UltraShipTMS
Intelligent Logistics

Routing & Tendering Automation Increases Efficiency and Delivers Significant Cost Savings

BUSINESS CHALLENGE

For over twenty years, the client relied on a home-grown system for routing and tendering its outbound shipments to customers all over the US. Their processes for routing and tendering shipments, hosted on a mainframe, were completely manual and labor intensive. A large team of transportation managers performed lane volume analyses, carrier/rate performance and selection and tender management, making decisions based on anecdotal or "tribal" knowledge. Decisions surrounding when best to ship via private fleet, dedicated carrier or common carrier were not subject to any standard processes or long-term strategies for efficient equipment utilization. Each user had a high degree of independent control over decision-making and this made it difficult for management to set strategic goals and hold users accountable for results.

The client did not maintain a carrier portal, nor was there any connectivity to carriers via EDI. All interactions were either screen capture images cut-and-pasted into emails or telephone and fax communications. Without a centralized repository of rate and route data, there was limited visibility into transportation spend and performance metrics. Dispatchers were manually involved, multiple times for each shipment as it navigated through the routing/tendering process. The lack of automation also resulted in a high number of loads being covered in the spot market at some of the highest cost-per-mile rates.

As a result, this client maintained excessive staffing levels to support a system that was – through its limited visibility – leaving significant transportation cost savings on the table and having a negative impact upon on-time performance.

THE SOLUTION

The client engaged UltraShipTMS for routing and tendering automation. During the implementation and on-boarding process, implementation teams worked with key stakeholders to document, summarize and incorporate all of the client's

CUSTOMER

A leading provider of food and agricultural products

CHALLENGE

- Homegrown, paper-based system
- Tribal knowledge locked in silos
- No electronic communications capabilities
- Low visibility

SOLUTION

- UltraShipTMS engaged
- Business goals & rules identified
- Routing guides built and loaded
- Auto-tendering configured
- EDI & web portal connected
- Exception management enabled

RESULTS

- Tender cycle-time reduced 95%
- Dispatcher handling reduced 70%
- Improved visibility aided more effective carrier selection
- Use of spot market decreased
- Event-user logging fostered greater accountability
- Impressive cost savings
- Dramatically improved on-time performance

tribal knowledge into a new, more strategic process. This began with establishing concrete goals for what the automation was intended to achieve. It was determined that carrier service and reliability was the primary concern.

Routing guides were structured using rank- and percentage-based rules, maintaining the client's existing levels of service, while finding ways to mitigate costs. All carrier rate information and historical rate analyses was loaded into UltraShipTMS' online routing guide, bringing clarity and focus to the data before

codifying the deliberate routing and rate decisions made by the client. Wherever possible, UltraShipTMS provided expert logistics and transportation perspective, applying best practices for route and rate optimization according to the client's specific requirements.

With the rate and routing guides completed, and automated tendering configured, UltraShipTMS rolled out a web-portal for electronic carrier access and integrated EDI.   UltraShipTMS then enabled its rules-based auto-tendering engine, allowing users to make quick, informed routing decisions based on multiple factors including cost, percentage allocation and rank. Using the standardized route and rate data stored in the routing guide, and the new electronic notification capability, the software enabled a time-based, cascading auto-tender process. Dispatchers no longer needed to follow up with individual carriers, or manually re-tender loads after the pre-set response time window was reached in the system. For the first time, the client was able to communicate with their carriers via EDI and use automatic email tenders with the carriers that did not support EDI. Carriers were able to view and respond to tender offers without direct contact with the load planners. With this near instantaneous notification, carriers were afforded greater lead time to prepare for shipments and were able to offer the client first access to available trucks.

In addition, UltraShipTMS configured exception management features putting exception information immediately at the fingers of dispatch users.

THE RESULTS

Once implementation was complete and the system went live, tender cycle-time for this client fell by an astounding 95%. Dispatchers reported that rules-based routing and tendering reduced their physical involvement with the tender process from (having to touch) 100% of all tenders to less than 30%. Moreover, the client could now monitor carrier acceptance/ rejection rates using the carrier scorecards enabled by the visibility afforded via automation. Visibility into these rates helped the client further fine-tune its carrier selection process, improving timeliness.

Reliance on the spot market was greatly reduced as the combination of the auto-tender process and electronic communication made it far less likely that shipments would linger in the dispatch process prompting a the need for paying premium prices to deliver on time.

Over the first nine months of the program, management reported that the UltraShipTMS dramatically improved visibility. Uniform processes and centralized outbound operations were delivering more efficient use of transportation resources. Automation yielded more strategic routing decision making less cost variability and the software's event-user logging and reporting capabilities supported greater accountability. Client leadership expects to show impressive year-over-year cost savings and improved on-time performance once the first full year has been concluded.

UltraShipTMS

UltraShipTMS is a respected provider of supply chain management technologies, services and consultation, helping Fortune 1000 organizations optimize and transform their transportation networks from opaque and rigid cost centers to strategic and responsive value drivers. UltraShipTMS provides a single-source solution for optimization, transportation and settlement for in- and out-bound shipping across all modes of transport. Delivered in the flexible, affordable Software-as-a-Service (SaaS) model, the UltraShipTMS suite offers proven tools for reengineering supply chain processes while unlocking complete transportation network visibility, improved collaboration and accountability. Built and supported by the same team of transportation industry veterans and software developers, UltraShipTMS is an emerging leader in the supply chain management industry.

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