



Transportation Management

10 Essentials: What a TMS Should Do for You

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WHITEPAPER August, 2009

How do you know when it's time to switch to a Transportation Management System? For a broker or third-party logistics provider, that feeling of inevitability usually dawns when your annual revenues reach or exceed the million dollar level. Your trusted spreadsheets, database tools, and business accounting packages are not integrated, and your staff is drowning in paperwork. Everything takes too long, you can't keep up with invoicing or carrier payments, and your credit score is declining for the first time since you started the business.

Luckily, the right TMS can help you to eliminate labor-intensive tasks and focus on more strategic activities, providing a huge boost to productivity and profits. Even if business is slow, a good TMS can help you to streamline operations, improve cash flow and prepare for future growth.

So what should you expect a TMS to do for you?

1. Integrate operations and accounting for greater efficiency.

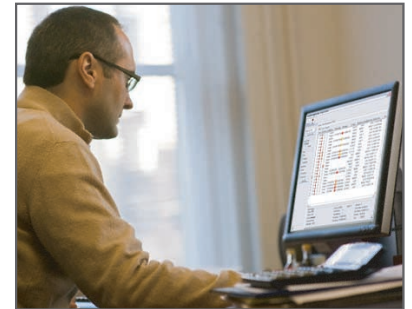
A TMS will help you automate your manual processes, eliminating redundant steps. Working without a TMS, you may be entering the same information as much as six or more times for each order. Every touch point adds time to the job and increases the chance of an error. With a TMS, you enter information once; it is available through the system wherever and whenever it's needed – all the way from order entry through invoicing customers and paying carriers.

2. Leverage your data and history to identify keys to profitability.

To grow your business profitably, you need to know which customers, carriers, agents, and lanes are making the most money for you. A TMS should have powerful, flexible business analytics and customizable reporting tools. This will help you to identify the right metrics and milestones, make smarter strategic decisions, and achieve your business goals.

3. Provide search tools that make even novice brokers proficient at covering loads.

Industry veterans leverage years of knowledge every time they cover a load. With a TMS, those veterans can cover more loads per day – which usually means higher commissions. But not every employee has that level of experience and skill. A good TMS will come with tools that enable even your newest employees to cover loads like experts. For example, instead of guessing which carrier will be best for a specific shipment, your TMS can conduct a quick search on factors such as lane history, available capacity, rates charged, and insurance coverage.



Enter information for each order once and only once.

Current process:

1. Create an order sheet with customer, origin, destination, bill-to address and freight list.
2. Log information into a spreadsheet.
3. Write information on a whiteboard.
4. Send information to the carrier for rate confirmation.
5. Enter information into an Accounts Receivable program to invoice the customer.
6. Input information into an Accounts Payable program to pay the carrier.

You may also:

7. Fill in information on a quote to send to the shipper.
8. Enter information into a spreadsheet to track loads by carrier or lane.

With a TMS:

You enter information once and it flows through the system wherever it's needed – from order entry to invoicing to cutting a check.

4. Interface with the most popular load boards.

Your TMS will be a lot more useful to you if you can use it to work with your existing load-matching software. Third-party integration improves productivity by allowing you to cover loads right from your TMS, eliminating the need for additional data entry. Your TMS should also interface with the leading truck routing and mileage packages.

5. Access and control your data easily and securely.

One decision you will have to make up-front is whether to choose a TMS solution that runs on an in-house server or a hosted system from an application service provider. Although Web-based systems can be implemented faster, they are frequently not as efficient on a daily basis as a program that runs on a local server. More important, hosting your system in-house provides you with greater control of the data you rely on to run your business and gives you a competitive edge. You won't get that same secure feeling when all your customer histories reside on a server at the TMS provider's location.

6. Email and fax directly from your system for convenient communication.

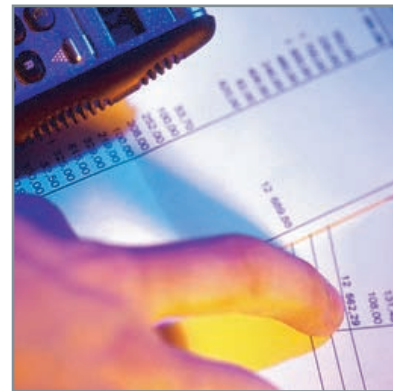
A TMS will expedite communication with your customers and carriers to increase productivity and improve service. It will increase the number of loads you can cover by enabling you to email or fax quotes, rate confirmations, load lists, and sales sheets at the touch of a button. Look for a TMS with a Web portal that lets your shippers track their freight online. That's the same functionality offered by the largest brokers and 3PLs, because it boosts customer loyalty.

7. Transmit critical information electronically.

Larger shippers will expect to communicate with you via Electronic Data Interchange (EDI), so make sure that the TMS you select has this option, even if you don't need it right now. EDI will enable you to receive and acknowledge tenders, produce invoices and to track your freight electronically. A good EDI solution enables you to customize your communication with individual customers and partners, adapting the tools to fit each business relationship.

8. Scan and electronically file documents to streamline workflow.

A TMS that integrates an electronic document management and imaging solution will help you cut down paperwork and can speed up your cash flow. With document imaging, you can process and route documents quickly, control access to them in an electronic filing system and store them securely to comply with regulatory requirements. A good example of the power of imaging is rendition billing: Once scanned, PODs are automatically appended to the correct invoice, ready to be transmitted along with any other items the customer requests.



Reduce paperwork and automate rendition billing.

After you scan Proof of Delivery statements and file them electronically, they are automatically appended to the correct invoice and ready to be transmitted to the customer.



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9. Grow with your business to support your success.

Above all, your TMS should be scalable, so that as your company grows, you can handle more brokers, more customers, more carriers and more business. You'll need to provide access for remote offices, agents, or brokers – but you'll want to control who sees – or doesn't see – your business-critical information. Here is where an in-house TMS can give you the same portability as a remotely hosted or Web-based application, but with increased control. Your TMS provider should provide guidance on hardware choices that will continue to support the TMS as your company grows and demand on the system increases.

10. Provide expected functionality and results with the backing of a solid partner.

The future success of your business will depend on the level of installation, maintenance, support and service you get from your TMS provider. A qualified vendor will be able to guide you through installation, migrate existing records, test the system on-site, train your employees and provide support and upgrades after the TMS is in place.

Your best bet is to work with a long-time industry player whose TMS was developed specifically for brokers and 3PL providers. Also be sure the vendor has low turnover in their TMS staff – because the personnel have the knowledge, not the company itself.

To learn more about how a TMS can help your company achieve success more quickly and easily, call a TransCore's broker software specialist at 1.800.728.7305.

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