

Best Practices to Select

The Right Shipping System for Your Business

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Best Practices to Select and Implement the Right Shipping Software for Your Business

How can you be sure you're choosing the right shipping system for your company? It's the "Number One" question every manager faces when weighing the costs and benefits of replacing a legacy system. There is, unfortunately, no easy answer. Shipping operations – and shipping software requirements – are more complex than ever, and there is usually no "out of the box" solution that fills most shippers' needs. Selecting a solution requires a certain level of trust that the software will actually perform as planned once it is configured for your needs.

However, there is a way to improve your odds for success. You can make the most informed decision by following three important steps:

Step I: Create a Shipping Requirements "Blueprint"

The first step every buyer should take is to create a shipping requirements document or blueprint that defines both "must have" and "preferred but not required" operational requirements. Ideally, this document should be drafted before you even begin speaking with potential vendors. The document doesn't have to be perfect, but it is important to have a general workflow document to guide any dialogue with vendors. Shippers who do so without it can unwittingly turn the control of the conversation over to the software vendor.



Creating the requirements document may seem like a daunting task but it doesn't have to be. One approach is to take the existing documentation for your current system and use it as a starting point. Odds are that your system may have changed since the document was created, but this can be noted.

As a next step, invite operational team members to help you map the existing and future shipping workflow on a whiteboard. As you go through this process, try to avoid thinking solely in terms of replacing the functionality of the current system. This is the time to identify current and future shipping needs that can deliver significant value to your business.

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For example:

- Are certain shipments being processed manually due to billing, labeling or document tasks your current system cannot handle?
- Can your order entry department access the shipping system to quote accurate freight rates on customer orders?
- Are other departments such as sales, marketing and purchasing able to access your shipping system to process non-warehouse shipments?
- Are there other carriers you'd like to add to your portfolio but are prevented by current system limitations?
- Are you planning to expand your e-commerce operations? Can your current shipping system accommodate this?
- Are you prepared to handle new international customer orders as your e-commerce business grows?

The goal is to define and prioritize the specific deliverables you expect from the new system and the metrics you need to measure results. If your mandate is to reduce transportation costs by 10%, what specific functionality is required to arrive at that reduction? If you want to reduce freight upcharges due to incorrect addresses or routing instructions, what is required in the new system and how will you measure results? These are just a few ideas to consider as you develop your requirements document.

Organization-Wide Dialogue is Critical



To ensure that the new system delivers all the value it can, invite input from every department that needs shipping information to do its job. Although shipping systems are traditionally located in the warehouse, accurate shipping information is routinely needed by employees in purchasing, sales, order entry, customer service and finance.

How would these departments like to access shipping information? What information do they typically use, how do they obtain it and how could this be improved upon? What additional information would they like to have?

Organization-wide dialogue may take time and generate more feedback than planned for, but it may also uncover great cost-saving opportunities that would have otherwise been missed. For example, following are some issues raised by shippers:

- "We have a shipment request sheet that is manually filled out with the ship-to address, etc., then sent with the parcel to the shipping department where it is manually keyed into the shipping system. This process is error prone and time

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consuming."

- "We'd like to allow employees to ship personal packages at our negotiated rates as an employee perk and possibly accept their credit card as payment for freight. They won't have to 'run out' at lunch to ship a birthday gift when they could do it from their desk. How can you help us?"

- "The big box stores require specific data to populate carrier reference fields for transmission to the carrier. We do this today by having the shipping operator read and key in free-form notes on the pick slip. If there is an error, we are fined by our customer. We'd like to automate this process."

- "Customer routing guides mandate that shipments be processed freight collect and/or third party billing. Too many times we've erroneously shipped these orders "prepaid and add" only to have the customer refuse to pay freight as specified in the routing guide. I'd think that this could be done programmatically to eliminate the manual intervention. Can you help?"

- "We'd like the system to identify and flag shipment consolidations for us – both on domestic and international shipments. How can we do this?"

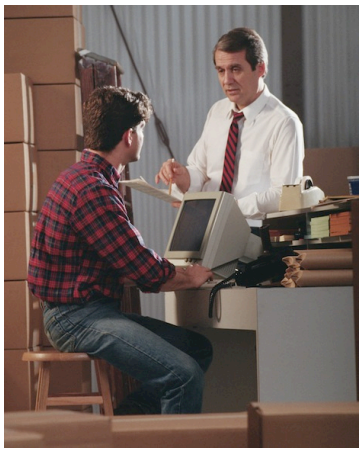
These are just a few examples of areas of opportunities that, once discovered, can streamline the workflow and reduce costs in areas that may have been overlooked.

II. Compare Vendors

Once your requirements document is roughly complete, you're in a great position to consider potential vendors. The Internet may be helpful in an initial search, but you may also want to:

- Ask your industry peers; find out what they like and don't like about their system.
- Ask your carrier representatives about multi-carrier shipping systems they've seen in other customers' sites.

Carrier Agnostic or Carrier Provided?



Carriers also offer a range of free systems, which may sound very appealing as a means to get the basic job done with very little upfront investment. However, it's wise to carefully scrutinize what "free" means. Most of these systems may offer some level of automation, freight rating and routing, but they will not offer the same level of rate, route or mode selection that a carrier-agnostic system provides. Before you choose a carrier-provided system, consider the following:

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- Will the system allow you to fully compare routes and rates between multiple carriers and modes?
- Does the carrier require you to commit to a certain freight volume and a contract in exchange for the free system? Can this commitment or contract be canceled and at what cost?
- What will be required to integrate the system to exchange real-time data with your host systems? Who will be responsible for the implementation and updates?
- What is the availability of support after the integration and what are the service level agreements of the supporting party?
- Is the carrier willing to apply an equivalent monetary investment with a third party vendor solution that more closely meets your needs in lieu of the carrier provided solution?

These and other aspects are important to consider in calculating your implementation costs and your ability to respond to rapid business changes once your new system is up and running. Let's say for example, that your competitors offer free shipping for all customers and your best weapon to compete is to add other lower cost carriers to your mix. If you're using a carrier-provided system that means you're committed to a certain volume of freight, your options are limited. The best option is to choose a truly carrier-agnostic solution that allows you to shift your freight dynamically as business patterns change.

Vendor Due Diligence



Equally important to evaluating the software, it's also critical to ensure that you choose a vendor with sufficient resources to support your company for the long-term. Your vendor due diligence process should include:

- Company history, operations and financials
- Technical and industry expertise
- Company's product roadmap
- Product development and support resources
- Customer base

Once you've determined which vendors offer the software solution you require, get to know the company. Schedule a visit to their corporate headquarters to meet the staff; insist on meeting and interviewing the team members who will work on your project. Visit actual customer sites where the software is in operation, preferably in a configuration that is similar to your needs.

III. Request a One-Day Planning Session

At this stage, you should have a very short list of potential vendors. The best way to identify the best partner is to conduct a detailed one-day planning session to review the vendor's product, project implementation and support methodologies.

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Plan to include your key operational and IT staff in this discussion to ensure that all critical areas, as outlined in your requirements document, are covered. The vendor should be prepared to bring their project resources to this meeting and provide a demonstration of the system based on real-world scenarios provided by your team.

Additionally, part of the exercise should be to begin to identify data mapping requirements between your shipping and other enterprise systems. Gap analysis to identify missing data mapping elements should also be discussed.

The idea is not to complete this data mapping exercise at this meeting, but to identify the right team members to create a detailed data map before implementation begins. You'll gain great insights into the vendors' level of expertise based on their responses and ideas generated during this one-day planning session. You should also be in a good position to identify the best vendor for your project.

Bottom Line – It's a Partnership

The selection of a new shipping system is not just about purchasing software; it's about building a productive partnership. Shipping software is rarely installed as a plug and play solution – it is implemented as a highly configured system that is intended to perform for years.

To achieve the greatest operational and financial returns, partner with a vendor whose team brings in-depth technical and industry experience to the table. When you've chosen a partner that both develops and implements its own software, you've gained a collaborative environment that will serve you well in the long-term.

About Advanced Distribution Solutions, Inc.

Advanced Distribution Solutions, Inc. (ADSI) is an industry-leading provider of flexible logistics management solutions for manufacturers, distributors, corporate campuses, online retailers, third party logistics providers (3PLs) and others. ADSI's solutions include ***Ship-IT™,*** *a multi-carrier transportation management solution for domestic and export shipping, and desktop shipping software or SaaS shipping software solutions, optional configurable modules for order picking & packing, delivery tracking software and more. We offer consulting services to help our clients integrate their shipping software with a wide range of host systems. ADSI's solutions are integrated to Oracle, SAP, JD Edwards, PeopleSoft, MS Great Plains, MS Dynamics, MS Navision, MoveX, MAS, SAGE X3, RedPrairie, BPICS and more. We also integrate our systems with mobile computing devices, barcode scanners and barcode printers. Founded in 1997, ADSI's customers include 1750+ installed sites located in the U.S., Canada and internationally. The company has established a reputation for responsive customer service, flexible support and a long-term commitment to helping clients address a wide range of shipping challenges.*

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