Six Points for Maximizing TMS Success

Delivering Value Through A Strategic Implementation

With today’s transportation management systems deployed much faster and with a greater impact than ever, the focus now turns to getting the full value from the solution over time. This interactive ebook is designed to provide key takeaways and concepts at-a-glance to help you succeed.

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Six Points for Maximizing TMS Success

Transportation management systems (TMS) have come a long way since the 1990s. They are more robust and configurable, and cloud and network technology strengthens the multi-party collaboration that is essential for good TMS operations.

As a result, a TMS can go in much faster and have greater impact than ever. Yet many companies struggle with getting the full value from their TMS and find their implementations drag on.

Equally daunting is maintaining the value over time. It’s not unusual for the returns to shrink as opposed to expand as the organization evolves.

The six critical elements shown to the right help companies to maximize the success of a TMS implementation and ensure it delivers value for years to come.

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Delivering Value Through A Strategic Implementation

Maximize Business Value

Beyond Business Value

Spend Time to Define the New Process

Unlocking TMS Value & Building Upon Existing Capabilities

Streamline the Implementation

Contract & Carrier Communications

Phase the Rollout to Build Momentum

Breaking Down the Implementation for Success

Leverage the Data Across the Supply Chain

Insights Beyond the Transportation Department to Enhance Business Value

Enable Sustainable TMS Operations

Improving Performance & Perception

Conclusion

Bringing It All Together

Descartes’ Transportation Management Solutions

www.descartes.com
Maximize Business Value

**Beyond Shipment Consolidation & Execution**

There is a lot of value that can come quickly with a modern TMS; however, the organization can miss the bigger picture and value by taking too narrow a focus. Shipment consolidation and execution are two areas that typical transportation stakeholders concentrate on to reduce costs and ensure carrier compliance.

However, a good TMS provides contract management, order management, audit and visibility. Effectively managing contracts as part of the transportation procurement process can yield significant savings and so can freight audit. Visibility of not just the shipment, but the goods and related purchase orders can drive down inventory and provide better service to customers.

Advanced features, such as a carrier network, fleet and parcel management, pool distribution and dock and yard management provide better control of the total transportation environment further reducing costs and improving customer service. In the end, maximizing the value from a TMS means thinking beyond current transportation issues and as a part of a broader logistics transformation.

Transportation management systems have traditionally focused on standard processes (e.g., contract management, shipment planning and execution, parcel), but the leading solutions today provide advanced capabilities (e.g., yard management, pool distribution) to create even greater value.
Spend Time to Define the New Process

Unlocking TMS Value & Building Upon Existing Capabilities

There is a lot of hype about TMS implementations completed in days. If this is truly the case, then it means that there wasn’t a lot of thinking about how the business would work differently (and better) with the new solution. A TMS is not magical; it can only provide incremental value by following existing processes.

The real value of a TMS is unlocked when the organization steps back to see how they can take advantage of the solution to run their operations differently. There is one trap to avoid here. To keep the new process design and subsequent implementation moving quickly, leverage what capabilities exist in the TMS as opposed to creating unique processes that require changes to the TMS.

It is really a game of “needs” and “wants”, and the “wants” is the place where a lot of TMS implementations go sideways as enhancements take time and can significantly impact the schedule and project momentum.

Leveraging the capabilities that already exist in a modern TMS and building upon procedures, as opposed to creating unique processes that require custom changes to the system, keeps implementations moving quickly.
Streamline the Implementation

Contract & Carrier Communications

There are a number of areas, such as contract and carrier communications, where standardization streamlines and accelerates the TMS implementation. Use the TMS implementation and contract management capabilities to come up with standard contract templates.

This will make entering and maintaining them much easier and faster, expose discrepancies between carrier contracts and improve the ability to have “apples-to-apples” comparisons when rating. It’s also a great time to reevaluate contracts for price and service. Electronic carrier communication is another area where customization can slow down an implementation and return-on-investment (ROI).

Bringing carriers on board quickly means that each carrier cannot have its own custom integration. It simply extends the implementation time and costs and diminishes the value that the TMS can deliver. Instead, the TMS implementation should standardize the messages and communications processes and have the carriers comply. This approach will not only benefit the implementation, but also the ongoing use of the TMS as carriers will change over time.

Centralizing carrier electronic connectivity via standardized communication mechanisms can enable benefits such as simplified maintenance, enhanced decision making and added ROI following a TMS implementation.

BENEFITS
- Increased ROI
- Decision Making
- Enhanced Communication

CHALLENGES
- Carrier On-boarding
- Rate Management
- Contract Management
Phase the Rollout to Build Momentum

Breaking Down the Implementation for Success

Project success is as much about perception as it is about hard facts. Users and management can quickly lose confidence with extended timelines. If at all possible, generate success momentum by breaking the implementation down into a number of phases. This could be by region, transportation mode, breadth of functionality, etc.

The more extensive the scope of the initial rollout, the higher the risk of success. It may sound counterintuitive, but the ROI may in reality come faster with a phased versus “big bang” approach as many large scale implementations don’t happen as quickly or smoothly as planned. Defining success is also critical. If at all possible stick to straightforward measurements such as total costs saved. It’s easy for transportation planners to look at an individual load or route and say that they could have done better. The TMS may have created that one poor load or route because it was able to generate 99 better ones at the same time.

Service-based metrics need to have the same approach, but for shipments to customers, it’s important to capture the poor performance outliers to quickly adjust the system or process that produced them. A critical metric to capture is the degree of manual intervention. It’s not unusual for planners to make some adjustments, but they can because of their experience, be making too many changes degrading the system benefits. Capturing the system-optimized plan and comparing it to the plan that was executed will show if the system or planners are negatively impacting the ROI.

Breaking down a TMS implementation via a phase-by-phase approach may help drive a faster and more predictable ROI versus the “big bang” methodology, as many large scale projects don’t unfold as quickly or smoothly as planned.
Leverage the Data Across the Supply Chain

**Insights Beyond the Transportation Department to Enhance Business Value**

TMS-generated data has value that goes beyond the transportation department. The real value of the transportation information is when shipment plans and real-time status information is tied to goods and purchase orders at key intervals in the transportation process.

Providing this insight benefits many organizations within the company and across the supply chain. For example, greater visibility causes supply chain planners and purchasing organizations to hold less inventory than originally planned.

Customers can make more informed decisions on what they will do with your products before they even hit their docks. Suppliers can make adjustments to their plans for the next set of shipments. Lastly, carriers can provide better service and lower costs when they are given advanced notice of loads and/or volumes.

The use of transportation information by other organizations should be considered as part of the business value analysis for a new solution.

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**THE VALUE OF DATA**

To unlock the real value of TMS data, leading companies are making shipment plans and real-time status information available to other stakeholders within the organization and across the supply chain, such as planners and purchasers, customers, suppliers and carriers.
Enable Sustainable TMS Operations

Improving Performance and Perception

Without a strategy to keep the system and people using it in top shape over time, all of the hard work put into making a TMS implementation a success will be for naught. Transportation is not static and neither is a TMS. Data and configuration drive TMS performance and, as the business processes, carriers and contracts change, the system also needs to be updated.

The transportation department needs to have its own experts or contract with the supplier to regularly review TMS performance. It’s too often that poor TMS performance and perception of the solution is a function of the lack of regular maintenance and not system capability.

Training is a critical part of the sustainability strategy. In most cases, the original users are well trained. It is the ones that follow who don’t get the training they need to use the system to the organization’s best advantage. If the organization is large enough, there should be a transportation competency center that trains new users. If not, the organization should engage the TMS vendor for training.

In all cases, the organization should pay attention to the innovations that the TMS vendor is providing with new releases. Good TMS vendors are constantly enhancing their solutions based upon the requests of customers and their vision for the product. These enhancements can provide greater business value or eliminate issues that are negatively impacting the use and perception of the system by the organization.

Sustaining TMS performance includes regular maintenance, such as training programs for new users, continued adjustments and other factors over time to keep pace with organizational requirements.
Conclusion

Bringing It All Together

Transportation management systems offer more capability and business value than ever and it is time to think differently about TMS and their implementations. Maximizing the potential value of TMS starts with the vision for use of the system. Getting that value comes from developing plans for new processes that fully leverage the TMS’s existing capabilities and standardize key parts of the implementation. By phasing the deployment, organizations can build implementation success and create momentum for a faster return on investment. To keep getting those great returns for the TMS, the organization needs to invest in regular training and interaction with the TMS vendor.
Descartes’ Transportation Management Solutions

Increase Operational Efficiencies, Reduce Complexity, Decrease Costs & Enhance Customer Service

Descartes works with leading companies across the globe to develop innovative solutions to increase operational efficiency, reduce costs and enhance customer service by offering the industry’s most comprehensive transportation management portfolio. Using Descartes’ solutions, customers can turn purchase or sales order fulfillment into transport orders, manage carrier contracts, optimize and execute transportation plans, connect to trading partners, control the flow of prepaid freight, track shipments and inventory, audit freight, increase efficiency in scheduling dock appointments, better manage trailer movements and security, and optimize supplier/carrier performance. Benefit from greater control of your freight operations, reduced complexity and cost while supporting growth and competitive differentiation.

Our solutions include:

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Visit the following URL to discover more about how Descartes can transform your transportation management operations:

www.descartes.com/transportation-management

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