



Aptean Routing & Scheduling
Calidus Edition

Transportation Management: Costing the Earth or Just Your Business?





Transportation is rapidly becoming the highest operating cost in the supply chain process. Not only is it more expensive to run, the performance of the transportation operation can often determine the difference between a profit and a loss. Between success and failure. There is no doubt that a poorly run operation will cost the business money, but underperforming can easily lose hard-won customers and negatively impact your brand.

Modern businesses are now turning to advanced transportation management systems (TMS) to deal with these pressing business issues.

This isn't a surprise – anyone working in a logistics environment knows this to be the case. Just as everyone knows that fuel costs have, are, and will keep increasing along with the cost of insurance, maintenance, and just about everything else needed to run a successful transportation operation.

At first sight, the solution appears simple. Find a high-quality TMS at an affordable price – right?

Unfortunately, experience has shown that the penalty for getting it wrong is that most transportation operations can get much worse quickly, and all the things you hoped to improve become even more significant problems. Chances are you will end up believing that not starting could be a better solution.

But there are solutions designed to help your operation – not hinder it.

**Are you ready to discover how to turn your transportation operation into a profit engine?
Read on to find out how.**

The Key to Success Lies Within Your TMS

The transportation operation is the heart of any supply chain – if it doesn't function properly, everything else will ultimately fail.

From your customers' perspective, getting it right is necessary. Getting the right products to the right place, at the right time and at the agreed price is the minimum they expect. But, for your business to prosper, the whole process must be executed at the right cost.

The impact of fuel tax and employment cost increases are only the beginning. The pressure on cost and profit is unlikely to ease - and now, just to add to the challenges, there is real attention being paid to the impact of your business on the environment.

Companies must consider three key drivers when evaluating any business system's need—efficiency, effectiveness, and environmentally friendly. Let's call them the 3 Es. When it comes to transportation management, you must meet all three requirements. Get all three right, and you're on to a winner.

Lets' take a look at the 3 E's a little more:

- › **Efficiency:** Expense and time are essential elements to achieve optimum efficiency, and any successful transportation operation must get them right every time. With the right technology, your business can uncover inefficiencies they don't even know exist that are draining costs and time.
- › **Effectiveness:** Work smarter by doing the right things, in the right sequence, in the right way. Unlike only being efficient and dashing around at an ever-increasing speed, working smarter ensures all the effort is systematically channeled into achieving the key objectives, and above all, consistently meeting and exceeding your customer requirements.
- › **Environmentally Friendly:** As you begin operating an ever more efficient and effective organization, you are highly likely to continuously improve your business's impact on the environment.

Walmart, for example, recently announced its intention to extend its 'sustainability index' to its operations and suppliers worldwide. The sustainability index is designed to measure a supplier's performance in areas including the efficiency of energy usage, carbon and other emissions, raw material usage and material reclamation. A supplier database is compiled with a rating system that Walmart believes will enable consumers to shop in a more environmentally friendly way.



What to Expect from a TMS

Experience has shown that it is far better for a business to be addressing challenges faced rather than simply letting events and customer demands drive change – staying in control is a vital part of staying in business.

Your TMS system should meet the minimum functional requirements – if for any reason it does not, then it is strongly recommended that your following action be to find one that does.

Depending on your company's business processes and specific operational priorities, there are likely to be TMS requirements in addition to those shown below. It is essential to ensure that whatever TMS you install can provide all the features and functions you need both now and in the future.

| Business Need | Solution | Benefit |
|--|--|---|
| Demand Management | Visibility of resource utilization. System and management override capability to smooth demand. | Avoid over-utilization in busy times, reduce reliance on third-party contractors. Optimize the efficiency of WMS pick and load processes. |
| Consistent Service Delivery | Schedule to delivery windows, booking in times and vehicle constraints. | Improved customer service and adherence to contract terms. |
| SLA Adherence | Automated trip-build scheduling to match delivery window or booking in time. | On-time deliveries. Improved customer satisfaction and retention. |
| Improved Utilization | Fixed rules to schedule based on defined routes, carriers, geography, and costs automatically. | Lower costs. Improved vehicle load capacity. Fewer miles. Reduced spend outside the business with third parties. |
| Visibility - Consolidation Opportunities | Backloading, consolidation of the fleet (multi-user shared network rather than dedicated), order management. | Improved revenue and asset utilization - increased throughput of volume from resource base. |
| End-to-End Tracking | Full visibility of consignment/ product throughout the supply chain. | Improved customer service and customer confidence. |
| KPI's and Process Improvement | Detailed 'plan versus actual' management reporting. | Identify strengths and weaknesses. Prioritize improvement initiatives. |

| Business Need | | Solution | | Benefit |
|--|--|---|--|---|
| Consistent Operational Processes | | Inbuilt decision support, validation, exception reporting and alerts. | | Automated processes. Less manual intervention. Focus on exceptions. |
| Margin Management | | Revenue and cost capture – margin reporting. Reporting on the profitability of routes and tariffs. | | Validate realistic sales contracts. Verify transportation operations are working to contract. |
| Management of Organizational Changes | | Must be able to support: <ul style="list-style-type: none"> › Network › Single Site › Control Tower › Distributed › Segregated | | Ease of adoption and rapid implementation of organizational changes. |
| Maximize Fleet Utilization | | Resources scheduled by the availability of own fleet – automatic cost and margin comparisons. | | Maximize control - minimize external spend. |
| Financial Checks and Controls | | Comprehensive tariff and rate card as well as automated pricing and costing engine. | | Minimize missed revenue. |
| Cost Invoice Validation and Authorisation | | Cost reconciliation versus carrier invoice. | | Manage carrier billing. |
| TMS Must Work With Other Systems in the Business | | Proven interfaces to vehicle tracking and telematics systems, leading WMS and ERP systems. | | Faster, more efficient and cost effective handling of information. |

Implementing a TMS will make additional demands on your organization in terms of time and effort. Still, it can be the cornerstone of your strategy to improve the use and efficiency of the transportation operation while providing better and more cost-effective end results for your customers.

The challenge of becoming leaner and greener will continue, with more companies following Walmart's sustainability' lead. One thing is for sure - things will change. And not just in the retail sector – the need to be lean and green is fast becoming a staple need for many industries worldwide.



Experience has shown that it is far better for a business to be addressing these issues rather than simply letting events and customer demands drive change – **staying in control** is a vital part of staying in business!

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Today TMS is making a significant contribution to reducing the operational costs of many leading logistics companies throughout the world. They achieve 10% and more indirect savings on transportation costs through greatly improved scheduling, route planning, enhanced driving and maintenance processes.

Here are some examples of the benefits companies have achieved by implementing TMS based solutions:

- › A major UK supermarket saved 13% in fuel costs through improved planning, route and schedule adherence and controlled delivery time slots.
- › A construction business using TMS supplied as a managed service enabled them to rationalize a fragmented transportation operation with a reduced fleet, less subcontracting and 15% lower operating costs.
- › A major clothing retailer reduced the existing fleet by 6% through operational planning, route and schedule adherence and improved management information.
- › One of the UK's primary bread producers has achieved a 7% improvement in fuel usage through improved planning, schedule adherence and controlled delivery time slots.
- › An international oil refining and distribution company supports 11,000 users through hand-held terminals and web tracking for over 2 million orders per year.

- › A retail garment distribution company reduced the number of planning centers, improved overall efficiency, and reduced transportation operating costs by 12%.

Implementing a TMS solution is an essential step for any company seeking to optimize its transportation operations and differentiate the service they provide. These benefits can only be fully realized once the TMS solution is implemented and the supporting operational practices are in place.

Having a market-leading TMS solution available to your company will accelerate profits, reduce costs, help you become more environmentally friendly and provide a world-class service for your customers. Aptean Routing & Scheduling *Calidus Edition* has everything and more you would expect from an industry-leading application.

Our advanced solution helps support transportation operations in many different industries. For example, in the construction business, it is used by a leading company to manage a large fleet of heavy goods vehicles over both scheduled and unscheduled medium and long-haul routes. The company has a well-established reputation for excellent customer service. Still, in an increasingly competitive marketplace, the ability to ensure delivery 'on time every time' is becoming ever more critical. The company's business objectives include outstanding customer service, a substantial improvement in profits and, equally important, a significant and cost-effective improvement in their operation's overall environmental impact.

Management determined the time was right to invest in a TMS system to improve total fleet efficiency after experiencing a continuous increase in their operating costs. And, with a large fleet of heavy goods vehicles, the company was keen to take tangible steps to reduce its carbon footprint.

The changes would have proven difficult, if not impossible, without implementing Aptean Routing & Scheduling *Calidus Edition* as an integral part of the business improvement process. The benefits they saw include:

- › Removal of transportation overlaps between depots
- › Reduction in the total fleet size through higher utilization rates
- › Reduction in total fleet mileage
- › Reduced overall fuel consumption
- › Improved customer service levels
- › More effective use of driver resource
- › Significantly reduced use of contract carriers

Aptean Routing & Scheduling *Calidus Edition* offers everything you would expect from an industry-proven application – and more. Our advanced solution is implemented as part of a continuous improvement program designed to optimize your business processes and help you succeed.



Are You Ready to Learn More?

Contact us at info@aptean.com or visit www.aptean.com.



About Aptean

Aptean is one of the world's leading providers of industry-specific software. Our enterprise resource planning and supply chain solutions are uniquely designed to meet the needs of specialized manufacturers and distributors, while our compliance solutions serve specific markets such as finance and life sciences. With both cloud and on-premise deployment options, Aptean's products, services and unmatched expertise help businesses of all sizes, across many industries, to scale and succeed.

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