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WHITE PAPER

Streamlining Global Logistics: The Shift to Modern TMS

Global supply chain logistics stressors

Global supply chains tie the planet together, providing goods to consumers, jobs to workers, and dividends to shareholders. A single item can touch multiple countries before landing in the hands of the consumer — but this global trip isn't for sightseeing. Leading companies find that a diversified sourcing base and long-distance manufacturing partners can help cut production costs and improve margins.

There is, however, a catch. Despite how much money can be saved by sourcing globally, escalating logistics expenses have a cumulative effect on the total landed cost, especially when multiplied across thousands of shipments. Fluctuating logistics costs and carrier capacity highs and lows that vary by mode and region are putting pressure on beneficial cargo owners (BCOs) and third-party logistics (3PL) providers as they strive to keep the flow of goods moving smoothly.

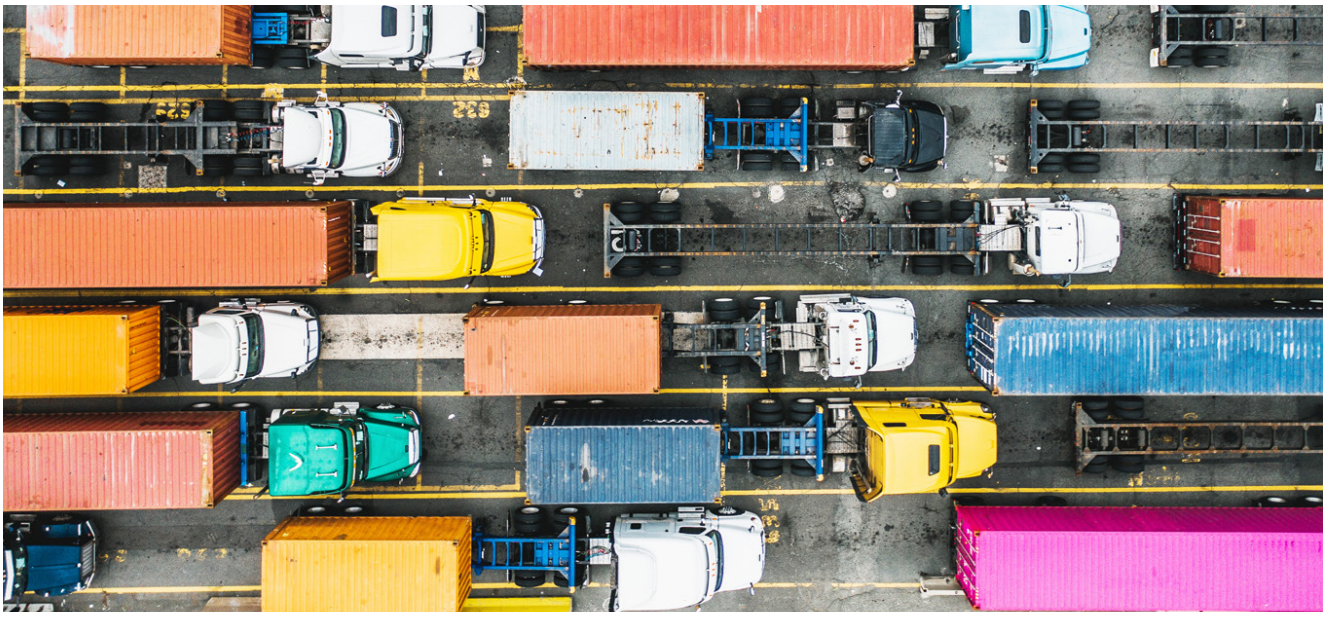
The amplified demand for higher customer service levels and the need for greater in-transit visibility are creating additional stress for strained supply chains. Organizations are already struggling with enormous complexities due to disparate, disconnected supply chain processes as they make, move, and sell goods and services.

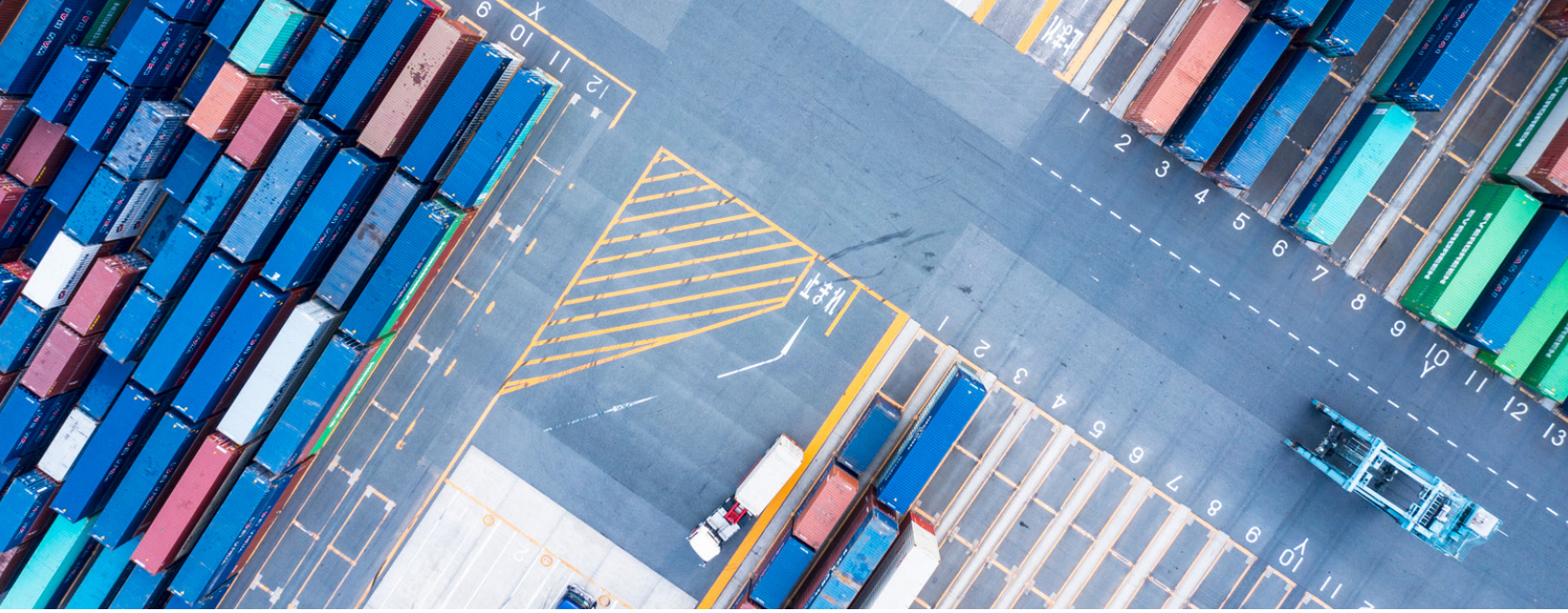
Factors driving the shift in transportation management

Today's realities bring greater obstacles and higher levels of complexity than ever before when moving goods internationally. End-to-end visibility and control have long been key challenges to making better business decisions. While the supply chain itself is inherently connected, the processes are inherently siloed. All of this is due to disparate data sources and disconnected processes and systems across vast supply chain networks.

In today's rapidly changing environment, modern logistics managers encounter a variety of uncertainties. External disruptors, including geopolitical tensions, extreme weather, labor strikes, and port closures, contribute to ongoing challenges due to the unpredictability of where the next disruption might occur.

Those are just a few of the problems that they face — but fortunately, there's a way out.





Higher ground: Out of the quagmire with a practical, speedy solution

Historically, sourcing teams worked diligently to build a supplier base in close proximity to raw material inputs, enhance factory capacity with select production facilities, and mitigate labor expenses to reduce added costs. But with the ongoing and unpredictable disruptions from sources outside a company's control, the "old way" isn't working — and this includes creating a semblance of a transportation management system (TMS) or using one that is siloed and antiquated.

That means one of the most significant pain points for global supply chains is inescapable: making the switch from the old way to a modern TMS that is robust enough to manage any complexities that may arise. Most companies are hesitant to go through the hassle of investing in a new system because they get bogged down in a dilemma of change. In a nutshell, this transformation can feel almost as daunting as the original predicament.

However, in light of the changing global landscape and increasing supply chain complexity, companies find upgrading their supply chain technology is essential for achieving higher organizational maturity levels and positioning their company for future growth. The changes may seem difficult for companies of all sizes, but the alternative means facing long-term supply chain struggles or watching their business sink to the bottom in a losing battle with competitors.

There are multiple reasons why organizations purchase a new or replacement transportation management system (TMS) solution. Three key reasons are normally at or near the top of the list: to create efficiencies, improve visibility, and strengthen cost management capabilities.

A modern TMS comes with new ways of rolling out improved processes that drastically reduce the pain points of implementation. Implementing a Transportation Management System (TMS) varies in duration depending on factors, such as the size of the company, the complexity of its logistics operations, and the level of configuration required. A successful TMS implementation requires preparation, design, and execution. The initial phase of preparation and planning involves defining business goals, conducting a needs assessment, and selecting a TMS provider. The design phase is where companies outline current and future requirements and processes are reviewed and key design decisions are made to incorporate immediate efficiencies and to allow for future growth opportunities. During the execution phase, focusing on system configuration, data preparation, integration, training and testing when implementing a TMS can help reduce time and cost and avoid roadblocks. TMS implementations can be as short as 12 weeks, but more complex implementations usually last 18 – 24 weeks.

Transportation and logistics technology has evolved to provide primarily cloud-based solutions that leverage emerging technologies to break down disparate silos while delivering a rapid investment return. TMS solutions enable a company to have tighter control of their transportation operations, optimize costs, improve efficiencies, and have improved visibility into the movement of goods.

Resiliency and insight are in great demand

While the pandemic put a glaring spotlight on the need for resilient supply chains and the value of smooth-running logistics operations, the world has evolved into an environment where the only constant is change, and the global supply chain landscape is no exception. Social, economic, and political shifts are reshaping supply chain strategies – from logistics disruptions and geopolitical tensions to innovation-transforming businesses. An organization that can buffer its supply chain against disruptions will thrive — whether the company delivers critical medical supplies, highly coveted TVs and laptops, or cheese for the pizza shop.

Logistics leaders have historically used major disruptions as opportunities to learn and improve. Global supply chain disruptions, port congestion, capacity shortages, increasing freight rates, and extreme weather events continue to challenge shippers and carriers. The first concern immediately after disruptions take place is crisis management, but now many shipping companies are taking the time to step back and look at the big picture with the intent of building resiliency for the next crisis.

In-transit visibility and real-time insight for decision-making have always been essential but often unattainable. Today, the need for end-to-end visibility into goods on the move is even more critical. Companies can't manage what they can't see — and with the increasing number of potential disruptions, the less visibility they have, the more likely it is for a delivery to be in jeopardy. Shipment visibility tools help stakeholders gain better insight for making decisions that mitigate the impact of disruptions, improve customer satisfaction, and reduce costs. For many organizations, the overall return on investment (ROI) for leveraging the right TMS to maximize their logistics operations is significant.

Agility, visibility and cost control within reach

No technology system can stop the next supply chain disruption, but best-in-class TMS solutions can give companies more flexibility and the ability to improve cost control, agility, visibility, and execution across all modes and regions.

Shippers, 3PLs and freight forwarders have become more resilient and have proven they can deliver even under the worst circumstances, with higher success rates for companies with a TMS.

Choosing and implementing a TMS can be cumbersome, time-consuming, and difficult. With the increasing complexity of supply chains, TMS providers are developing and growing new and more advanced capabilities.

Connections are critical

When companies have a TMS that is connected to an extensive carrier network, the benefits are even greater. Access to a robust carrier network that is both flexible and scalable can do more than serve as the backbone for any shipper's supply chain. When a company's carrier network reduces costs and helps achieve its long-term business goals, it becomes a strategic advantage. Investing in a connected TMS gives a company the continuity and resilience needed to face an increasingly faster world full of disruption.

Gartner suggests considering these factors when selecting the most appropriate TMS solution:

- TMS vendors have continued to invest in their solutions, leading to new capabilities and functionality – which means they're only going to get better
- Some vendors offer their TMS solutions in modular formats that are priced separately.
- While freight under management (FUM) has become the most common pricing model, some vendors still price their solutions using a transaction-based or hybrid pricing model.
- The ecosystem of supply-chain-related technology applications and carrier networks that are accessible from the TMS has changed considerably over the past years, as TMS vendors are prioritizing the network component in their solutions.
- The TMS market has seen a number of acquisitions.
- Perhaps the biggest factor in achieving a positive ROI is selecting the right TMS solution for an organization's transportation complexity.

Logistics leaders must look internally with an objective eye to evaluate their organization's overall level of transportation complexity.[1]

Embracing connectivity

When it comes to helping companies navigate the complex global supply chain landscape, e2open has it covered.

E2open's comprehensive Transportation Management solution simplifies and optimizes domestic and international logistics for shippers, freight forwarders, carriers, and logistics service providers (LSPs) by providing capabilities based on a company's specific needs so it can serve its customers better. E2open provides a single application that is purpose-built for a company's business's unique volumes and workflows, covering all modes and regions with full functionality for planning, carrier procurement, execution, tracking, and settlement.

Complex supply chains, shifting transportation choices, fluctuating market variables, and demanding customer requirements are the norm. Effective logistics management continues to be at the forefront of company operations, and digital supply chain transformation is critical to the efficient flow of goods in the global economy. To handle the complexity, companies need to take measures to implement a robust TMS equipped for today and tomorrow. With e2open, companies have one connected TMS that will grow with its business to help it address all its customers' needs, now and in the future.

While shippers, carriers, freight forwarders and third-party logistics (3PL) providers all move freight, their needs are inherently different. Shippers require reliable service at the best rates from multiple providers to transport the goods they produce. Carriers require optimal utilization and return on assets while supporting a multitude of shippers and logistics providers. Forwarders and 3PLs require efficient workflows for connecting multiple shippers and carriers.

"The e2open team built my management reports for me and saved me days of pain... It was such a relief to have the data where I could access it and act on it."

e2open TMS Client

Regardless of an organization's requirements, e2open can have you up and running quickly with a robust, always-available TMS that provides:

- Carrier coverage across all modes and regions for domestic and international shipments
- Optimization tools to reduce costs and meet delivery targets
- Direct connections to trade compliance, order management, and warehouse management systems
- Specialized capabilities such as dock scheduling, fleet management, last-mile delivery, rail tendering, and global parcel shipping

E2open's connected TMS makes it easy to achieve

Research analyst firm Gartner®, Inc. released its **2025 Magic Quadrant™ for Transportation Management Systems**, a report that positions TMS software vendors based on Ability to Execute and Completeness of Vision. According to Gartner, "Transportation management systems help supply chain leaders manage disruptions and optimize costs." [2]

Disruptions in logistics are likely to persist, and companies that are working on a combination of short-, mid-, and long-term solutions to handle disruptions are positioned to be more successful in the long run. Strong partner relationships and high-quality, decision-grade data that are seamlessly connected with those partners mean companies can coordinate and collaborate with partners across the supply chain to streamline the flow of goods and information and alleviate the pain of disruption. **E2open's network** connects transportation and logistics technology and data with supply chain partners to see when delays occur, understand the impact on the shipment, and allow logistics teams to pivot to meet the expected delivery timelines.

Implementing an effective TMS has become a priority for many organizations.
E2open aims to continue making TMS easy for its clients and for companies seeking the right system.

For additional information or to see a demo, please contact **www.e2open.com**.

About e2open

E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 500,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 18 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™ Learn More: **www.e2open.com**

References

1. Brock Johns and Oscar Sanchez Duran. How to Calculate and Measure the ROI for a Transportation Management System, November 18, 2021. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

2. Brock Johns, Oscar Sanchez Duran, Carly West, Manav Jain. Magic Quadrant for Transportation Management Systems, March 24, 2025. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.