



**Defense, Security & Justice**

Carrier collaboration in a  
transportation management  
system (TMS)

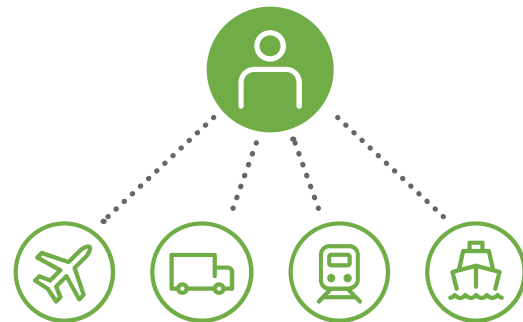


Historically, shipper interactions with carriers were mostly accomplished via phone to pass movement requirements to carriers.

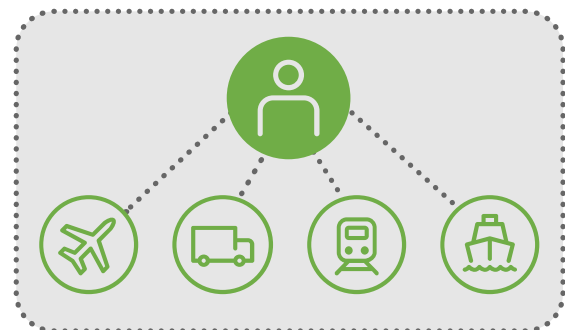
This process required calls to multiple carriers to obtain the necessary and relevant information (availability, cost, etc.) to plan transportation availability and make an award decision. Over time, this shifted toward the use of email and website portals, which improved efficiency, but still placed a significant administrative burden on shippers and carriers. During these processes, the first carrier to respond was the one offered the shipment regardless of the cost due to the manual processes and time required to conduct such tasks.

Then more organizations developed homegrown tools to capture requirements and carrier responses to help them select the most cost-effective solution for the movement. Still, the main collaboration occurred via phone or email. As technology evolved, this led supply chain experts to develop transportation management systems (TMS) that captured manual and electronic requirements and then matched them with available resources to plan and execute movements. One of the most significant benefits toward the utilization of a TMS was the end-to-end (planning to payment and performance metrics) carrier collaboration it offers.

#### Non-TMS



#### TMS carrier collaboration



Focusing purely on the aspect of carrier collaboration, an organization can benefit from TMS implementation in the following ways:

- **Improved communication**
- Automated tendering and booking
- **Enhanced visibility**
- Carrier selection optimization
- **Capacity matching**
- Rate negotiation and management
- Optimized routing and scheduling
- **Performance evaluation**
- **Reduced administrative burden**
- Collaborative problem-solving
- Data sharing for continuous improvement
- Capacity planning and forecasting

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The bolded benefits in the above list are discussed next in further detail.

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**Improved communication:** A TMS provides a centralized platform for communication between shippers and carriers. It streamlines the exchange of information such as order details, shipment status, documentation, and performance metrics. This real-time communication reduces misunderstandings and enhances collaboration.

**Enhanced visibility:** A TMS offers both shippers and carriers better visibility into the supply chain. Carriers can access real-time information about loads, routes, and delivery times, enabling them to plan more effectively and optimize their operations.

**Capacity matching:** TMS solutions can enable shippers to find the right carriers for their shipments by analyzing carrier availability, capabilities, and preferences. This ensures that the chosen carriers are a good fit for the load, leading to better collaboration.

**Performance evaluation:** TMS platforms enable shippers to track carrier performance metrics such as on-time pickup/delivery, transit times, and customer satisfaction. This data allows both parties to assess performance and make informed decisions for future movements.

**Reduced administrative burden:** With automated processes and standardized documentation, TMS systems reduce the administrative workload for shippers and carriers. This leads to faster payment processing, accurate invoicing, and smoother interactions. This is also key in achieving a clean audit.

Savings associated with implementing a commercial off-the-shelf (COTS) TMS vary by size and complexity; however, organizations have reported significant efficiencies in labor, information technology, and transportation savings.

As part of a COTS package, the carrier experience has been both enhanced and streamlined. Permission-based access to available capabilities are embedded to provide the level of access necessary for onboarding and vetting carriers; managing credentials; monitoring safety records; negotiating contract terms and rates; allowing for spot bidding and contract execution; exchanging requirements with availability; assigning or contracting for loads; tracking on-time performance; and creating reports. These enhancements have been valuable in improving carrier management and collaboration in a capacity constrained environment. In summary, a TMS enhances carrier collaboration by providing tools and processes that streamline communication, optimize operations, and foster mutual understanding.



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