

BUILD THE BUSINESS CASE FOR MANAGED TMS: 8 KEY BENEFITS

Organizational change management (OCM) and executive alignment are crucial for any transformative project, especially a transportation management system (TMS) project. A TMS implementation touches core business processes across functional groups, requires deep ERP integration, and has an enterprise-wide impact that provides shippers with the answers to advance their business.

In competing for internal funding and support, a strong business case can help internal decision makers understand how a TMS can deliver business outcomes, what timelines results will be achieved, and the resource investment required. Use your TMS business case to link the technology's ROI to the overall business strategy. Break down operational silos to demonstrate the value a TMS would bring to other areas outside logistics operations—from legal to sales.

Look to your potential TMS provider to collaborate with you in developing a business case by helping you evaluate and interpret data and process to understand your current state and the impact and improvement a TMS will deliver.

Your business case should specifically highlight how a TMS can benefit enterprise initiatives and impact areas that the decision-makers care about. The ability to utilize technology to drive strategy and data to improve performance—and ultimately create financial value—are now imperative for today's complex global supply chains.

8 KEY BENEFITS OF MANAGED TMS

- ① Cost management and savings
- ② Visibility and business intelligence
- ③ Risk management
- ④ Demand forecast planning
- ⑤ Operational efficiency and automation
- ⑥ Customer service and satisfaction improvements
- ⑦ Scalable business growth support
- ⑧ Cash flow and payment process improvement

8 key benefits to include in your business case for Managed TMS

1

COST MANAGEMENT AND SAVINGS:

TMS technology—arguably the most important logistics management tool available to companies—can make a major contribution by identifying and leveraging cost-cutting opportunities. On average, an end user can expect savings between 5% and 15% on freight spend, according to Gartner client feedback.

Your business case should identify the anticipated savings that the TMS can deliver through optimizations and automation. Then it should focus on the reasons why a TMS offers the best chance for achieving sustained savings.

Gartner also recommends fully assessing and presenting a “do nothing” scenario, highlighting the potential costs if you do not acquire a TMS.

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THE RIGHT TMS SOLUTION CAN DELIVER RESULTS THAT MATTER, INCLUDING THESE HARD COST AND PRODUCTIVITY IMPROVEMENTS:

OPTIMIZATIONS

- Lower-cost mode selections
- Better rate selection and load optimization
- Continuous moves and dedicated fleets

PROCUREMENT SAVINGS

- Visibility to freight spend, support efficient procurement processes, negotiate better rates

ROUTE GUIDE COMPLIANCE AND AUTOMATION

- Increased usage of preferred and contracted carriers aligned to procurement plans

FREIGHT AUDIT AND BILL PAY ACCURACY, IMPROVED COST MANAGEMENT

IMPROVED SERVICE LEVELS, REDUCING OTIF FINES

OPERATIONS EFFICIENCY AND AUTOMATION

PICK UP AND DELIVERY APPOINTMENT SCHEDULING

Source: Gartner, December 2017

2

VISIBILITY AND BUSINESS INTELLIGENCE: With a single, consistent source of performance data, TMS technology allows you to deliver one version of the truth. This is valuable to multiple levels of any organization from executives to day-to-day planners who are swamped by numerous—and often conflicting—sources of information.

Advanced TMS solutions provide a suite of business intelligence tools that can visualize data in countless ways. This versatility enables logistics teams to generate reports for a wide range of audiences—including senior executives and other departments that require specific types of information.

Global TMS technology provides a panoramic view of an organization's entire supply chain with details for every shipment worldwide. Real-time global visibility—down to the SKU level—brings new agility, accuracy, and insight to critical transportation and logistics decisions.

3

RISK MANAGEMENT: The importance of mitigating and eliminating risk has captured the attention of the C-suite, and today's complex supply chains are prone to a wide range of disruptive threats. Companies that announce supply chain disruptions see an average loss of 10% in shareholder value, with an average recovery period of more than 50 days, according to a 2016 KPMG study.

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TMS solutions should be part of corporate risk management strategies. Platforms that have integration with real-time data feeds—including weather, traffic, socio-economic disruptions, and other factors—help optimize decision modeling, risk analysis, and other critical supply chain processes.

4

DEMAND FORECAST PLANNING: Accurately forecasting market demand is one of the toughest challenges facing logistics teams. TMS technology can help corporate leaders better understand demand patterns by providing a clearer picture of freight flows at local, regional, and global levels. This ultimately leads to improved workforce planning at your sites and collaborative shipment planning with material vendors; it also provides carriers with the insights they have been asking from shippers.

The availability of real-time information of freight and inventory in motion can help enhance decision-making and improve the understanding of supply and demand. This can also make it possible to respond immediately to marketplace changes or disruptions—including sudden spikes in demand, like when a product launches or has seasonal demand.



5

OPERATIONAL EFFICIENCY AND AUTOMATION: With a Managed TMS model, you gain immediate access to technology power users and logistics experts. This allows you to avoid the need to invest in additional headcount and ongoing training costs to manage the technology. This access, along with the technology's ability to automate some routine tasks, lets you focus on core business priorities.

TMS technology can make fast, agnostic transportation selections. A platform that houses all of your freight information can quickly select the most cost-effective routes and logistics service provider to meet each order's requirements. Route guide automation ensures accuracy to procurement awards and captures compliance for robust carrier scorecards.

6

CUSTOMER SERVICE AND SATISFACTION IMPROVEMENTS: Supply chain operations need to be able to serve the complex demands of customers today, while also being agile enough to continue adapting to the evolving consumer preferences that will inevitably occur. Today's consumers are very informed and connected. They are accustomed to receiving constant updates at their fingertips—knowing precisely how their orders are being processed, where they are in transit, and when they are scheduled to arrive. Leveraging advanced supply chain technology, you can avoid supply chain disruptions, reduce OTIF fines, and make informed decisions to help ensure your products reach their destination—and your customers—on time.

7

SCALABLE BUSINESS GROWTH SUPPORT: The ability to respond immediately to changes in the marketplace with real-time data at your fingertips is critical for survival and profitability. In traditional supply chains, there are a lot of manual processes, from phone calls to emails. These tools limit your ability to scale with the pace from a sudden spike in demand, especially for products that are new to the marketplace or have seasonal demand.

If your company is growing through acquisitions, you'll need network rationalization. TMS can aid in supporting efficiency in that growth to new channels and product categories.

8

CASH FLOW AND PAYMENT PROCESS IMPROVEMENT: Carrier satisfaction matters when it comes to the pricing and service you can expect to receive. Timely and accurate payments to carriers can help improve your status as a shipper of choice. Many TMS platforms can give visibility into carrier payment processing and provides shippers with customized, virtual payment options. Shippers can immediately approve or reject accessorials, rather than wait for invoices to be transmitted. You can even use the system to automate payments, which streamlines the invoicing and billing processes. In addition, TMS platforms provide visibility on planned versus actual transit days; updating your master data management systems provide improved planning and lower inventory carrying costs.

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