



*Working with clients, not just for them*

W H I T E P A P E R

## Take the Next Step to Optimize Your Supply Chain with a Transportation Management Solution

Regardless of industry, a smart business owner or operations manager is always looking for ways to increase efficiency and reduce overhead. In today's ultra-competitive economic climate, finding ways to increase margins without negatively affecting quality are invaluable. Fortunately, developments in transportation management software (TMS) systems have made it possible to increase margins while simultaneously improving efficiency and quality of service.

A transportation management system (TMS) helps companies move freight from origin to destination efficiently, reliably, and cost effectively. TMS encompasses solutions for moving freight in all modes and also includes intermodal movements and automates such functions as carrier selection and routing.

There are many benefits that a robust TMS can provide. But the main reason most companies implement a

TMS is to reduce freight spend. A good transportation management system will include analytics and data to help reduce expenses such as driver overtime, fuel, and inefficient routes. Utilizing data such as where your drivers and equipment are currently located makes it easier to get freight where it needs to go as quickly and efficiently as possible. While reduced transportation spend is generally the largest benefit of a TMS solution, benefits such as service level improvements, increased market share due to customer service improvements and inventory reduction processes should not be overlooked. Some additional benefits include:

**Increased visibility.** Today's supply chain managers need to make quicker decisions based on real-time data. With increased visibility, companies become more agile and more responsive to changes. An integrated TMS can provide end-to-end supply chain visibility; enabling better inventory forecasting and better accuracy and streamlining throughout the entire process. When a TMS gives you confidence that your customers are receiving their shipments on time, it allows you to plan better for your inventory you have on hand.

**Improved customer service.** TMS reporting and analytics enable you to monitor on time performance, track shipments and identify service failures. This information can be used to upgrade and improve your service and support efforts, resulting in overall increases in customer satisfaction.

**Efficiency and productivity in operations.** TMS systems enable companies to centralize the logistics



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function, providing support across the entire organization by synchronizing processes and eliminating bottlenecks in the system. Automation allows today's supply managers to manage more complex processes and allows organizations to reduce cycle time and resources required.

**Real-time tracking of drivers.** There are numerous benefits to being able to see where your drivers are in real-time. One of the biggest benefits is the ability to gather data about how much time specific routes take in order to build a more efficient schedule. You can also gather data on which drivers are most efficient, and which ones could improve on their time through more efficient routes or better driving habits.

**Streamlined billing processes.** One of the benefits of electronically tracking your entire transportation management system is that you will be able to more efficiently handle accounts payable and accounts receivable. A good transportation management system will allow you to automate most, if not all, processes. The amount of time you'll save on paperwork alone could make transportation management software worth the investment.

**Greater collaboration.** A critical piece of the TMS solution is its capacity to connect the many partners that have input on the freight movement process. With increased collaboration, supply chain partners are able to identify opportunities not just for their business own units, but opportunities that affect the entire supply chain.

Given the current economic climate, many organizations are clearly focused on logistics costs. TMS solutions allow for better transportation planning and improvements throughout the supply chain.

In addition to the benefits above, shippers can leverage

a cloud-based system for further cost savings and quicker ROI by taking advantage of the unique benefits provided by cloud-based solutions, including:

- **Cost Structure.** SaaS is sold as a service, not a product, which increases and accelerates a user's return on investment as it moves from implementation to integration and finally optimization with no costly upgrades.
- **Scalability.** In transportation management, scalability can be as simple as having immediate access to additional carriers already in the network. SaaS allows users to more easily flex to demand; onboard new customers, carriers, and suppliers; or add and upgrade services on demand.
- **Accessibility.** With more partners integrated on a single platform and more data streaming across the network, individual users benefit by having access to more robust and accurate information. Reporting and benchmarking performance data provides business intelligence that can be shared among all users in the network to create additional value.
- **Visibility.** Because partners are all in the same environment, visibility is that much greater. Real-time communication is enhanced. Every party knows what is happening, when, and why. And visibility extends to data that enables more accurate and robust performance metrics.
- **Collaboration.** With greater visibility, businesses can share information faster and more efficiently. Vendors, carriers, and shippers can collaborate to work across each other's networks, sharing transportation assets and creating economies of scale.

***“Through the implementation of TMS, companies on average can expect to lower freight budgets by 5 percent to as high as 25 percent in first year depending on mode mix and existing adherence to best practices.”***

***- Global Logistics & Supply Chain Strategies***

## Transportation Management Systems can provide the following benefits:

- ❑ Reduced transportation costs
- ❑ Shorter cycle times
- ❑ More effective operations
- ❑ Improved customer service
- ❑ Better decision making
- ❑ Maximized carrier cost savings
- ❑ Increased sales and faster, more consistent service levels

### Summary

Transportation needs change with time, as do a company's requirements for its **logistics and supply chain management**. Transportation management software provides the flexibility to adjust to the twists and turns of the marketplace and the visibility

needed to avoid unpleasant surprises. It's tough to be competitive with pen-and-paper operations, which means it's becoming increasingly important to adapt to and incorporate the technologies that are making the difference between lackluster and industry leading operations.

Managing your organization's transportation network is a key factor for a more efficient and cohesive supply chain. Today, the most robust TMS solutions and service providers can implement solutions that address current network bottlenecks and inefficiencies in processes, providing sustainable results. TMS technology allows shippers to bring all elements of their shipping process into a single, visible platform and users need only an internet connection to run their entire distribution operation. TMS saves time, improves accuracy, increases customer service levels, and provides real time tracking and instant data to better manage your supply chain. This technology is affordable and, most importantly, it allows distribution managers to see all aspects of operations and make immediate corrections as capacity needs and market trends change.

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