



A BUSINESS CASE FOR TMS

Modern-day TMS Drives Digital Transformation,
Resiliency, and Return on Investment



STAKEHOLDER SUMMARY

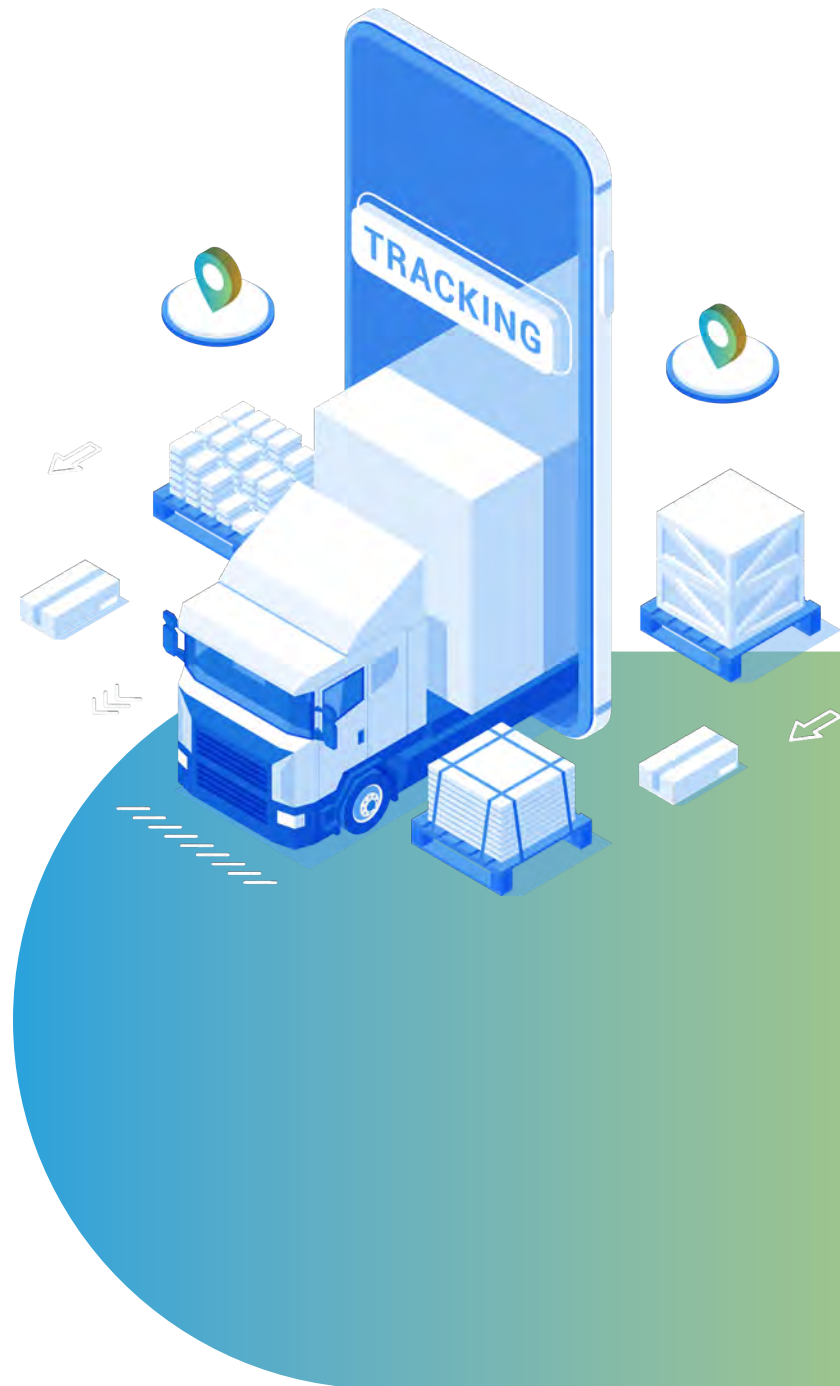
Future-Proofing Your Supply Chain



If we've all learned anything over the last decade, logistics complexities and customer demands have continued to change and increase – having both micro and macro impacts exacerbated with capacity constraints, port closures, natural disasters, geopolitical events, and other global disruptions. Supply chains have been further challenged since mid-2020 (COVID-19 pandemic) as previously existing vulnerabilities were accelerated, magnified, and put to the test by global shutdowns and disruptions to the workforce, volatile supply and demand, global logistics capacity and repositioning issues as well as abrupt cost volatility.

As a result, greater supply chain visibility, efficiency, cost savings, and resilience are top of mind for most companies across all regions of the world. Companies are shaking up their supply chain strategies with digital transformations that promote cost optimization as well as integrated ecosystems and collaboration with customers, carriers, suppliers, and other supply chain stakeholders. Supply chains of the future will need to be agile, flexible, resilient, and digitally networked to mitigate the effects of supply chain disruptions. There's a difference between doing digital and being digital.

This is where a highly connected, cloud-native transportation management and visibility platform comes into play. A modern-day TMS is a digital platform that optimizes, automates, and streamlines logistics processes by providing visibility into all logistics data, activities, and exceptions. It connects all constituents in your supply chain, creating a network effect that drives better collaboration, actionable intelligence, and resiliency through supply chain disruptions. And under the hood, it uses artificial intelligence and machine learning to facilitate predictive analytics that drive improvements and future decisions throughout your supply chain.



Regardless of the size, market, or complexity level of your logistics supply chain, a modern-day transportation management and visibility platform promotes digital transformation and helps address many modern-day supply chain challenges by providing solutions in support of the following:

- A fully connected, collaborative supply chain ecosystem
- Providing freight market intelligence, benchmarking, forecasting and predictive analytics
- Automating and optimizing everyday transportation processes and workflows
- Providing visibility to anything and everything – before it happens and when it happens
- Proactively bringing exceptions front and center, visible and actionable
- Reducing supply chain costs and risks
- Modern platform capabilities, data, network, and visibility working in concert to respond to supply chain disruptions and customer demands

Shipwell's cloud-native TMS and visibility platform is a game changer. More powerful, connectable, scalable, and affordable than ever before, it provides complete, end-to-end support for business processes across the entire logistics lifecycle. Whether your needs revolve around inbound or outbound logistics, your business is small or enterprise in size, or your transportation modes include any combination of TL, LTL, parcel, intermodal, drayage, or ocean, cost and complexity barriers to entry for TMS no longer exist due to modern-day cloud technologies. So, if you are looking to fully digitize your supply chain ecosystem, optimize your logistics spend, provide mobility for your workforce, gain shipment execution efficiencies and visibility or deploy best practices around freight audit and payment, TMS solutions are critical to achieving supply chain resilience and future-proofing your supply chain.



SETTING THE STAGE



Considering the supply chains of the past decade, TMS and visibility solutions deliver more opportunities for efficiency, value, and resilience than any other supply chain execution solution available – not to mention more impactful savings (on average, 8% per year) according to studies performed by ARC Advisory Group* and Gartner**).

Now, no two supply chains are exactly alike. Nobody approaches TMS, or the value opportunities associated with TMS, from the same starting point – having different supply chain processes and strategies, systems, challenges, modes, and levels of supply chain complexity. The way a company that is coming from a place of manual processes, emails, and spreadsheets will be different from one that has been managing non-transparent 3PL outsourcing relationships or one using an existing and underperforming shipping solution. As a result of these dynamics, the opportunities for savings, efficiency, and supply chain resilience often differ from one business to another.

Savings opportunities average about

8%

AREAS OF COST IMPROVEMENTS OR PRODUCTIVITY ENHANCEMENTS IN TMS

AREA OF PRODUCTIVITY	RANGE OF PRODUCTIVITY*
Optimization – Lower-cost mode selections – Better rate selection – Better load optimization – Continuous moves and dedicated fleets	5% – 15%
Procurement Savings	3% – 10%
Increased Usage of Preferred Carriers	2% – 5%
More Efficient, Automated Operations	1% – 5%
Freight Audit Savings	1% – 4%
Collaboration	1% – 4%
Appointment Scheduling	0.5% – 1%

What is also important to note: Modern TMS technology by itself won't lead you to success and the full realization of value. Yes, you need a robust, connected, and easy-to-use technology platform that allows you to drive efficiency and scale. But more importantly, you need a partner who offers customer-centric services and support beyond simply standing up a technology – a partner who will support and embrace you as you manage through change, adoption, and digital transformation; a partner who will continue to innovate the technology and find new ways to help you drive continuous improvement and value. Shipwell has a history, a heritage, of deploying, innovating, and supporting TMS and visibility solutions across companies of all shapes and sizes. This legacy includes companies across several industries, such as food, beverage, manufacturing, consumer goods, services, retail, and wholesale/distribution.



Proper Planning

Understanding corporate strategies and objectives are key to justifying nearly any initiative, including TMS. Whether tied to cost savings, margin performance, customer service, visibility, or supply chain resiliency, it's important to align with stakeholders as well as the key decision-makers responsible for executing business strategies and objectives.

As you begin to evaluate and solidify your business case for TMS, it's important to take a holistic approach — considering the needs of the business today and into the future. Proper planning, input, and readiness are critical — thus the need to involve all stakeholders that may be affected by transportation-related decisions (i.e., IT, finance, sales, warehouse, customer service, etc.). Identify their needs, challenges, and timelines, and understand their departmental goals and strategies. Finally, consider involving your preferred TMS partner in the process of building a business case, leveraging years of experience with TMS technology and best practices.

**Transportation Management Systems Market Research, ARC Advisory Group, April 2, 2018*

***How to Calculate the Return on Investment for a Transportation Management System, July 16, 2019 by Bart De Mynck, Oscar Sanchez Duran and Brock Johns*



Such a full immersion and inclusion will help to ensure you build a business case that delivers solid details and a well-defined plan around:

- Identifying and quantifying symptoms of inefficiencies, disruptions, and challenges, and their impact on margins, brand and customer experience
- Mutual vision and goals – cross-departmentally
- Corporate strategies and objectives
- Savings and value opportunities tied to the TMS investment
- Investment/TCO – internal/external costs, timelines and resources
- Change management impact – teams, processes, systems, supply chain partners
- What the cost of hesitation really is

ROI OPPORTUNITY CONSIDERATIONS

With 20+ years of evolution behind SaaS technology and innovations delivered in the cloud, not to mention more affordable subscription-based delivery models, modern TMS and visibility solutions are powerful and scalable – delivering full ROI faster than ever before (typically 6-9 months after go-live). Once seen as a nice-to-have for larger companies with complex supply chains, these solutions are becoming an absolute necessity for companies of any size, industry or level of complexity.

Looking beyond the affordability of today's modern TMS and considering the many supply chain challenges and disruptions we've all experienced in the 2020s and the last decade, companies are much more aware of the risks that exist within both the global supply chain and their own that – if not properly managed – can have disastrous effects of their brand image and bottom line. These challenges are why digital supply chain transformations (applications, data, network and visibility) are top of mind for business leaders.

Although there's a plethora of ways that a modern-day TMS and visibility solution adds significant efficiencies and savings and helps achieve preparedness and resilience through supply chain disruptions, there are five (5) focus areas that fundamentally help define the core benefits and ROI opportunities:

- Targeted procurement (rate/bid management, instant rating, freight market intelligence)
- Planning and optimization (auto load building, load/route optimization, shipment pooling)
- Execution (rating, routing guide compliance, tendering, dock scheduling, shipment visibility, exception management, carrier performance management and workflow automation)
- Settlement (systemic freight audit and payment – match pay)
- Actionable intelligence (reporting, dashboards, analytics and continuous improvement)

COMMON SAVINGS OPPORTUNITY RANGES BY CATEGORY



Transportation
Procurement
3-10%



Planning &
Optimization
5-15%



Execution &
Visibility
3-5%



Financial
Settlement
1-4%



Actionable
Intelligence
PRICELESS

Each company that implements a new TMS solution has unique supply chain characteristics, dynamics and challenges – as well as unique strategies for TMS deployment and roll-out (i.e., inbound/outbound, big bang, multiple phases). As a result, not every company will enjoy the same level of value opportunities across all five (5) of these categories – which can have an impact on the amount, speed, and frequency of ROI directly achieved. In addition, the constant of supply chain “change” should be considered (consumer buying patterns, mode shifts, geopolitical events, natural disasters, driver shortages, tight/abundant capacity) as these can have an impact on the amount and frequency of ROI – as well as on customer experience and brand.

But what we do know (from two decades of research studies) is that companies typically see an average of **8%** savings per year with the implementation of a modern TMS solution, with **>60%** of companies stating that TMS-related costs were less than **10%** of their documented savings.

Let’s take a look at the five (5) focus areas that fundamentally help define the benefits, ROI, and sustainable continuous improvement opportunities:

Centralized, systemic aggregation of shipping data for the simplification of strategic procurement analysis and decision making is essential. Selecting the right carriers that provide visibility and real-time insights across the network has a direct and positive influence on both profitability and customer satisfaction. However, today's supply chains are constantly shifting, which means that today's ideal carrier mix may not meet the needs of tomorrow. As witnessed over the past few decades, the market seems to experience changes every 3-6 years, forcing shippers to shift and re-balance the calculations that go into determining the modes, capacity, and rates needed to move their assets, as well as to reevaluate their use of brokerage firms, the spot market, dedicated fleets, private fleets, and so on.

TYPICALLY 3 TO 10%

Savings Opportunity

Having a highly-connected TMS solution (including freight market intelligence, benchmarking and forecasting) will assist you in determining your ideal mix of carrier partners while striking a balance between price, capacity, service, quality, and other factors. Streamlining the sourcing process through the use of a powerful and flexible solution that provides these capabilities is a vital part of running a dynamic supply chain. Changing strategies to meet shifting customer demands and service requirements, quickly pivoting to adjust to varying shipping volumes, adapting to new regulations, rising fuel prices, carrier mergers and acquisitions, and other constantly shifting factors require a level of flexibility that traditional TMS solutions cannot provide.



Price Forecast

Not all TMS platforms are created equal. In many cases with commercially available TMS solutions, transportation procurement (even instant rating) is nonexistent or manually managed with spreadsheets and emails or costly external services. Integrated freight intelligence, benchmarking and forecasting are also generally absent from the majority of commercially available TMS solutions available today.

Shipwell's modern-day TMS and visibility platform inherently supports all of these capabilities and insights – driving significant opportunities for freight rate savings and ongoing freight intelligence.



Capabilities and Benefits that Support Efficiency, Savings and Value:

- Centralized workflows – RFP bids managed, executed and awarded directly from the platform
- Freight market intelligence and forecasting (compare bids and rates to the market)
- Opportunistic, quarterly and full network bidding
- Contract rate requests, instant rating and incremental bidding for continuous improvement
- Identify bleeder lane rates against industry benchmarks
- Improved durable rates and capacities to move freight
- Routing guides automatically created and updated
- Improved stick rates for routing guides
- Expanded competitiveness defined in spot markets
- Analytics to support optimal carrier, mode, service and rate – price vs. performance, lane insights (current, historical, lane volatility, tender accept/reject)
- Ability to quickly update contract pricing while monitoring and leveraging changes in the spot market
- Facilitate freight rate conversions to take control, plan and manage more inbound freight
- Better balance and reduction of brokerage and spot market dependencies
- Using volume and carrier performance to negotiate and execute preferred rates



TRANSPORTATION PLANNING & OPTIMIZATION

The company that's not optimizing is leaving money on the table



Transportation optimization is the process of analyzing big data (modes, shipments, lanes, rates, routes, carriers, pick-up/delivery times, dock restrictions, hours of operation, hours of service and other variables and constraints) to produce efficient and realistic load plans that reduce miles and overall freight spend, meet service levels, reduce carbon emissions, and gain efficiencies across the entire logistics supply chain.

TYPICALLY 5 TO 15%

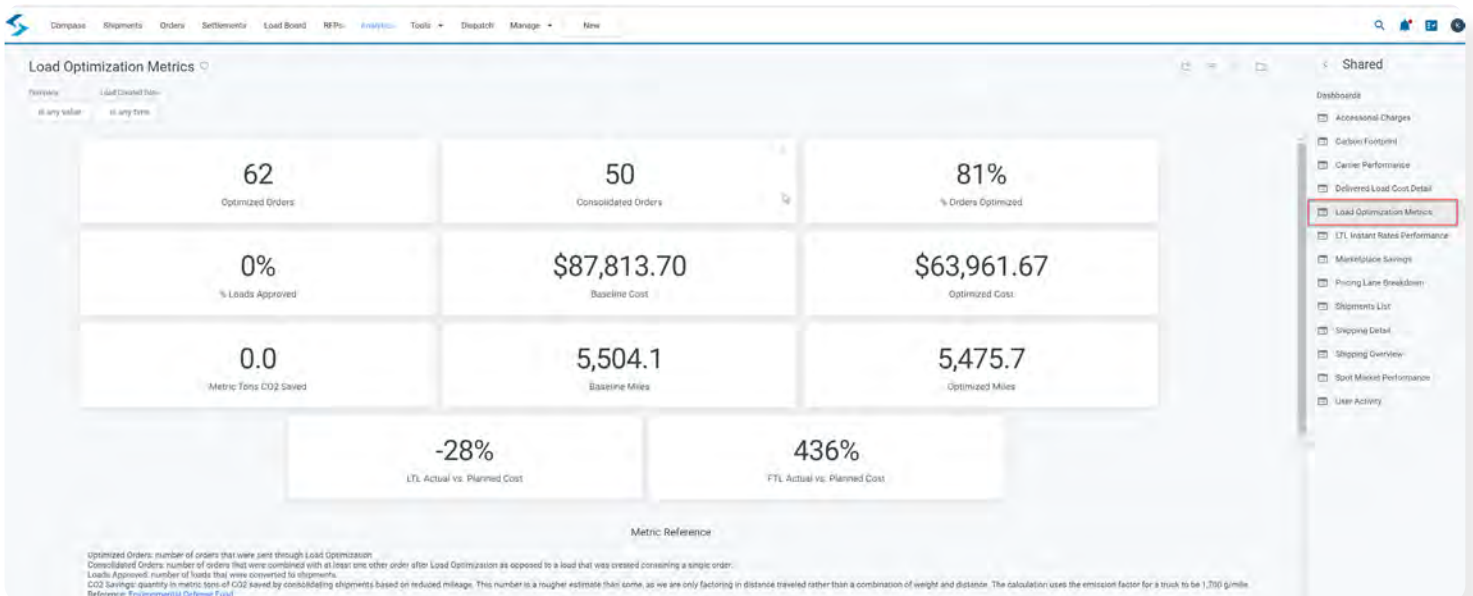
Savings Opportunity



Optimization generally supports most inbound, outbound, and intra-facility operations, from one-pick/one-drop to complex multi-stop, multimodal, multi-leg, and cross-dock or pooling scenarios. Your business rules and logic, in conjunction with our optimization and scenario building, working in concert to drive an optimized plan for all orders and shipments based on cost and service levels.

Capabilities and Benefits that Support Efficiency, Savings, and Value:

- Modern, easy-to-use user interface (shipments/orders) ensures quick onboarding, adoption, and efficiency
- Planning/booking support for TL, LTL, intermodal, drayage, parcel, and ocean booking (2023)
- Highly configurable, intuitive, multimodal optimization workspace
- Efficiently plan inbound, outbound, and inter-facility orders by collaborating with your logistics service providers and your internal fleet
- Inbound supplier management portal for ready-to-plan/ship collaboration
- Lowest-cost mode and carrier selections: Optimize all shipping decisions. Combine small shipments into full truckloads. Create multi-stop loads and pooling solutions via consolidation, deconsolidation, and cross-docking points. Considers small parcels that may be shipped more optimally via LTL
- Auto-load building, shipment routing, and scheduling
- Overall reduction of routes, miles, and fuel costs
- Run what-if scenarios and compare the results of multiple runs (employing different profiles and rules)
- Dynamically add new orders to existing loads, or run different groups of orders together
- Graphical representation of load plan, savings and CO₂ footprint reduction
- Decision support for transportation bids (leverage spend, more intelligent bids)
- Compute individual savings for each load and the total savings for the plan
- Significant labor reduction due to increased efficiency gains around planning workflows and automation
- Slow the need to add FTEs (load planning) as business and logistics volumes continue to grow



TRANSPORTATION EXECUTION

Execution, Visibility & Exception Management



Planning and optimization lay the groundwork for significant savings and efficiency gains. But the best plans need to be executed and proactively managed, with visibility and event management across the transportation lifecycle. Automated execution and visibility capabilities – combined with the benefits of an optimized plan – help elevate overall supply chain effectiveness and cost savings.

TYPICALLY 3 TO 5%

Savings Opportunity

Shipwell's TMS supports a myriad of execution, exception-management, and visibility capabilities, from dynamic carrier-routing guides, private-load boards, broadcast tendering, and connectivity to leading digital freight marketplaces (DFMs) to advanced dock/appointment scheduling and full control tower visibility over shipments, milestones, and exceptions.

Operational Efficiency and Automation

- Connectivity, to leading digital freight marketplaces, suppliers and customers – EDI, API, ELD, portals, mobile, URL link, email
- Freight market intelligence, benchmarking, forecasting, predictive analytics
- Increased use of preferred carriers
- Rate/contract management, instant rating and accessorial management
- Manual tendering, auto-tendering via route guides, broadcast tendering
- Routing guide compliance, tender acceptance tracking
- Dock scheduling and reduction of accessorial costs / carrier over-charges
- Carrier scorecards, carrier compliance, capacity commitments





Visibility and Exception Management

- Shipment visibility – real-time, multimodal insights into in-transit shipments and predictive ETAs
- Mobile applications – shipper, carriers, and fleet drivers
- Compass “control tower” for milestone and exception management
- Proactive alerts and messaging (internal and external)

Benefits

- Risk mitigation due to advanced visibility and predictive insights
- Cost savings and productivity improvements
- Improved service levels and customer experience
- Capacity “elasticity” – carriers, brokers, load boards, fleet, DFMs, Shipwell logistics
- Reduction of costly expedites, fire drills
- Reduced dock congestion, detention
- Reduced demurrage and container detention fees on ocean containers
- Improve OTIF compliance (reducing potential fines)
- Labor planning (i.e., dock scheduling, unloading, loading)
- Increased speed of inventory turns and reduced inventory carrying costs (Reduced COGs)
- Improved “shipper-of-choice” status with carriers
- Labor reduction due to increased efficiency gains
- Slow the need to add FTEs as business and logistics volumes grow

FREIGHT AUDIT AND PAY (SETTLEMENT)

Settlement savings can help offset your entire TMS investment



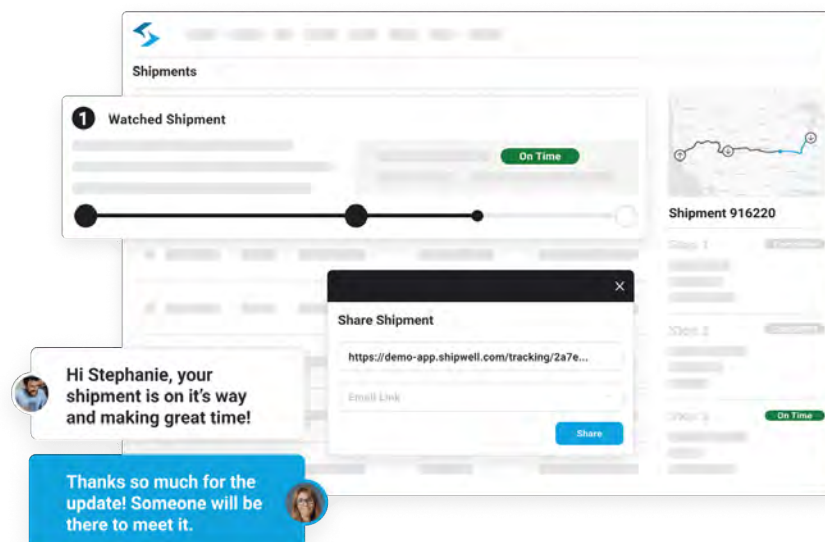
Implementing a TMS solution will streamline operational efficiencies and automate many manual processes that are instrumental to the success of your supply chain, including financial settlement with your carrier network. Traditional methods of manually organizing, auditing, reconciling and processing carrier payments are labor-intensive and frequently prone to costly errors. Without automation, these kinds of errors are understandable, considering the sheer number of invoices a company sees each week and the common frequency of invoice variances (additional charges, rates and services).

TYPICALLY 1 TO 4%

Savings Opportunity

Recognized as a best practice when managed inside of a TMS solution, settlement provides complete and automated freight-audit capabilities and rules that allow for electronic carrier self-billing, low-touch first pass match invoice reconciliation and discrepancy workflows, and TMS-driven collaboration (for dispute resolution) between the shipper and carrier. As a result, companies that use TMS-driven settlement processes significantly reduce administrative expenses and errors, pay the correct amount the first time and pay the carrier only once.

Solving these challenges is very compelling, further helping to offset the investment for a TMS and visibility platform. When FAP processes are automated within the TMS, you're leveraging the intelligence gained through system-driven data analysis to minimize manual processes (down to exceptions), reduce costly errors and quickly resolve invoice disputes. As a result, carrier payment is timely and efficient – a scorecard that carriers most certainly consider when determining where their available capacity gets distributed (i.e. shipper of choice).

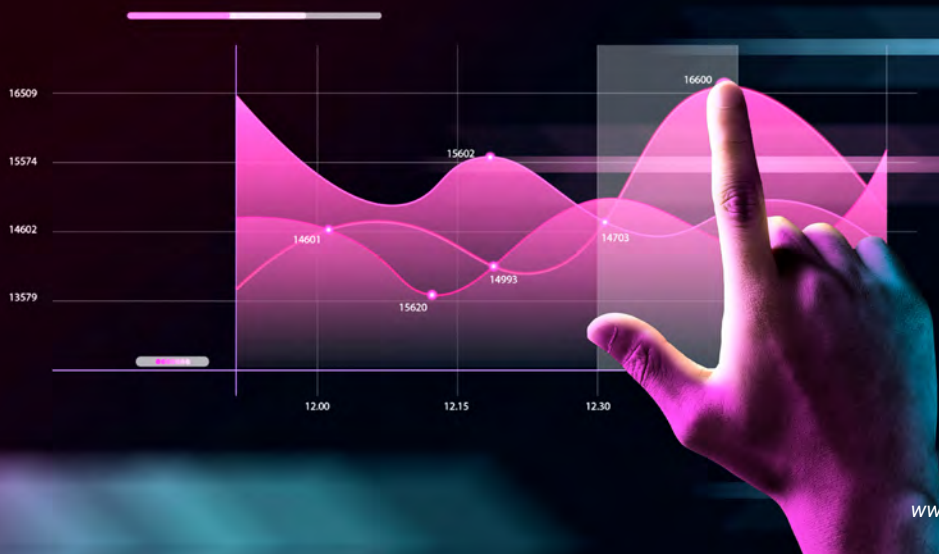


- Eliminate the need for and expense of third-party audit and payment providers
- Automate manual, complex tasks (match-pay processes supported)
 - Eliminate paper-matching and inefficient approval processes
 - Configure rules for discrepancy checks and dispute resolution
 - Exception-management processes, alerts and workflows
 - Digital capture of PODs, claims photos and other documentation
- Reduction in planned and unplanned accessorial charges (Out-of-tolerance / over-charges)
- Better management of rate and accessorial variability
- Elimination of errors and duplicate payments
- Track, allocate and accrue costs
 - Accuracy improvements around cost allocations, accruals and GL accounts
- Carrier/lane rate comparisons against industry benchmarks and freight intelligence
 - Historical views of lane-based freight costs for better forecasting and carrier negotiations
- Systemic communication/collaboration with carrier partners
 - Ensures carrier compliance
 - Carrier visibility when payment is made; creates potential for early-pay discounts
 - Improves tender acceptance rates (creates better relationships with carriers)
- Reduces administrative costs related to manual document handling, auditing and payment processes
- Slows the need to add FTEs as business continues to grow

ACTIONABLE INTELLIGENCE

If you can't see it, you can't measure, learn or adapt

Beyond just knowing “what happened,” data and analytics within the TMS help promote discovery of additional continuous improvement opportunities to improve workflow efficiencies and resource utilization, reduce costs, enhance customer experience and have more meaningful and transparent relationships with vendors/partners in your supply chain.



PRICELE\$\$



Having real-time actionable intelligence and data visualization across all areas of the logistics supply chain fuels data-driven decisions. Combined with predictive insights, these data-driven decisions not only have an impact on supply chain efficiencies, cost savings and customer experience but also your ability to successfully navigate through myriad supply chain disruptions and risk.

Being armed with both real-time and historical data and analytics provides the actionable intelligence needed to drive performance-based measurements, decisions, communication, collaboration, and accountability across the full transportation life cycle. Further, it provides proactive visibility into potential lost opportunity costs ties to what could happen or what is happening.

Descriptive Analytics:



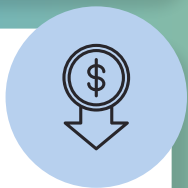
The platform allows users to digest historical information to draw comparisons and better understand the changes that have occurred during a specific time horizon. This data can be seen from many different levels, including commodity, order, facility, carriers, etc.

Diagnostic Analytics:



Our diagnostic analytics allow users to drill down into the data to get to the “why.” Our platform gives users the ability to correlate, mine and discover data to examine cohorts, data patterns, etc.

Predictive Analytics:



The Shipwell platform includes an industry-first predictive pricing algorithm. A personalized “My Reference Price” presents today’s expected rates based upon past behavior, pricing tendencies and the customer’s platform usage over time. An aggregate “Market Range” benchmarks middle-of-the-market ranges, predicting the rates that will be negotiated today for all carriers running a specified lane and equipment type.

Prescriptive Analytics:



The platform leverages descriptive and predictive analytics to identify the best path or action for the user to take. Machine learning has promised to automate actions in the future, reducing workflow for users with common exceptions.

SUMMARY

If not now, when?



It's no secret that supply chain disruptions have created challenges for companies over the last decade. The COVID-19 crisis accelerated and magnified existing vulnerabilities that truly put global supply chains to the test. Consequently, efficiencies and cost savings through digital transformation and supply chain resilience are hot topics in almost every boardroom today, as companies know they can no longer continue to operate their supply chains the same way they did 10, five, or even three years ago.

Building and constantly innovating a modern-day platform, Shipwell partners with companies of all shapes and sizes to help drive connected, efficient, and resilient supply chains. Shipwell's TMS and visibility platform not only automates, optimizes, and provides digital synchronization of your day-to-day logistics processes and workflows, but these solutions also drive advanced, predictive insights and intelligence (including the use of AI and machine learning). Through the use of cloud-native applications, a connected network, supply chain data, and end-to-end visibility, companies achieve new levels of efficiency and actionable intelligence across the entire supply chain stakeholder community.

The results:

DIGITAL SUPPLY CHAIN

- Digital supply chain connectivity through TMS platform capabilities, supply chain data and analytics, connected network and visibility
- Across shippers, carriers, suppliers, customers, and other third-party supply chain partners

IMPROVED RESILIENCE DURING SUPPLY DISRUPTIONS

- Improved organizational workflows and agility to mitigate and manage supply chain risk
- Real-time actionable intelligence and insights to drive better, more timely decisions and actions

EFFICIENCY, COST SAVINGS & CONTAINMENT

- Optimization, automation and synchronization of workflows across the logistics supply chain
- Freight market intelligence, transportation procurement, planning and routing, rating, routing guides, tendering, dock scheduling, visibility, freight audit and payment

CONTINUOUS IMPROVEMENT

- Apply gains from data and analytics, efficiency improvements and visibility towards other strategic supply chain goals, objectives and initiatives that drive additional value for your business
- Maximize further utilization of your TMS investment (ongoing platform roadmap innovations and capabilities)

SUPPLY CHAIN EXCELLENCE

- Effectively collaborating and building relationships with your supply chain partners
- Internal stakeholders, customers, carriers, suppliers
- Protecting your brand, market share, margins and customer experience

BUILDING SUPPLY CHAIN VALUE & RESILIENCE, TOGETHER



ABOUT SHIPWELL

In 2016, Shipwell was born from the recognition that supply chains demand modern-day technology to adapt and evolve to modern-day supply chain needs and challenges. The market was longing to move away from outdated technology, acquired bolt-on solutions and other disparate systems and moving towards a thirst for a purpose-built **Platform** for supply chain parties to connect, collaborate and **Network** together to share, measure, monitor and adapt using advanced **Visibility, Data, and Analytics** across the entire logistics supply chain.

Today, this vision-turned-reality helps thousands of companies drive organizational optimization and efficiencies, end-to-end visibility and continuous improvements – helping to reduce costs, better mitigate supply chain risks, and ensure preparedness and resilience when faced with supply chain disruptions. Shipwell is proud to be recognized among the elite in Gartner’s Magic Quadrant for Transportation Management Systems.



www.Shipwell.com