Choosing a TMS Plus Managed Services Provider
Making the Most of Your RFP
IN BRIEF

Implementing a transportation management system (TMS) and want to make sure you maximize the return on investment (ROI)? Managed services solutions offer TMS technology combined with experienced logistics talent who maximize the value of the TMS technology. If you are considering an RFP process to source a managed services provider, there are several key items that can help you choose the provider that best fits your organizational strategy and help you achieve your goals.

CONTENTS

Outline Your Goals and Objectives ........................................... 2
Consider the People ................................................................. 2
Find the Right Culture Fit ......................................................... 2
Assess Technology Scalability, Features, and Analytics .............. 3
Mitigate Risk ........................................................................ 3
Understand the Deployment and Ongoing Process Improvement Strategy ........................................... 4
Develop a Definitive Savings Plan ............................................. 4
Retain the Control You Need .................................................... 5
Look for Hidden Fees ............................................................. 5
Look Beyond Standard RFP Responses .................................. 5
OUTLINE YOUR GOALS AND OBJECTIVES

Before asking questions of the potential providers, it is vital that you clearly communicate the purpose of the RFP and your strategic objectives. Giving providers a strong sense of your current capabilities, freight characteristics, and future goals will enable them to craft solutions that adapt well to your organization. Additionally, make sure the key stakeholders and impacted personnel within your organization have a clear understanding of these goals. This will help in the provider evaluation process, but will also assist in managing internal change as you implement new solutions and processes.

CONSIDER THE PEOPLE

Managed services solutions enable shippers to maximize the TMS value by providing personnel who are seasoned TMS and logistics experts. You are no longer required to develop and maintain proficiency with the TMS technology; your team can focus resources on strategy, rather than day-to-day tactical execution. Use the RFP process to understand the level of expertise, experience, and knowledge of the provider’s staff.

- Are these individuals dedicated resources?
- How does the provider incent its employees to ensure your organization reaches its goals?
- What training and ongoing talent management programs are in place for their personnel?

FIND THE RIGHT CULTURAL FIT

The managed services provider you choose becomes an extension of your staff. Your team works side by side with the provider to drive savings, service level improvements, and other important results across your supply chain. Ask potential providers to describe their organizational culture, mission, and values, and ensure the provider demonstrates a record of collaboration and long-term client relationships.

- Is your organizational culture a fit with the provider’s culture?
- Does the provider have a track record of long-term, collaborative relationships?
ASSESS TECHNOLOGY SCALABILITY, FEATURES, AND ANALYTICS

When evaluating a managed services provider and the technology they deploy, it is important to understand the technology’s ability to scale with your business growth. It is equally important to consider key features and analytical capabilities needed to execute your organizational strategy such as optimization, procurement, event and exception management, freight audit and payment, and business intelligence.

- What is the technology’s global reach?
- Can the technology be deployed quickly in new business markets?
- What is the future technology development pipeline and does it meet your organization’s future growth goals?
- Does the technology platform provide enhanced visibility capabilities, including predictive and prescriptive insights?

MITIGATE RISK

Your provider’s disaster recovery and technology risk mitigation strategies are important to avoid any lapse in service to your customers. It is important that the provider be directly accountable to its customers for system changes and new developments. Additionally, technology owners can be more agile than those that are beholden to external partners, and that translates into important competitive advantages for you.

- What is the provider’s business continuity plan?
- What tools and processes are in place to achieve robust technology performance and availability?
- Does the provider own the core technology that will be utilized to execute managed services agreements?
UNDERSTAND THE DEPLOYMENT AND ONGOING PROCESS IMPROVEMENT STRATEGY

Every successful managed services deployment begins with an expert analysis of your current state of business and future supply chain goals in order to properly configure the TMS and supporting processes. This requires deep expertise and proven processes founded on the principles of Six Sigma, LEAN, and other rigorous disciplines. When assembling your RFP, it is important to ask for the qualifications of the provider’s team who will lead the deployment effort, and for their continuous improvement strategy. Ask what ongoing process improvement resources they provide as part of the solution. Your provider should also have a very detailed approach to implementation that respects your time and resources. Ask potential providers about the processes and resources they will provide to support implementations.

DEVELOP A DEFINITIVE SAVINGS PLAN

In the past, early software-driven TMS deployments generated skepticism in the market because shippers who bought the technology saw ROIs much later than they had hoped, if at all. TMS deployments that include managed services are designed to deliver savings as early as your first shipment. An effective savings plan will include these key elements: 1) a clear roadmap to sustained (or increased) savings over time, and 2) a process for continuously identifying and achieving savings in additional areas.
RETAIN THE CONTROL YOU NEED

The most productive and sustainable managed services deployments allow you to retain the right level of strategic control over your transportation network. In your RFP, ask prospective providers to describe their collaborative planning, execution, and optimization processes.

- What level of flexibility does the provider offer in terms of solution design and process outsourcing to ensure you can retain the right amount of control over the strategic aspects of your business?
- Will the provider collaborate with you to stabilize your network, improve service levels, and drive sustained savings?

LOOK FOR HIDDEN FEES

Managed services deployments are designed to increase efficiencies and save money, not spend it. To avoid spending unnecessary dollars, ask potential providers about their fee structure. It is also important to understand if there will be any ongoing costs for training, system upgrades, and maintenance. Be sure to look into the hidden costs of EDI integration with a carrier base or multiple legacy systems. Highly refined managed services solutions are based on full disclosure, with visibility giving you a true handle on where your costs are and how they are trending.

- What are the fees associated with implementation and integration?
- Are there any costs associated with training?
- Are there any additional fees for system maintenance and/or upgrades?

LOOK BEYOND STANDARD RFP RESPONSES

Asking the right questions in an RFP process is an important part of vetting potential providers. But, it doesn’t stop there. Once you have narrowed the field, it is important to look beyond the standard RFP responses to better qualify which provider is the best fit for your organization. Conduct site visits to see how each operation is managed. Meet with leadership—as well as
account management and operations personnel—
to get a true feel for organizational compatibility,
experience, and expertise. Ask for a detailed
technology demonstration to make sure the tools
will not only help you to meet your strategic goals,
but your operational goals as well. A provider
should also collaborate with you to develop
a business case by helping you evaluate and
interpret data to understand your current state—
including processes and spend—and the impact
and improvement a TMS can bring. Mapping a
solution and finding the right provider isn’t always
easy. These suggestions can help you separate
average solutions from best-in-class providers and
will help ensure you reach your supply chain goals.

ABOUT TMC

Global supply chains are growing increasingly complex. Businesses need the
latest technology and industry expertise to advance and stay ahead of the
competition. At TMC, a division of C.H. Robinson, we understand what makes
supply chains faster, stronger, and more efficient. As a leader in global logistics
management, we combine industry expertise with our global technology
platform, Navisphere®, to support the world’s most complex supply chains.
Our logistics experts are located in five Control Tower® locations around the
world: Amsterdam, Chicago, São Paulo, Shanghai, and Wrocław. This Control
Tower network, supported by our technology platform, connects our customers
to their suppliers and supply chain partners. Our customers leverage these
capabilities to manage their logistics in over 170 countries across all modes of
transportation.

To learn more, visit www.mytmc.com or contact us at:
Americas 1-800-323-7587
Europe +31 20 580 5700
Asia +86 21 2322 6500

BEYOND THE RFP

Follow these four tips to help you
identify which provider is the best
fit for your organization:

1. Conduct site visits
2. Meet with leadership,
account management,
and operations personnel
3. Ask for a detailed technology
demonstration
4. Develop a business case with
the provider