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WHITE PAPER

Taking the
Mess Out of 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.

Yet no matter 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 thirdparty 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 already strained supply chains. But, organizations are struggling with enormous complexities due to disparate, disconnected supply chain processes as they make, move and sell goods and services.

Messes Shippers Are Facing

Today's realities bring greater obstacles and higher levels of complexity than ever 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 due to disparate data sources and disconnected processes and systems across vast supply chain networks.

Enter the pandemic. In a relatively short period of time, we've witnessed unprecedented disruptions in demand, supply, and logistics. What was a fairly free-flowing, demand-driven process, became restricted and supply-constrained. Factory shutdowns. Supply disruptions. Labor shortages. Global trade challenges. Stifled innovation. Empty store shelves. Unmet consumer expectations. Inflation. Environmental waste. And now, incredible geopolitical challenges.

The global backdrop continues to change dramatically with the ongoing conflict in Ukraine and its ramifications on supply and the economy. The greatest impacts on transportation include the cost of fuel and its direct effects on the economics of shipping, indirectly causing global inflationary pricing. It has also led to congestion at Northern European ports as carriers are revising their ocean and land schedules and screening all shipments for sanctioned goods, leading to yard container backlogs. Renewed Covid-19 shutdowns in parts of China have led to increased port congestion due to labor constraints. North American ports remain clogged.

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

Higher Ground: Out of the Quagmire with a Practical, Speedy Solution

Sourcing teams work 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. Yet "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 leveraging a modern TMS robust enough to manage any complexities that may arise.

Most companies don't want to go through the hassle of implementing a new system, but it's essential for reaching higher organizational maturity levels. The changes are difficult for companies of all sizes but necessary to avoid long-term supply chain struggles or watching your business sink to the bottom in a losing battle with competitors.

Whenever there's a new software implementation, organizations usually get bogged down in a quagmire of change. In a nutshell, it's almost as messy as the original mess.

Yet a modern TMS comes with new ways of rolling out improved processes. Surprisingly, these changes don't take as long as you'd think. According to Gartner®, 31% of companies go live in as little as three to six months.[1]

TMS Implementation Times | Percentage of Customer References

>12 Months	21%
9 to 12 Months	20%
6 to 9 Months	11%
3 to 6 Months	31%
0 to 3 Months	17%
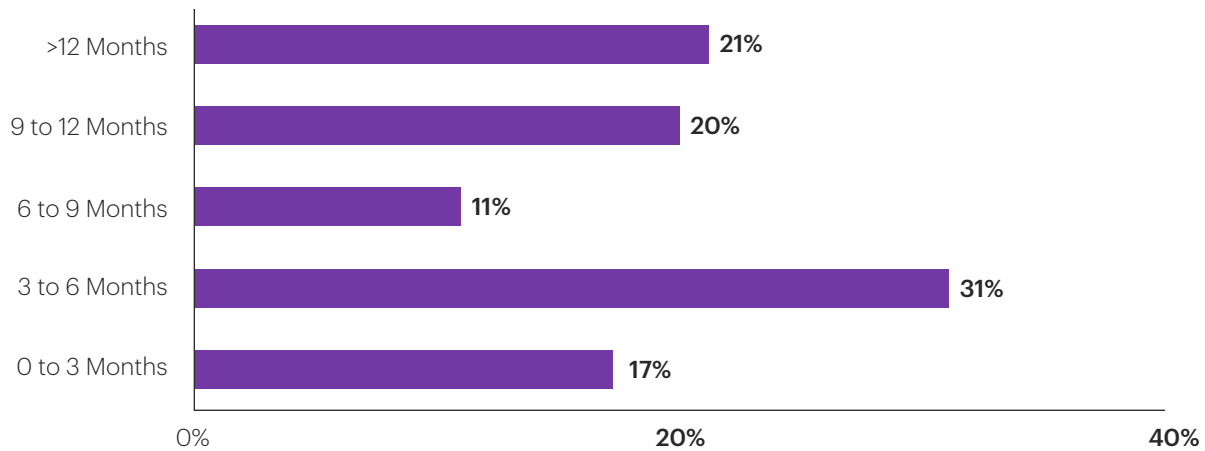
n = 107
Base: All Respondents, Excludes Don't Know
Q: How long did your deployment take?
Source: Gartner
ID: 465862_C

TMS Implementation Lead Times Reported in a Recent Gartner Survey: 48% Went Live in Six Months or Less[2]

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. Gartner states, "Companies that are looking to invest in technologies give preference to solutions that are cloud-based and can be implemented quickly."[3]

Resiliency and Insight are in Great Demand

The COVID-19 pandemic put a glaring spotlight on the need for resilient supply chains and the value of smooth-running logistics operations. An organization that can buffer its supply chain against disruptions will dominate — 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 the ongoing pandemic 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. You can't manage what you can't see — and with the increasing number of potential disruptions, the less visibility you 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 get out of the mess is significant.

Agility, Visibility and Cost Control within Reach

No technology system can stop a pandemic, but best-in-class TMS solutions can give companies better capabilities for improving cost control, agility, visibility, and execution across all modes and regions.

Increased Capacity → **Improved Productivity** → **$$$ Saved**

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 is cumbersome, time-consuming, and difficult. With the increasing complexity of supply chains, TMS providers are developing and growing new and more advanced capabilities.
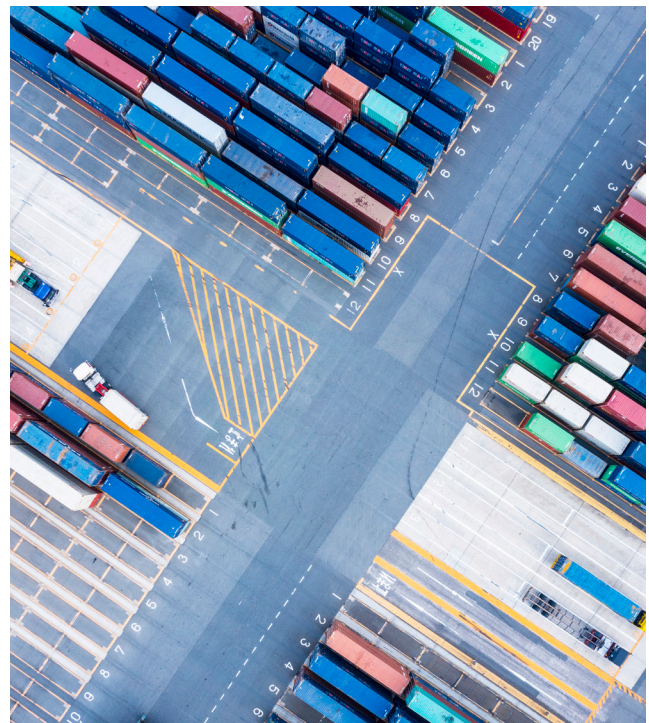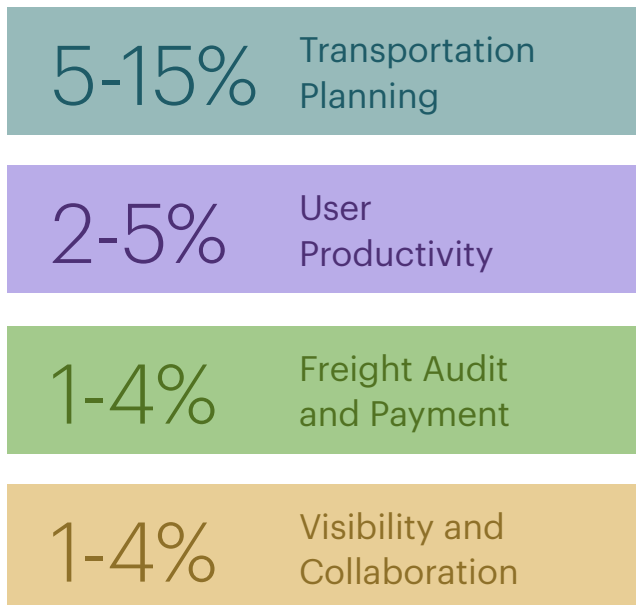
Gartner suggests considering these factors when selecting the most appropriate TMS solution:

- TMS vendors have continued to invest in their solutions, leading to new capabilities and functionality.
- 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 your organization's transportation complexity.

Logistics leaders must look internally with an objective eye to evaluate their organization's overall level of transportation complexity.[4]

Expect Measurable Benefits with a TMS

5-15%	Transportation Planning
2-5%	User Productivity
1-4%	Freight Audit and Payment
1-4%	Visibility and Collaboration

High Above the Mess

Taking your company high above the mess, e2open has you 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 your specific needs so you can serve your customers better. E2open provides a single application purpose-built for your business's unique volumes and workflows, covering all modes and regions with full functionality for planning, carrier procurement, execution, tracking, and settlement.

Today, 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, you have one connected TMS for all your needs.

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.

Regardless of your 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 fleet management, last-mile delivery, rail tendering, and global parcel shipping

> "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**

E2open's Connected TMS Makes It Easy to Achieve

Research analyst firm Gartner, Inc., recently released its 2022 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 mitigate risks." "Transportation management system software applications are evolving to support increasingly complex supply chain and transportation challenges."[5]

Organizations struggle with enormous complexities due to disparate, disconnected supply chain processes as they make, move and sell goods and services. However, if you look closer, you may see an inflection point. A time when fortune favors the visionary. A time when companies see new beginnings. A time that begins and ends with ad newfound connection.

Implementing an effective TMS has become a priority for many organizations.

According to Gartner. "E2open exhibits a strong vision for supply chain execution convergence and end-to-end processes."[6]

E2open aims to continue "making TMS easy" for its clients and for companies seeking the right TMS.

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 400,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 12 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. Oscar Sanchez Duran. How to Successfully Implement a Transportation Management System— Part 2, November 8, 2021, p. 2. The purpose of Gartner's survey was to gain an understanding of the vendors in the TMS market. Customers were referred by 18 vendors selected by Gartner. More than 100 customers chose to participate in the survey, which was conducted from November 2019 to December 2019. Their responses are reflected in the graph.

2. Ibid.

3. Oscar Sanchez Duran, Carly West, Brock Johns, Bart De Muynck. How to Select the TMS, Provider and Solution Best Suited for Your Strategic Capabilities, November 16. 2020, p. 12.

4. 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.

5. Bart De Muynck, Brock Johns, Oscar Sanchez Duran. Magic Quadrant for Transportation Management Systems, March 29, 2022. [https://www.gartner.com/doc/reprints?id=1-1YOALS68&ct=200325&st=sb] 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.

6. Ibid.

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