



Selecting a Transportation Management System

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Selection Considerations

- Technology provider
- System type
- Operational considerations
- Integration needs
- Customer requirements
- The buying process
- Implementation
- Useful life - ROI determination

Technology Provider

- Longevity
- Financial strength
- Business experience
- Operational knowledge
- Development resources/capabilities
- Response time
- References

System Type - Thick Client or Thin Client?

- Thick Client - Installed/licensed software
 - Pros
 - Screen functionality
 - Highly customizable
 - System Speed
 - Cons
 - Installation/deployment costs
 - Local server maintenance/backups
 - IT department burden/cost
 - Challenge/cost of distributed environment
 - Obsolescence/isolation

System Type - Thick Client or Thin Client?

- Thin Client - Web Based

- Pros

- Ease of deployment - less upfront cost
- Instant distributed environment via internet
- Software industry trend towards browser-based applications (Example: Google Aps)
- Opportunity to participate with other companies in “best-practice” type environment
- Maintenance/backups performed by host
- “Pay as you go”

- Cons

- Need for stable, high-speed internet connectivity
- Minimal customization due to shared technology platform

Operational Considerations

- Determine which processes may be accommodated, modified or altered by the new technology
 - *In some cases, it may be better to modify a process to fit the technology
- User group technology skills should be key consideration & should drive training
- Consider phased-in approach
- Keep everyone “in the loop”

Integration Needs

- Determine key integration points:
 - ERP, WMS, Accounting, etc.
- Review likely integration methods
 - EDI, Connection tools, flat files, etc.
- Ascertain technology provider's experience with integration methods and to selected systems
- Define specific data to be transmitted
- Gather preliminary cost estimates for likely integrations with respect to overall cost of new system

Customer Requirements

- Supply chain visibility
- Automated order status notifications
- Web - Order entry and Track&Trace
- Detailed order (SKU level) cost reporting
- POD requirements
- Electronic invoicing
- EDI
- Performance Monitoring/Reporting

The Buying Process

- Understand your needs - present & future
 - Operational/tactical processes
 - Customer service issues
 - Accounting requirements
 - Reporting
- Explore alternatives
- Check references
- Create functional checklists
- Require live demos based on checklists

Implementation

- Assemble cross-functional team & “celebrate” the event - user “buy-in” is critical
- Create a detailed, realistic implementation schedule
- Ideally, select a slower time of year
- Design contingency plan prior to cut-over
- Define & document operational processes
- Perform scenario testing using process definition
- Be certain needed reports are identified and tested
- Adjust staffing levels during go-live period

Useful Life/ROI

- Determine useful life:
 - Growth
 - Provider
 - Technology platform
 - Staying current
 - Scalability
- Benefit determination:
 - Hard benefits
 - Soft benefits

ROI - Measurable Benefits

- Gained efficiencies - transacting more business with same number of people
 - Measurable based on time study
 - Broken down by task
- Improved revenue/cost tracking
- Better tactical decision making equates to lower costs-carrier selection, routing, load planning, fuel surcharge management, etc.
- Accurate & timely reporting allows better strategic/management decisions

ROI - Soft Benefits

- Smoother running operation - less stress =improved job satisfaction for employees
- Shared, effective platform can alleviate - individual control (turf management)
- Opportunity for task focus on what's important
- Increased sales due to supply chain visibility and better communication
- Customer retention - Effective and timely management of operational exceptions
- Improved relationships with customers, other departments, carriers & drivers