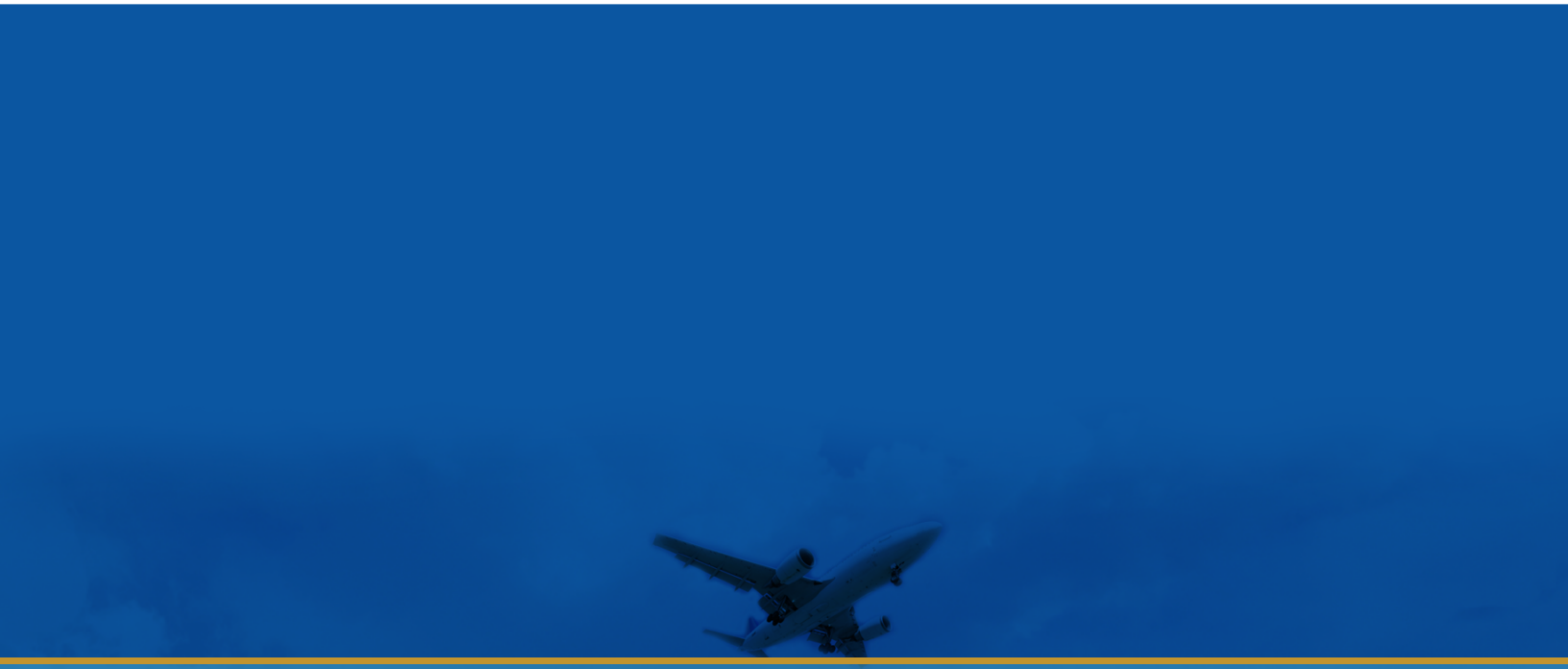
UltraShipTMS
Intelligent Logistics



Five Ways a TMS Solution Adds Value to Any Shipping Organization



FIVE WAYS A TMS SOLUTION ADDS VALUE TO ANY SHIPPING ORGANIZATION

Transportation professionals and supply chain management practitioners are natural supporters/champions of automation solutions like Transportation Management Systems (TMS), Transportation Optimizers, Yard Management Systems (YMS) and other supply chain logistics solutions. The strategic and tactical benefits of these tools are immediately evident to these folks in particular because the benefits apply directly to day-to-day transportation tasks, unlocking efficiencies, visibility and savings helping supply chain logistics become a significant value driver to any organization.

Yet, proposing any logistics IT implementation requires the willing participation of functions outside of transportation/ supply chain management. It requires the approval of decision-makers in finance, in IT and in executive leadership. These decision makers may not share the same enthusiasm for the project their colleagues in transportation do. Supply chain software doesn't have the direct positive impact on their day-to-day activities. Moreover, they often have reservations about approving projects like TMS, based on considerations relevant to their respective functions.

A finance stakeholder is concerned with what the solution will cost the organization; total cost of ownership; return on investment, etc.

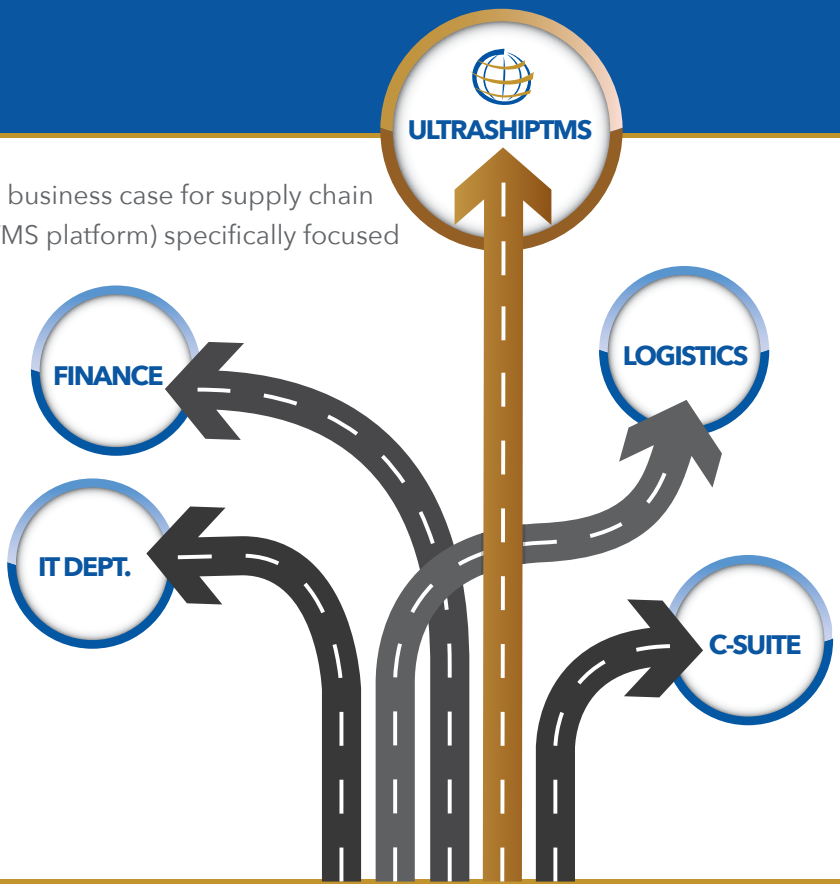
IT worries about the extent to which a new, third-party IT solution adds to the IT workload and the level of effort IT will be called on to exert in support of any new implementation.

C-Level executive is concerned about the necessity of the project and weighs the risk and reward of a proposed logistics IT initiative against those issuing from other departments within the organization.

As such, in order to gain enthusiastic buy-in from all the decision-makers, a **supply chain logistics** IT champion must convey an iron-clad value proposition to each stakeholder. The champion must not only convince stakeholders of the specific value the solution delivers to each, but must also succeed in demonstrating the worthiness of these solutions compared to competing enterprise solutions in other quarters of the organization.

What follows is a breakdown of the value proposition and business case for supply chain logistics IT solutions (like those comprising the UltraShipTMS platform) specifically focused for each decision-maker.

Use these persuasive arguments to convince leadership in Finance, IT and the C-Suite of the unmatched benefits of supply chain logistics automation tools. Do it well, and ensure a greater probability of successful implementation and overall utilization as well.



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TMS PLATFORMS DRIVE VALUE FOR FINANCE

A web-based TMS and YMS solution provides detailed audit trails to make spend management simple. Gone are the days of reacting to over-spending when reports come in after 30 or even 60 days. With the reporting and audit capabilities of these tools finance users and CFOs can **find out where overspending is occurring in real time** and put controls in place to require approvals for any expenditures.

Finance stakeholders will also benefit from improved control over such activities as mileage calculations, fuel calculations, driver payroll histories and other areas of transportation spend instead of leaving them to chance or estimation. Web-based TMS platforms provide **detailed accountability for every dollar spent on transportation** and are extremely useful in demonstrating proper financial controls to SOX auditors or other financial auditing agencies.

With UltraShipTMS, finance users benefit from:

- Better accruals
- Immediate visibility
- The ability to target costs in different buckets
  - Fuel costs
  - Assessorial costs
  - Line haul costs
- The ability to segregate private fleet costs from common carrier costs
- Better allocation of costs back to GL, cost per SKU, customer, or other factors to better determine true delivery costs of materials and sales.

Don't take our word for it, ARC Advisory Group says:

> Proven ROI for Shippers
> *Transportation management systems offer a strong ROI, primarily by helping companies save money by lowering their freight spend. In a TMS survey from 2011, ARC found that respondents indicated freight savings of approximately 6 percent with the use of a TMS application. Of these savings, nearly 60 percent of users indicated that less than 25 percent of the net savings were absorbed by the TMS.*

Gartner Research Vice President, Dwight Klappich agrees citing lower overall total cost of ownership versus on-premise solutions and faster, easier deployment; both of which are key to minimizing the impact on a company's capital expense budget.



Bottom Line: Web-based logistics IT solutions significantly improve visibility and control over transportation spend which is often among the larger cost centers of a mid- to large-sized organization. Additionally, the SaaS delivery model provides a low cost-barrier to entry and demonstrable path to return on investment making TMS a low-risk/high reward proposition.

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TMS SOLUTIONS DRIVE VALUE FOR IT DEPARTMENTS

Between the ease of a SaaS-based solution implementation, and the top rated training and support that comes included with every UltraShipTMS program, native IT departments are remarkably undisturbed by the deployment of an Ultra solution. Further, if issues do crop up, client IT resources are afforded quality, one-on-one interactions with senior members of the Ultra development team to ensure speedy remediation of challenges.

UltraShipTMS solutions also minimize the "worry factor" among IT departments by maintaining continuous uptime, backup and failover policies to guarantee continuity even during major cataclysmic events. Ultra maintains robust disaster and business continuity plans for primary servers located at our New Jersey headquarters and offsite mirrored backups located at SSAE 16 Type II compliant secondary servers in Indiana.

Because UltraShipTMS is a SaaS-based TMS, there is no hardware maintenance requirement for client IT personnel. Neither is there any need for client IT to do anything when software updates/upgrades are issued.

Oracle CEO Mark Hurd addressing the 2015 Value Chain Summit said he believed cloud applications would account for 50 to 60 percent of the total enterprise application market within 5 to 6 years thanks to the speed of new functionality development; smoother, easier implementations and far more easy upgrades. Hurd believes:

> *It is not a question of 'if,' it is a question of 'when,' all new applications (from all enterprise vendors) will be delivered in the Cloud.*



Bottom Line: Web-based logistics IT solutions require less internal IT resources to maintain than the home-brewed systems they typically replace. A good web-based TMS solution – once implemented – will effectively ensure transportation requires less time and attention from their IT colleagues.

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TMS SOLUTIONS DRIVE VALUE EXECUTIVES CANNOT IGNORE

Chef executives, CFOs, CTOs and other corporate leaders have a different set of considerations to address when they contemplate authorizing the implementation of any enterprise software. While their perspective includes the functional and tactical needs of the affected departments, it must also consider the wider impact of any new software on the enterprise. The UltraShipTMS suite of enterprise transportation and supply chain management tools deliver the broad stroke benefits executives need to see before authorizing the engagement including:

- Ensuring a strong collaborative platform shared by all user groups, end-to-end
- Standardization and enforcement of transportation policies across the enterprise
- Improved cost containment
- A well-defined platform for integrating acquisitions and/or new divisions
- Improved vendor rating and vendor performance standards enforcement
- Increased control of transportation spend (down to the SKU level) for the CFO
- Enhanced ability to determine what drives bottom line
- Low cost to implement and maintain with no large equipment to purchase or software to license

These benefits are validated by the high and increasing numbers of organizations using or planning to implement logistics IT solutions. Consider this data from Capgemini Consulting's 2015 Third-Party Logistics Study:

> *Respondents are investing in warehouse management systems (58 percent), enterprise resource planning software (54 percent), transportation management systems (54 percent), supply chain visibility (43 percent), warehouse management system add-ons (33 percent), and RFID (21 percent) to achieve that goal.*



Bottom Line: Rarely does a software solution deliver so much value for such a modest investment of time and effort. This is why so many organizations are either already using one or have active plans to implement one.

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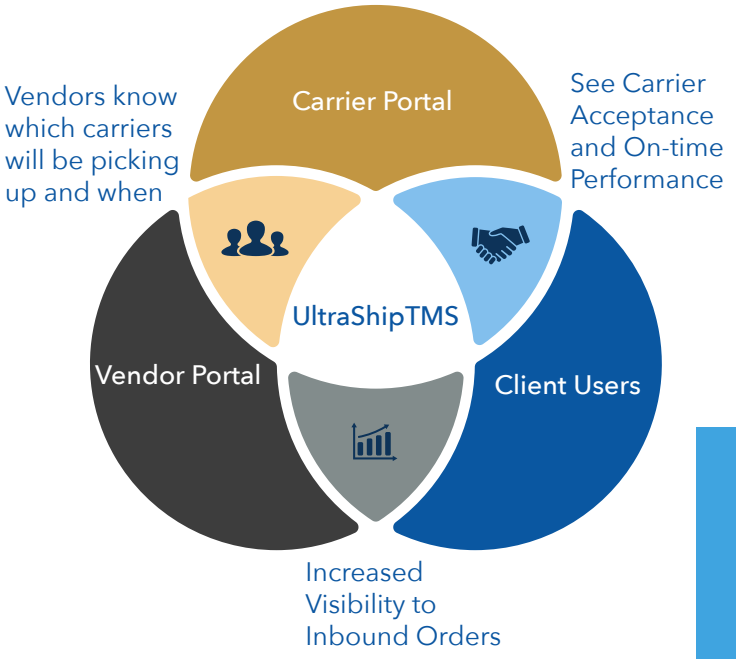
TMS SOLUTIONS DRIVE VALUE FOR INBOUND LOGISTICS

Gaining global visibility into inbound deliveries helps shippers capture remarkable efficiency, improve planning, reduce delays and lower costs.

Web-based TMS and Optimizers deliver a cost-effective, easy to implement solution that simplifies the process of inbound logistics with functionality designed to help drive optimal efficiency for carriers, DC operators and supply chain managers.

TMS for inbound logistics aligns the needs and requirements of purchasing and planning teams, raw material & component vendors, manufacturing/distribution facilities and logistics stakeholders with an organization's transportation and business rules. Fostering collaboration between a business and its business partners, web-based TMS helps identify new efficiencies that drive reliable, on-time performance and significant, replicable cost savings.

One of the most attractive advantages of the web-best model is the extent to which it enables collaboration and communication between all users. Online user, vendor and customer portals keep all stakeholders informed every step of the way. Collaboration in real-time eliminates the communication challenges that slow deliveries and interrupt just-in-time manufacturing strategies.



A recent feature article in Supply Chain World magazine reported on the logistics IT automation projects under way at Houston-based retailer, Stage Stores. Stage Stores is implementing a state of the art omni-channel distribution program including TMS, Optimizer and voice-picking solutions for its complex inbound logistics program supporting more than 850 retail outlets across 40 states. Gough Grubbs, Senior Vice President of Distribution and Logistics for Stage Stores underscores the critical role these tools play in leveraging inbound logistics improvements to drive competitive advantage saying:

> *All together, the steps we're undertaking to re-engineer and further automate our supply chain management processes will play a significant role in helping us to maintain our competitive advantage and increase the profitability of our growing company.*

Bottom Line: Logistics IT solutions are critical to leading supply chain management strategies like omni-channel and just-in-time fulfillment. Retailers and other organizations heavily involved in inbound logistics simply cannot compete at the same level without some degree of automation.

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TMS SOLUTIONS DRIVE VALUE FOR PRIVATE FLEET MANAGERS

Private fleet managers no longer have to do double duty to bridge the gap between a TMS solution and a fleet management tool. UltraShipTMS integrates the functionality of both tools into a single solution.

Now all the rating, routing and tendering automation of a TMS is coupled with dispatching, equipment & driver histories and payroll functions, dramatically improving the flow from tendering to dispatch.

Capturing all private fleet activities in the TMS enables unprecedented visibility into the efficacy of private fleets providing the ability to analyze such critical metrics as:

- Payroll and equipment costs
- Productive vs. non-productive costs
- Driver idle times
- More

Use the Ultra solution to perform proximity searches across the private fleet to improve back haul utilization and plan continuous moves.

According to a recent National Private Truck Council survey:

> *About one in three private fleet operators say their fleets are more cost efficient than for-hire carriers, and a whopping 88 percent say that they provide consistent and high quality customer service. The survey also revealed that many private fleets actually operated what's called a "blended" operation—part private and part for-hire. Advocates say that the key to operating a long-term, successful private fleet is always testing business models as demand levels and conditions change.*



Bottom Line: Managing the "blended operation" using a single platform as opposed to a TMS and fleet management software is difficult and duplicates efforts. Only a handful of logistics IT solutions are available that permit robust management of a blend of common carriers and private/dedicated fleet resources. It is a best practice that simply should not be ignored.

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CONCLUSION



There you have it. Five strong arguments supporting the value that logistics IT solutions deliver to all the key stakeholders within a shipping organization. Use the information and perspectives in this paper to generate your own rock-solid business case for implementing a TMS platform in your organization and be sure to illustrate how such solutions drive results and benefits to every stakeholder group.

LoadFusion UltraShipTMS Intelligent Logistics UltraYMS

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