How a Single-Platform TMS Powers Logistics Services Companies to Success

Smart logistics service providers are growing their business by leveraging the limitless possibilities of a single-platform, omni-modal Transportation Management System that accommodates the most complex domestic and global transportation challenges.

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TMS that delivers.

A Single-platform TMS Means Success!

The global and domestic transportation landscape is becoming increasingly complex. To succeed, logistics service providers (LSPs) must be prepared to handle anything that comes at them. Freight brokerage, freight forwarding, outsourced logistics; multi-leg international shipments using any mode necessary (i.e. omni-modal) - whatever the customer needs. And, they need to be able to manage everything all from a single-platform solution configured to their needs. Today's leading omni-modal Transportation Management Systems (TMS) helps logistics companies respond, "Yes, we can do that!" to every customer request.

In this MercuryGate white paper we will explore the key challenges facing today's global LSPs in their quest to meet customer shipping demands, examine the value that omni-modal TMS platforms bring to the table, and hear from two highly successful logistics companies that are managing their clients' global end-to-end transportation processes using a single-platform, omni-modal solution.

How a Single-Platform TMS Helps You Win (and keep) Clients

Today, most organizations rely on multiple shipping methods and, as such, require a multi-modal approach to transportation management. "It's the LSPs' responsibility to introduce other modes that achieve the same goal," says Dan Sellers, MercuryGate's Vice President, 3PL Segment Leader, "either in a more cost-effective fashion (which is usually the customer's primary focus) or in a way that allows them to better meet their service requirements."

Consider, for example, the shipper-customer that's striving to provide 24-hour product delivery windows across all U.S. markets. While the idea may appear to be more costly than traditional shipping windows, the reality is that the increased business levels associated with such a commitment can effectively offset any shipping-related revenue losses. "When you have complete visibility over the rates and shipping options," says Sellers, "you can help your customers make those types of smart tradeoffs."

Logistics service providers that leverage omni-modal, single-platform TMS gain significant efficiencies on the front lines, where the solution is able to automate many different functions. For instance, carrier

assignments are handled seamlessly as soon as orders come in, and the freight is moved in a very automated manner. This, in turn, frees up employees to handle more freight orders and also work on "things that human beings are really good at," says Sellers, "like reaching out to carriers, negotiating rates, and developing customer relationships."

With the ongoing goal of providing exceptional logistics solutions for its customers, Saddle Creek Logistics Services of Lakeland, Florida, started using MercuryGate TMS in 2009 after years of relying on a fleet management solution to handle its transportation needs. Today, with over 16 million square feet of warehouse space, 37 strategic national locations, and more than 500 vehicles, the Saddle Creek provides its customers with real-time visibility and accurate, up-to-the-minute reporting via a state-of-the-art TMS.

According to John Hahn, Director or Transportation Services, the omni-modal TMS manages both inbound and outbound loads and allows the LSP to offer shipment planning (i.e. load consolidation and carrier optimization across modes, inclusive of multiple-stop and continuous-move trips), track and trace, carrier performance management, rate bid optimization, and freight pay and audit services to its diverse customer base.

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Hahn says Saddle Creek selected MercuryGate TMS for the solution's ability to manage various modes. "MercuryGate was able to manage all aspects of our non-asset transportation needs," says Hahn, whose team also uses Mojo for transportation optimization and Carma for carrier management. Combined, the solutions manage all three aspects of Saddle Creek's brokerage business: freight under management (acting on behalf of the shipper); typical brokerage (transactional in nature); and freight management on behalf of the LSP's warehouse customers (a function that supports Saddle Creek's asset-based fleet). And while most shipments involve truckload, the company also uses less-than-truckload (LTL), small parcel, air freight, ocean carrier, and pneumatic tanker.

"Using the MercuryGate TMS," Hahn explains, "we've been able to accommodate a lot of different transportation modes."

Saddle Creek's flexible transportation capabilities have helped them win some unusual bids. Recently, the company was called upon to handle a critical air freight shipment of frozen chickens to Qatar from the U.S. "Out of the blue one day, our client called us because another provider had failed to perform on a specific shipment," Hahn recalls, noting that the LSP's TMS platform helped determine the best carrier, route, costs, and delivery times. The system also provided complete visibility over the shipment from origin to destination.

"We were able to show the customer the movement of the shipment as it crossed from a truck to the plane and back to the truck; that was a pretty unique capability to be able to share with them," says Hahn, who sees that level of visibility as a critical selling point for Saddle Creek's services. "We can get all of the tracking information right from the TMS, and without having to log into multiple systems. That's a great feature."

Saddle Creek earned incremental business from the client because they were able to say, "Yes, we can do that for you." The single-platform TMS made the difference.

Putting the Omni-Modal Transportation Platform to Work

As more LSPs conduct business globally, and as an increasing number of customers demand a wider array of shipping and receiving options, the need for omni-modal transportation systems has become imperative. For example, many industries now depend on ocean and air freight as natural and vital links in their supply chains. Industries such as apparel and automotive keep the ocean carriers humming, while pharmaceuticals and high-tech keep the air freight industry busy.

But ocean and air freight differ from truck freight in several ways. Take the scheduled nature of the freight movements, for example. When customers are considering which carriers to use, traditional decision points like cost and capacity alone are insufficient. The TMS must also incorporate sailing and flight schedules so logistics professionals can make informed decisions.

The list of challenges that LSPs and their customers face in today's omni-modal transportation world doesn't end there. Also impacting providers' ability to effectively streamline and optimize their transportation networks are the many disparate or "siloed" systems that have been cobbled together over the years. Such systems require extensive (and often unattainable) levels of integration in order to operate interdependently.
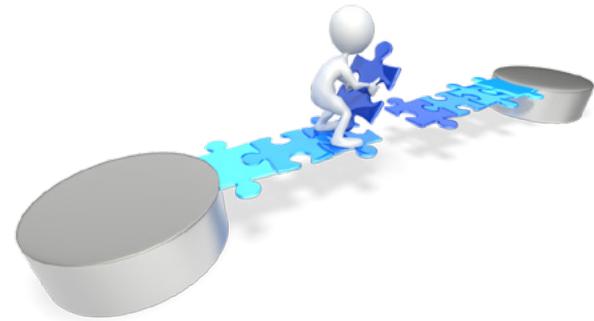
"When you can't look across all of your modes – including small package, less-than-truckload, truckload, and others," says Jim Geer, MercuryGate's Senior Solutions Manager, "you miss out on possible freight savings by not consolidating or optimizing those freight movements."

In the absence of an omni-modal TMS, supply chain visibility is virtually inaccessible – particularly when companies lack the dashboards needed to properly oversee their end-to-end transportation networks. Finally, contingency planning is next to impossible – a point that can severely impact the way in which companies react and respond to network risk and variability.

"A TMS platform that can look across all transportation modes and identify potential for savings, optimization, and consolidation not only addresses all of these challenges," says Geer, "but it also helps your customers build out partial shipments, move between modes (based on efficiency and cost, for example), and truly determine the optimum ship modes – both from a cost and service time perspective."

Bridging Global Gaps with an Omni-Modal TMS

As leading LSPs like Saddle Creek and LMTS have already learned, an omni-modal TMS helps logistics providers more effectively and efficiently manage their customers' supply chains. Using a configurable and scalable web-based solution like MercuryGate TMS, LSPs manage the synchronized planning

of both inbound and outbound shipments across various modes – all the while optimizing and executing from within one system. That single-platform TMS supports all transportation modes, including parcel, LTL, TL, rail, air, ocean, and intermodal.

"If you really want to do a good job of optimizing freight, you have to look at all orders and all modes, and then use that information to make the best plan possible," says Geer. And when you take that holistic view, you not only benefit from significant costs savings, but you also gain the advantage of proper carrier selection. A typical small package move that is fairly heavy, for example, may actually be more efficient to ship via LTL – a point that the omni-modal TMS will pick up on quickly and accurately. "Even just a few shifts in freight management," says Geer, "can result in a fairly impressive level of freight savings for your customer."

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-Senior Solutions Developer
L&M Transportation

James Askren, Senior Solutions Developer at L&M Transportation Services, Inc. (LMTS) in Raleigh, NC, is well aware of the freight savings and other benefits that come from using a single, omni-modal TMS platform. Originally founded as a traditional brokerage company, LMTS has been using MercuryGate TMS since 2010. Before that, the company relied on another vendor's truckload-focused solution to orchestrate freight movements. "What we had in place was pretty limited," says Askren. As the company grew and expanded into LTL (to handle smaller customer accounts), their existing technology infrastructure became even more limiting.
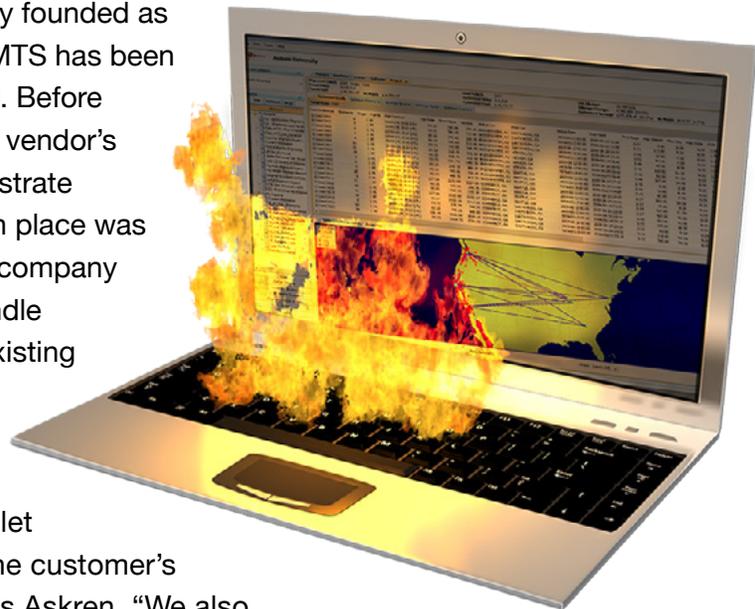
"We needed something that would let us really get in and manage all of the customer's business, regardless of mode," says Askren. "We also wanted to do cross-modal analytics, routing optimization, and optimization against pricing, rates, and modes." After spending five months shopping around for market solutions, the company

selected MercuryGate's web-based TMS platform. "It was 2010 and they were really surging ahead with their technology," says Askren, "so we hopped aboard."

Today, LMTS works with a number of customers that use anywhere from two to four different modes. For those clients, they offer route, price, and mode optimization. "We have some customers that have built interesting optimization plans," says Askren, "as well as many that just allow the system to do the analyzing. The latter have gained significant cost savings by simply following the instructions provided by the TMS."

Knowing their customers are primarily interested in getting the lowest possible price for specific capacity, LMTS relies on MercuryGate's omni-modal TMS platform to answer those and other critical questions posed by shippers. "The TMS basically sells itself by showing where it can go, how the route can be optimized, and what efficiencies can be gained," says Askren. "Whether they're bringing down prices or just selecting the right carriers, our customers have the technology at their fingertips to make it happen."

Clients Enjoy the Limitless Possibilities of Services of an Omni-Modal LSP

As transportation management becomes more and more complex, expect more logistics service providers to discover the value of using an omni-modal, web-based software platform to manage domestic and global freight movement. Whether their customers are shipping packages, filling truckloads, or relying on ocean carriers to import and export goods, LSPs are increasingly turning to single-platform options to get the job done.

While expanding service capabilities is critical to success in the logistics services industry, improving operational efficiency is just as important. The ability to work within a single, web-based solution is an advantage. Add rapid customer and carrier onboarding, dynamic load building, and an easy-to-use transportation optimizer to the equation and the end result is a standalone, omni-modal TMS platform that can tackle even the biggest transportation challenges with ease.

To LSPs that want to make the jump to an omni-modal TMS scenario, but who are unsure how to go about making that change, Sellers says the first step is to review your current transportation management setup. Identify current processes, look for any gaps (particularly on the omni-modal side of the equation), and then figure out which solutions can help solve those problems. "Look at what you're doing now and what you'd like to be able to offer to your customers – or, what they're already asking you to provide," says Sellers, "and then find the technology that helps fill those gaps while raising your firm's capabilities to a whole new level."

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