THE COMPLETE BUYER'S GUIDE

to Transportation Management Systems

The 12 Must-Ask Questions You Need Answered First



KUEBIX®
Freight Intelligence™

INTRODUCTION

What if you could have full control and visibility into all the logistics-related data of your supply chain? Together, control and visibility can give users the power to define, manage and evolve their supply chains, allowing them to cash in on revenue opportunities and be flexible enough to meet ever-changing business and economic needs.

With the right transportation management system (TMS), you can get that level of power along with the ability to automate and streamline manpower, time- and resource-consuming tasks such as finding the best rates, monitoring shipping statuses and managing inbound and outbound shipping schedules. And with the power of predictive analytics at your fingertips, you could take action to dramatically reduce your freight costs and make better decisions faster.

A TMS can be the solution for all supply chains from the simple to the complex. It has become an essential tool for managing the many challenges that come with shipping freight. The right TMS must integrate with your existing ERP system and offer valuable insights into tangible ways to reduce your freight spend, improve your customer service and reduce your cost of goods.

THERE IS ALMOST NO LIMIT TO HOW A TMS CAN BENEFIT YOUR UNIQUE SUPPLY CHAIN.

But the key to success is finding the right one for your goals. So, before selecting a TMS, use the 12 questions in this buyer's guide to find the best solution for your company.

TABLE OF CONTENTS

04
Why Do You Need a TMS?

05
What Are the Critical Functions and Benefits of Using a TMS?

06
Are There Demos or Free Versions Available?

07
Does the TMS Offer a Full Carrier Network?

08
Does the TMS Vendor Understand Your Industry?

09
How Long Does it Take to Get the TMS Up and Running?

10
How Much Will a TMS Cost You?

11
How Well Does the TMS Integrate with Your Other Systems?

13
What is the Support System Like?

14
What is the TMS' Backup/ Recovery Plan?

15
Can the TMS Scale with Your Business?

16
Does the TMS Support All Modes of Transport?

01

Why Do You Need a TMS?

Before exploring the many TMS options that are available, you should determine exactly why you need one.

For example, think about your goals and what you're hoping to achieve with a TMS.

Is your company a small- to medium-sized business looking for an alternative to the manual processes of finding carrier rates, booking and tracking shipments? Or does your enterprise-sized company have a more complex supply chain that could be streamlined and made more flexible with premier applications and integrations? Do you ship enough so that the integration of your ERP systems to your TMS will save you time and reduce errors?

Do you need to address specific tasks such as order consolidation and optimization, yard and dock scheduling, a tool to create RFPs for your carriers or a way to manage your inbound as well as your outbound?

Once you've determined your current situation, you'll be able to make the most informed decision possible.



02

What Are the Critical Functions and Benefits of Using a TMS?

A TMS enables you to automatically rate, book and track shipments, manage carriers and communicate with shippers and customers in real-time. On top of these benefits, a TMS should be able to solve other challenges by:

- Offering a large carrier pool with more options to help you find the right carrier at the right price and service level.
- Consolidating and optimizing shipments for cost-effectiveness.
- Ensuring accuracy and time savings with efficient system-to-system communication.
- Informing you and your customers of shipping statuses.
- Automatically documenting and auditing invoices, handling claims and exceptions.
- Instituting pre-paid and added function to customer billing to avoid losing money.
- Incorporating all shipping options (parcel, LTL, TL, rail, etc.) and modes on one platform.
- Creating easy-to-read reports and dashboards that keep track of the cost and service level of every shipment.
- Managing the RFP process with carriers to efficiently set up the best rates and service levels to tender shipments more effectively.

A TMS that offers full analytics can also tell you what you're doing well and where you could optimize your efforts by giving you full visibility into your supply chain.

03

Are Demos or Free Versions Available?

If you're running a small supply chain, a free demonstration or version of the product will be essential before committing to a platform. Since it's unlikely that a small supply chain needs to start out with full integration capabilities and more complex applications, demonstrations and free versions must require little time to set up.

Demonstrations provide a first-hand tutorial from the experts, which will give you full insight into how the system works. If the TMS offers a free version of the system, that could be of a far greater benefit because free versions allow you to use the system in real-time and see real results incorporated into your everyday operations.

For those with enterprise-level supply chains, integrations are almost always necessary, meaning extensive time and resources are required to set up a customized TMS. As a result, a free version and demonstration that is fully tailored to your needs is often hard to facilitate. However, some TMS platforms offer one-day demonstrations that are customized to the way you work, showing you the full life cycle of an order in a sandbox testing environment. The TMS will need some of your actual order data to set up this demo, and will then simulate integrations to give you a feel for the system.



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04

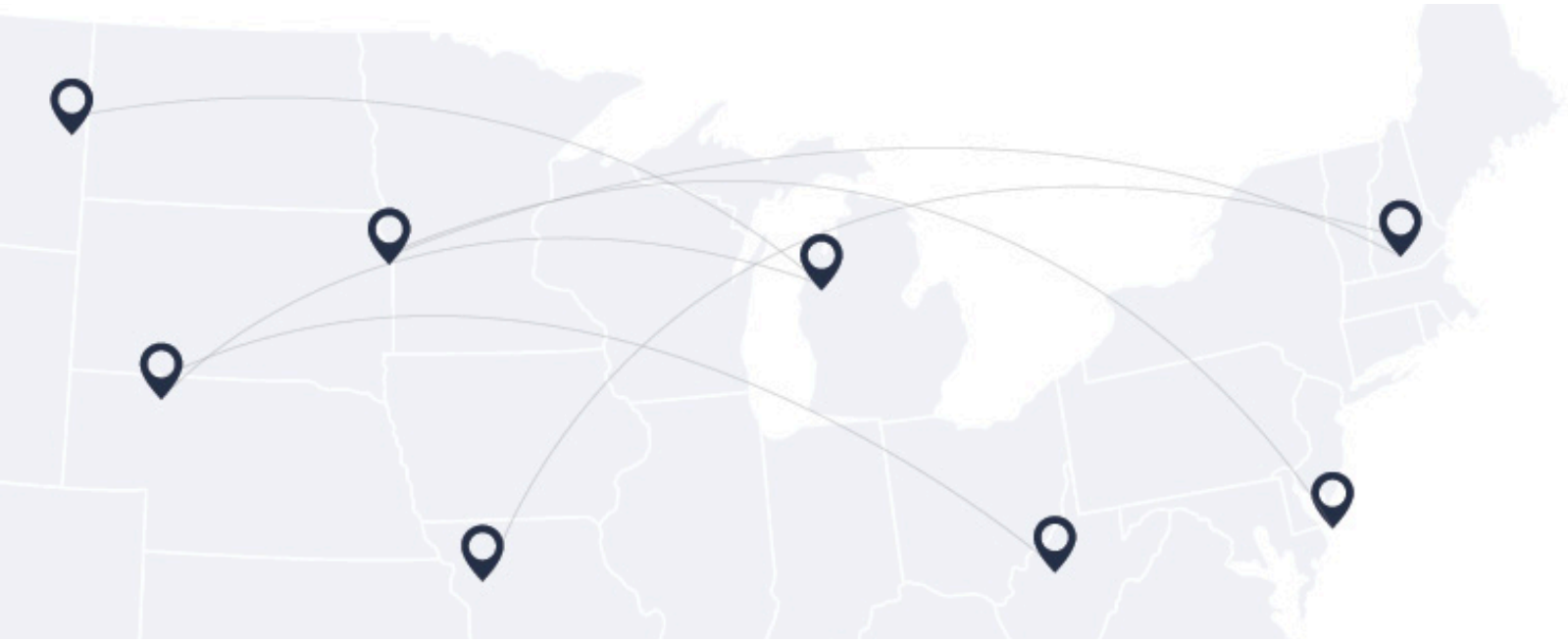
Does the TMS Offer a Full Carrier Network?

A solid TMS should allow you to join an inclusive, online logistics community that enables you to use the negotiated rates with your current carriers and leverage a full set of additional carriers for parcel, LTL and truckload shipments.

The community should provide a single online location through which you can communicate and collaborate with your carriers through portals that can help you manage exceptions and changes as they occur.

You should also check to see if the TMS you're considering offers spot ratings with carriers outside of your network so that you can find the best rates and service levels for specific shipments.

The TMS should provide an out-of-the-box web services integration that is included at no additional charge, and an EDI integration where necessary.



05

Does the TMS Vendor Understand Your Industry?

Freight shipping is full of challenges. Orders get changed or cancelled. Freight is damaged. Unexpected assessorial charges can appear. Shipments can get delayed.

Because of this, a TMS needs to be backed by freight experts first and foremost. Then it should be surrounded by skillful technologists who understand the platform inside and out. Together, the freight experts and technologists should speak the language of freight shipping and understand shippers' pain points.

When looking at a TMS, ask this question: Is the TMS run by freight experts who hired technologists, or technologists who are just learning about freight? Because at the end of the day, you'll want a system that can speak your language.

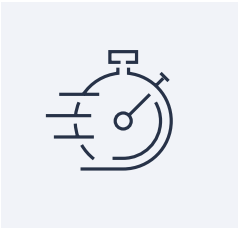
Dive a bit deeper and check out vendors' customer and focused industries list. If your vertical isn't mentioned or customers don't include anyone in your vertical, the TMS provider may not have a solid understanding of specific challenges you face. Many of the providers actually cater to 3PLs and brokers that have not specialized in solving shipper problems. If all the customers are in one or two industries – and not yours – look for a TMS provider with broader experience.



06

How Long Does it Take to Get Started with the TMS?

The level of sophistication of the TMS you need will be the deciding factor in how long it takes to set up.



If you're running a simple supply chain that doesn't require any integrations, a TMS can get up and running quickly – **often in a matter of minutes**. From there, you're able to upload your negotiated rates with your carriers and get started shipping immediately.

Make sure that your TMS vendor has web service integrations so you can onboard your major carriers. EDI integration to carriers that do not support web services is essential. Some vendors do not support EDI which can be very limiting, while others use a third party for the web service integration and you will find additional charges to connect to your brokers. All of this should be tested in a trial or free version of the software.

If your supply chain is complex and you're processing many orders per day, you will need your ERP system to talk to the TMS so that orders do not need to be entered twice. You will need IT to coordinate the setup with your TMS vendor. You may also want invoice information integrated back into your ERP system to keep track of the life cycle of the financials of an order. Make sure that your TMS vendor has experience with your ERP supplier or at least a solid framework for getting this done.

Plan on 30 to 60 days to get your system set up and running if there are several integrations required. Many on-site systems require up to nine months to over a year for implementation, which can cost more than the yearly cost of the software subscriptions. These products have old architectures and should be avoided.

07

How Much Will the TMS Cost?

The cost for every TMS in the industry is going to vary. But when considering the right TMS for your business, you should measure the total cost of ownership (TCO) of each option.

An on-premise solution will have a high TCO because it involves a hardware-based system that needs to be implemented, configured and supported. This typically requires several people to install equipment and handle maintenance and updates. Plus, the vendor often requires a multi-year contract covering the equipment before you even realize its benefits.

By comparison, a cloud-based solution has a much lower TCO and can be up and running in a matter of minutes or days, depending on the complexity of your supply chain.

Since everything is stored in the cloud, no staff is required to maintain the hardware and updates are installed automatically. In contrast, cloud-based TMS platforms are priced on a month-to-month basis, or annual basis, allowing you more flexibility. Make sure that your prices are truly all specified, as many vendors charge extra for web service or EDI connections.

Additionally, it is important to investigate if the TMS vendor's system is modular. If it is, you only need to pay for what you need and can add more sophisticated functionality as required. Many of the larger vendors have older architectures and force you to buy their full-blown system at the outset, which can be very expensive. The cost to onboard carriers and implement the TMS should be about 20% of the cost of the software. Potential customers should carefully analyze implementation time and cost.

08

How Well Does the TMS Integrate with Your Other Systems?

The TMS you implement should offer integration options for third-party and internal systems. Some of the most common ones include:



CARRIER INTEGRATION

Most importantly, your system must integrate with your carriers. This includes being able to rate, book and track shipments as well as enabling quick communication. With full connectivity to your carriers, your TMS should make it easy to transmit tracking statuses, financial data and other vital information. Both web services and EDI should be available at no additional charge.

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ERP SYSTEMS

Since these systems are commonly a part of a complete supply chain, your TMS needs to integrate with them to provide logistics professionals complete visibility into their operations. It should be as simple as typing in an order number to see every detail.



FINANCIAL

The TMS also needs to have the ability to feed audited items back into the ERP or financial system through a simple integration. This allows you to pay carriers through your own financial system.



APPOINTMENT SCHEDULING

Your TMS should make it easy to communicate appointment information and delivery schedules. Most importantly, the TMS should be able to tell you if a delivery will be delayed, so you can notify the customer in advance.



WAREHOUSE MANAGEMENT SYSTEM (WMS)

When an order is received and scanned into your warehouse management system (WMS), the TMS should be able to receive order information through a simple integration to facilitate shipment. The TMS should have a dock scheduling function that feeds appointment data into the WMS.



SUPPLIER INTEGRATION

Portals should be available for suppliers and carriers to communicate important issues as they arise and resolve problems.

Remember: the more integration possibilities available, the less manual operation that will be required and the more accurate your supply chain will be.

09

What is the Support System Like?

With any system, having a support team to back you up is going to add a much-needed level of comfort. But it's important to look into a TMS' offerings since every platform offers varying levels of support.

You should expect basic, free support during business hours. This typically involves communicating with the TMS company via phone or email, with your inquiry then being triaged and directed to the appropriate person.

Some TMS platforms also offer paid, higher levels of support with faster response times and additional benefits, and you may require 24/7 support. We suggest talking to several references to be sure that your potential vendor has a track record of reliable support.



10

What is the TMS Provider's Backup/Recovery Plan?

Your business will depend on a TMS for the bulk of its operations, so verifying a solid backup/recovery plan will be in your best interests regardless of the type of emergency.

An on-premise hardware system has a high chance of extended periods of downtime in the event of an emergency. It could take a full day after extreme weather for it to get back up and running, which means a full 24-hours without access to the system for you and your customers.

A cloud-based, Platform-as-a-Service (PaaS) solution offers the quickest recovery time after an emergency. This type of solution runs on a platform like Force.com, which has a full staff of technologists and engineers on call and systems built for redundancy. If your TMS goes down, they can switch you over to another node within milliseconds. All you need to worry about is internet access.



11

Can the TMS Scale with Your Business?

The functionality and flexibility of the TMS will determine whether it's able to scale with your business.

A TMS should be able to grow with you, whether you run a small supply chain or an enterprise-level system. As your business changes, it's likely that your system needs will vary.

Make sure the TMS you choose offers a full menu of application and integration options. You should also be able to bring on as many internal users as necessary. Also, a priority is the ability to integrate all of your suppliers through portals. Make sure the functionality can be purchased in a modular fashion so that you only pay for what you need.

TMS

SMALL SUPPLY CHAIN



ENTERPRISE-LEVEL



12

Does the TMS Support All Modes of Freight?

It is important to have a single system that can handle all modes of transportation, including:

- LTL
- TL
- Parcel
- Heavy air
- Rail
- Ocean
- Intermodal

You do not want to go to several different systems to manage your freight. You will be back to using carrier web sites again and losing productivity. There may also be opportunities to consolidate from one mode of transportation to another to create savings and efficiencies. This would only be possible in a single system.

Be wary of carrier systems that favor their service if you need full transparency. Additionally, many of the lower-end systems do not support parcel or heavy air modes, which might be quite important to your business.





Conclusion

Founded by a freight industry veteran, Kuebix offers a transportation management system (TMS) that delivers freight intelligence that empowers companies to capitalize on supply chain opportunities through visibility, collaboration and predictive analytics.

Kuebix TMS is built on the leading cloud technology including the Salesforce Force.com platform. The TMS allows clients to implement the solution very quickly with the core TMS, then seamlessly add Premier Applications and Integrations as needed. Kuebix also offers unique Managed Service Programs to businesses looking to partially or fully outsource transportation management.

For more information about Kuebix TMS, **contact us here.**

www.kuebix.com | 978-298-2100

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