# The Essential Role of TMS in Executing Your Transportation Strategy

By Adrian Gonzalez
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Why is transportation management technology essential for companies to execute their supply chain strategy?

That was my opening question to Chris Johnson, VP of Research and Development at LeanLogistics, in a recent episode of *Talking Logistics*. "To put it simply," he said, "the reason is that you will fail without it." He went on to say:

> At the very least, it will be very difficult to know whether or not you're succeeding in executing your strategy without a technology that backs it up. The use of transportation technology helps with some of the low-hanging fruit, such as automating repetitive tasks, but it certainly does more than that. It's going to help enforce and measure compliance to best practices. It's going to capture a wealth of data, and if done correctly, can help you turn that data into information that you can use to improve not just your transportation practices but your whole supply chain.

> One of the things that our customers cite very frequently as a difficult to measure and sometimes unanticipated benefit of using technology to manage transportation is simply the visibility that it provides. A lot of companies, once they get a system fully implemented, start to learn and see things that are happening within their supply chain that they never knew existed, and sometimes that results in thousands of dollars in savings, and sometimes it's literally millions of dollars in savings, but having the technology and incorporating it into their daily process was what actually exposed some of those [inefficiencies and savings opportunities] that they previously hadn't seen within their network.

> Now, don't get me wrong, there are some big, great companies that are doing this, like we like to say, using crayons and spreadsheets and they're doing it well, but it just requires a massive amount of work to not have technology helping them to enable that process.

So, what transportation management system (TMS) capabilities are in most demand? The answer depends on whether you already have a TMS or not.

A lot of what companies are looking for, especially those that aren't using a TMS today, is actually relatively basic functionality -- it's robust planning, rate management, carrier selection, appointment scheduling, execution tracking, and reporting and visibility to it all. That's the 80/20 rule. If you're not using a software solution today, those are the capabilities that are going to drive truly significant value into your organization.

For those that are using a technology solution today, whether a self-developed one or from a third party, a lot of them are looking for that next level [of value], that next 20 percent, in which enhanced usability is certainly part of it. Another big value-add is proactive notification, the ability to manage by exception rather than having a huge amount of touch to everything within your transportation space...you really only want to spend time and effort on those things that need some specific attention.

There is also demand for robust analytics and data discovery capabilities. That's more than just being able to extract or export data from the technology; it's actually being able to do something with it. It's one thing to know, for example, that 10 loads were late last week; it's another thing to be able to delve down into each of those 10 loads and identify what's common -- or perhaps what's not common. There could be 10 different reasons why those loads were late or they could all be [linked] to the same consignee or they could all be in the same lane and there was a weather event last week. But without having some kind of data discovery capability, sometimes it's hard to get at that information.

Another area of demand is having usable optimization capabilities that generates executable results. A lot of times you see companies using robust, good TMS technology but they aren't fully utilizing the optimization capabilities, or for one reason or another, aren't able to execute on the suggested results.

Chris also discussed the current state of predictive and prescriptive analytics, which you can see in this video highlight.

As a way to wrap up, I asked Chris what questions transportation executives should ask themselves to assess whether their transportation management technology is well-aligned with their strategy and goals. Here's an excerpt of his response:

The biggest and most obvious place to start is asking yourself, "Is our transportation technology an enabler or an obstacle?" A lot of times, if you're not getting the value that you expected out of your technology, it's easy to say it's the technology's fault. But I would challenge transportation executives to ask the follow-up question, which is, "Why?" Why is the technology enabling our strategy or why is it an obstacle? Do we have a partnership with our software vendor? Are they adapting to our needs and are we adapting to their capabilities and industry best practices? Because, ultimately, like all relationships, there's give and take and continued evolution.

I encourage you to watch the full episode, where we also discuss the role of cloud

computing, network connectivity, and mobile technologies. Then post a comment and share your perspective on this topic.

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