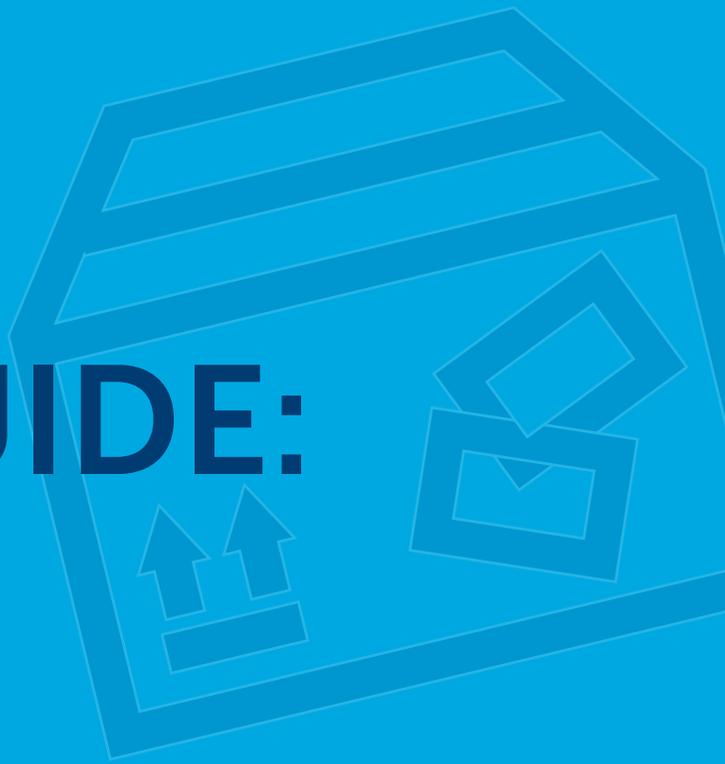


QUICK GUIDE:

Critical Capabilities of a TMS for Parcel Shipping



Parcel shipping is no longer a linear process—get a package out the warehouse door and you're done.



In the past decade, the industry has boomed, becoming more automated, customer-centric, and ferociously complicated. This is why emerging supply chain technologies, such as a TMS for parcel shipping, have had such success with businesses of all sizes, churning some of the highest returns on investment we've seen yet. (We're not talking about Excel sheets here!)

TMS, which stands for Transportation Management System, has two primary functions when it comes to parcel shipping: **planning** and **execution**.

The **planning** stage begins with overall carrier rate calculations and ends with carrier selection and package consolidations based on factors such as a shipper's business rules, a customer's delivery preferences, and the inventory's location. The **execution** stage encompasses everything from printing shipping labels and documents to ensuring the execution of the delivery commitment. Basically, if you need to get a parcel from point A to B, or even C to D, a TMS for parcel shipping will handle that and more.

A modern TMS for parcel shipping carries out functions that yield benefits in the following areas:

1. Fulfillment Operations

A TMS for parcel shipping streamlines order fulfillment ops and sets each parcel up for cost-effective, on-time delivery before it leaves the warehouse. Advanced solutions integrate with leading business systems to seamlessly execute shipments from any operation, whether it's automated, manual, or somewhere in between, and once each order is received, a TMS for parcel goes to work to identify the best carrier service and automatically provides a label that complies with the carrier's requirements.

2. Procurement

A TMS for parcel shipping empowers shippers to shop smarter for carrier services. Leveraging a single system, procurement teams forego homegrown solutions to account for the variables in carrier contract negotiations and eliminate the guesswork in budgeting. Advanced solutions feature both a rate simulation engine that calculates the impact of a new carrier contract on the bottom line as well as **Business Intelligence tools** to identify savings opportunities across attributes such as origin-destination, carrier services, modes, and accessories.

3. Accounting

A TMS for parcel shipping eliminates manual labor and expedites carrier payments. The system automatically compares carrier invoices against expected transportation costs and identifies discrepancies, so finance and management teams can easily measure actual transportation costs against budget and report on spend according to geography, business unit, accruals, and GL Coding, to name a few. More sophisticated solutions will have reporting features that empower shippers to identify opportunities to deploy different multi-carrier parcel delivery strategies that yield greater returns.

4. Customer Service

Visibility and accuracy are pivotal to excellent customer service—and you can optimize both with a TMS for parcel shipping. As parcel shipments move through the carriers' global supply chains, the system captures package status messages and sends instant warning alerts if a parcel is off track or behind schedule. Shippers proactively address delivery events such as inclement weather or traffic to meet customers' expectations and maintain delivery KPIs.

THE “MUST-HAVES”

of a TMS for Parcel Shipping

Get ready to raise your TMS for parcel shipping standards beyond your wildest expectations. With so much competition in the market, there’s a lot you can demand when choosing a system. A modern TMS for parcel shipping, even at a basic level and price point, carries out several prime functions when it comes to a carrier services network, event tracking, and business system integration. Don’t accept anything less than a TMS for parcel shipping with the following features:

A Wide Carrier Services Network



Not every TMS for parcel shipping works with carriers of all sizes. While most systems may include the big players, like FedEx or UPS, they often leave small, local carriers out of the equation. Your new TMS for parcel shipping should work with a vast network of carriers and services, so all of your parcels can be tracked through a single platform, seamlessly. And as your shipping volumes—and your marketplace—expand, the ability to comply with multiple carrier services will allow you to deploy a more strategic, global transportation strategy.



Parcel Consolidation

Shippers often waste time and money shipping parcels to the same place at individual rates—and they may not even be aware they're doing it. Be sure your TMS for parcel can identify opportunities to consolidate parcel shipments heading to the same geographic area—both domestic and international—and compare carriers and services to find the best rate. The right solution will help you optimize volume discounts and zone skipping and avoid accessorial charges—cutting your costs and increasing resource efficiency almost immediately.



Control Tower Visibility

Visibility is at an all-time high when it comes to the critical capabilities of a TMS for parcel shipping. Real-time shipping data, made possible by a control tower, can have a tremendous impact on both carrier contract negotiations and customer service. The control tower monitors all shipments, regardless of carrier, mode, and geographic location, from the moment they leave the warehouse, so even though a parcel is out of your hands, it's never out of sight. Instant alerts about any problems en route empower you to ensure carriers are performing services as contracted and take proactive steps to manage shipments that require attention.



Integration with Other Systems

To stay ahead of the game, you need all of your systems to work synchronously. Therefore, seamless integration with systems such as e-commerce, WMS, OMS, and ERP, is a crux capability in any TMS for parcel shipping. By increasing the speed of information flows within your organization, you reduce operational costs and decrease resource consumption. It also becomes easy to set and measure corporate KPIs and identify opportunities to create new efficiencies internally. Ultimately, you maximize the value of all of your technology investments.

THE “NICE-TO-HAVES”

of a TMS for Parcel Shipping

In parcel shipping, top priorities are usually cost optimization and the ability to work within a large carrier services network. However, capabilities outside of the basics enhance the entire process, deliver better customer service, and utilize data more effectively. Additional components of a TMS for parcel shipping, the “nice-to-haves,” may include features that are not necessarily critical—but they sure do help.



SaaS

To improve scalability, accessibility, and security, use a cloud-based TMS for parcel shipping. A SaaS platform will allow you to seamlessly connect people, processes, and third parties to your parcel shipping operations in real time, regardless of location and with minimal upfront costs and IT investment. All users can execute, track, and analyze parcel shipping processes in a single solution—improving reaction time, collaboration, and decision-making accuracy.

Furthermore, using a SaaS TMS for parcel shipping enables you to realize a return on investment quickly—without the hit of an initial investment and with the benefit of accelerated implementation and integration processes. Added incentive: security. A reputable TMS for parcel shipping vendor will potentially provide more robust data security than you could yourself—particularly if you lack deep IT resources, staff, controls, or expertise.



Business Intelligence Tools

Business Intelligence technology will give you visibility into parcel delivery events and flag opportunities to save money. Some top-of-the-line TMS for parcel shipping systems wield a set of impressively effective tools that analyze shipping costs and optimize your transportation activity based on attributes such as spend, geography, carrier, and client to improve on time delivery performance and increase profits per parcel shipment. And if you've integrated your TMS for parcel shipping with your business systems, you can sync data and streamline enterprise reporting, budgeting, and billing—cutting costs across the line.



Cross-Border Shipping

Due to regulations, tariffs, and documentation, cross-border commerce used to be one of the most intimidating aspects of parcel shipping. Thankfully, this is in the past. TMS for parcel shipping technology, with an integrated process for cross-border shipping, alleviates customs anxiety by automatically identifying and providing the appropriate documentation for any shipment. The system also allows you to analyze cross-border operations and find opportunities for consolidation, mode shifting, and cost efficiencies as your parcel moves from point A to point B around the world.

Ship Smarter with a TMS for Parcel Shipping

Ultimately, the goal of a TMS for parcel shipping is to help you meet your delivery commitments in the most efficient way. High ROI is a great bonus, too. So why not choose a TMS for parcel shipping that delivers both?

Contact Logistyx Technologies today.