Five Ways to Reinvent Your Transportation Management Strategy

Today's Fundamentally Different Supply Chain

Rapid globalization and expansion into new sourcing and selling regions are transforming supply chains. Transportation methods that worked in the past are no longer viable for many companies.

Now, companies are using multiple partners and logistics service providers. They're making decisions based on data from several transportation management applications. And they're adopting a new transportation model — keeping strategy centralized but tailoring execution to the local environment.

This new model is based on a network, where every partner is connected to a single control layer in the cloud. This allows companies to lower costs while maintaining visibility into the end-to-end transportation process.

Increased Focus on the Customer Experience

Improving the customer experience is now a key strategy used to differentiate a company from its competition. Executives are realizing the importance of supply chain in this role, where better managing transportation leads to greater agility and the ability to deliver to customers faster, anywhere in the world.

Supply chain leaders are building customer-focused supply chains by investing in technology. They understand that tracking shipments in isolation from other supply chain functions creates blind spots that have a real impact on performance and customer service.

To remedy this, companies are adopting cloud-based systems that bring every transportation partner and application under a single control layer. The increased control and visibility into shipments and analytics leads to shorter lead times, quicker reaction to disruption, and fewer costs being passed on to the customer.

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Next-gen transportation management brings every partner and application under a single control layer on a cloud-based platform.

1. Centralize Transportation Data in a Single Control Layer

Transportation data from many partners must be standardized. It can be split by geography, business unit, mode, or segments like inbound vs.

Extended Enterprise Visibility and Control Infrastructure

TM Control Layer

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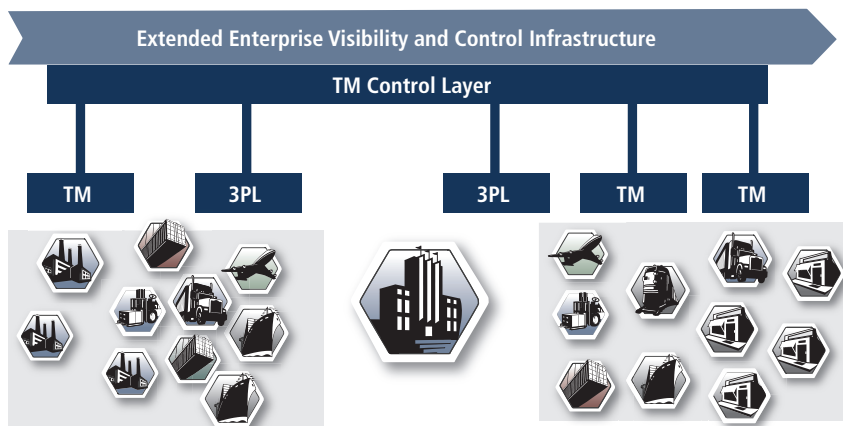
outbound and domestic vs. international. Even within an enterprise, it is difficult to coordinate handoffs between these teams using spreadsheets or legacy ERP systems.

An intelligent, cloud-based platform brings transportation data to single, central location. This data is standardized and provides insights into actual performance vs. projected for each geography, vertical, mode, or product line. As a result, strategy becomes centralized even when regions call for different rates and providers.

2. Integrate Transportation Processes

Different parts of the supply chain need different strategies. Before there was a way to apply different business rules to various supply chain segments, companies were either forced to operate their entire supply chain under the same boilerplate or risk losing control over many disconnected regions or product lines.

Now, by rolling out an application that can be tailored to each part of the supply chain, companies can maintain strategic control while creating the best workflows for each area. KPIs, milestones, and exceptions should all be set according to the unique needs of a specific supply chain segment, not bound by the limitations of legacy software.

3. Join a Community and Collaborate on Best Practices

Best practices and useful supply chain insights can be shared using new, collaborative transportation platforms. When a community of supply chain partners are on the same network, data quality will skyrocket. Any user can see a clear picture of carrier and partner performance across different regions and modes.

As a network grows, so does its ability to impact data quality and help find efficiencies that can benefit everyone else. Companies can save time and money while strengthening relationships with suppliers and partners by joining a network that enables sharing real-time transportation data.

4. Take a Holistic Approach to Transportation Data

Transportation is not its own separate function. It relies on and is affected by data on orders, packing, and equipment information and should be managed as an integral part of the larger supply chain operation.

Linking real-time order, packing, shipping, and warehousing information with transportation management makes supply chains much more agile. It allows managers to make decisions and react to changes in demand or disruptions quickly, improving efficiency and lowering costs of last-minute expedited freight or excess inventory. A good platform should connect transportation data to visibility into the location and demand for goods in transit, down to the SKU level.

5. Think End-to-End Supply Chain Visibility, Not Shipment Tracking

Shipment tracking data is useless if not linked to other supply chain data. Companies must have a system in place that can give them full supply chain visibility, including data on shipment status, in-transit inventory, cash flow and compliance, and performance-based exceptions and KPIs for each step in the supply chain.

Managing transportation based on visibility data allows companies to identify potential delays early on, rerouting and planning to avoid disruption. They can track supply chain activities from the moment parts are assembled at source to the moment they arrive as finished goods in the hands of the consumer.