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On-demand TMS

Now is the time for Fortune 1,000 shippers without world-class transportation management technology to take a serious look at the solutions presently available. They will discover that where once enterprise or client/server transportation management system (TMS) solutions were only capable of handling high volumes and complexity, on-demand TMS solutions will be their best alternative now. On-demand might be the only choice for optimizing their supply chains.

Here are a few highlights on the difference between on-demand technology versus traditional client/server “on-premise” technology:

On-demand versus on-premise for large shippers

In the past, on-premise was the only option for larger corporations. Traditional TMS applications had been designed and built for major shippers. They had been heavily tested and proven capable at high volumes with a high degree of shipping complexity. Until four or five years ago, on-demand TMS solutions had not caught up either in functionality or their ability to reliably support high shipment volumes from multiple shippers in the same environment. The leading on-demand TMS providers on the market have now cleared both of these hurdles so that the advantages highlighted in the graphic (below) make on-

Fortune 1,000 shippers might find that on-demand is the only TMS option

Feature	On-demand	On-premise
Hardware	Owned, managed and maintained by technology provider.	Purchased, managed and upgraded as needed by the shipper.
User access	Internet browser: log in from any internet connection with user name and password.	Software is loaded on to each user's computer with access to the main servers.
User support	Call-center support, with access to the TMS developers and engineers.	Internal Super-users in the shipper's logistics and/or IT department.
Upgrades	Automatic – all shippers are always on the latest version of the application.	Periodic (3-5 years) upgrade to latest software and related hardware required.
Carrier connectivity	Carriers are integrated to the TMS network.	Connectivity is established individually between the shipper's instance of the TMS and the carriers.

demand as viable a choice for the multi-billion dollar shipper as it is for the mid- to small-market shipper.

On-demand TMS for large shippers will help many of them clear their most significant TMS hurdles, namely, the challenges of procurement and implementation. As business units within a company often operate independently with their own set of logistics challenges and strategies, deploying one TMS to effectively meet the supply chain parameters of all business units can become cumbersome and expensive. The software programs supporting one business unit's operations may not be appropriate for another, requiring new software packages to be purchased and installed to support each one's TMS requirements. This can be time-consuming and resource-intensive, requiring new software licensing, hardware acquisitions and training by in-house staff. Plus, as corporate goals, business operations and market trends change, existing TMS solutions must be continually re-evaluated and updated to support new strategies.

With businesses concentrating on ways to reduce their bottom line, logistics departments are shying away from expensive in-house technology rollouts and upgrades and, instead, are looking for alternative methods to support their logistics operations. Large corporations should consider the value of Internet-based, on-demand TMS as a cost-effective means of supporting the varying needs of their different business units, with benefits such as:

- Adds flexibility to meet varying requirements of different business units;
- Eliminates need to install new software to integrate with other company applications;

- Reduces the magnitude of the investment decision with the ability to pay as you go;
- Reduces enrollment timeline significantly;
- Integrates system throughout company to support corporate-wide decision making;
- Continues to use resources of in-house logistics staff;
- Grows in sophistication as popularity of on-demand TMS increases;

Once a partnership is forged, consultants often retain project data to answer questions, evaluate implications of future corporate changes on an existing supply chain and make recommendations over time.

Technological advantages in on-demand TMS make it the right time to invest in transportation technology. The North American and global transportation market is currently in a significant state of flux; after increasing for eight years, rates are in free-fall, with smaller and weaker carriers exiting the market in record numbers. However, this trend will reverse as the economy recovers. Prices will rise quickly as a more consolidated group of carriers takes advantage of tightening capacity. Small and regional players will quickly re-emerge, as is always the case in markets with low barriers to entry, offering lower-priced options with widely varying levels of service.

Only those shippers with comprehensive transportation management technology that enables them to control, manage and report on transportation execution, costs and visibility will be able to remain best-in-class shippers through these market cycles. T3

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