMS, paper everywhere, physical fax machines, and still people everywhere.

CLOUD TECH COMPANIES

These companies understand that technology is the center of their activity. Paper is the enemy, because paper does not scale. Think phone, fax, email, documents all served from the Cloud so that their infrastructure is not vulnerable to a flood or power outage. These companies use technology to concentrate their efforts on selling and servicing customers. They understand that if they free three people out of their accounting department and put them in sales or service, the company will grow faster and be more efficient. Think

about the cost of someone making copies of invoices. Think about salaries, benefits, and the storage costs of those filing cabinets, not to mention all these dead trees. This goes on and on to daily truck inspection reports, IFTA, etc...

Let's remember that a lot of older companies have moved with the times and understand not only the importance but also the competitive advantage of a modern infrastructure. Conversely, it would be surprising to see a new company adopt a perforated paper system.

A LOOK AT THE GENERATIONS OF WORKERS

BABY BOOMERS (1946-1964)

Baby Boomers, born between 1946-1964, did not grow with much technology except for a landline and a fax machine. Most of them have managed to make it to retirement without needing to master much more than Microsoft Word. They understand the need for some technology, but they don't naturally recognize that certain technologies are game changers. They are the ones most likely to say, "If it is not broken, why fix it?" The Boomers face a shrinking pool of jobs where their low tech skills are not an issue. They are much more comfortable in a low tech, stable, paper-based company than in a modern technology empowered enterprise. The least change, the better.

GENERATION X (1965-1979)

Gen Xers had the curse of following the Baby Boomers. Their parents told them to follow the rules that had worked for generations, but once they entered the workforce, the rules were dismantled one by one. Whatever they know about technology, they learned it over time at the office. Technology has been an enabler or accelerator for their career. Those that made an effort to master Lotus 123 (bonus to those who know what that is) before their peers got ahead. But there were plenty of jobs for those that really did not understand technology. As they are still for the most part in the workforce, those who have not kept up their tech skills are facing a shrinking pool of potential companies that will hire them.

MILLENNIALS (1980-2000)

Millennials (aka Generation Y), born between 1980 and 2000, were the first generation who once they entered the work force they could not ignore technology and be successful. So by default most of them can handle a spreadsheet, Word document or a TMS, but it is, for a lot of them, still a struggle because they were not born with it. Cell phones really became widespread in the '90s as they were entering the workforce. If Gen X were able to survive (so far) without technology this is not an option for Millennials, who have to keep up with every new shiny thing that comes up.

GENERATION Z (2000-Present)

These kids (yes they are still kids) were born with a cell phone in hand or an iPad, not only do they inherently understand technology, but they are also never fazed by a new technology nor do they prefer to stay with the old. Once their parents got on Facebook, they moved to Snapchat. As they are now just entering the workforce, the jury is still out on if they will adapt to the current work places or change them drastically. This is the social media generation. Will they be posting all day long about the new project they are working on? It will be interesting.



Let's look at the generations' compatibility.

I always wonder what happens when a late Gen Y or Gen Z walks into a DOS Tech trucking company still using an AS400 Blue Screen TMS and perforated paper printers. I imagine their faces drop, and they start laughing (or crying). My kids understand a fax machine (somewhat) because they hear us talk it all the time about how we used to have one. But would they ever think of using one, "Are you kidding?" When I explain that we still have to use it because there are plenty of "phone

and fax" companies still operating out there they look at their smartphones and don't grasp that not everyone has one of those. My kids don't understand the concept of exchanging letters through the mail to communicate.

For the DOS Tech companies that keep delaying their jump into the new world, things are getting worse because the latest generation (Gen Z) is just not compatible with them. So, as time goes by, these companies will have a continuously shrinking pool of talent from which they can choose. The question for them is how long can they delay

the inevitable? Some companies will wait until the founder retires. Some will be forced by their customers, who may decide to stop maintaining the old EDI systems in favor of newer technologies. And some, of course as it is the American way, will just fade away.

The jump is not as bad for the Windows companies, but as integrated Cloud platforms keep improving, they also may get left behind. We built our original TMS platform on Windows as it was faster than the Cloud solutions at the time. But now the Cloud technologies are racing ahead

and leaving behind the older tech generation. The efficiencies that can be achieved are so good, that we have not had the need to hire any additional back office personnel in the last few years as we have multiplied our volume tenfold. ■



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