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TECHNOLOGIES

Frictionless Freight: 5 Ways to Simplify the Back Office with a Modern TMS





“They make it as easy as possible to do business.”

This is what trucking and logistics companies want to hear customers say. If so, their drivers and office staff would also have a simplified experience – one where they could focus on more productive and rewarding activities that increase revenue and profits.

Simplifying transportation and logistics is not easy, however. Rarely do things go exactly as planned in this dynamic industry where even small mistakes can be extremely costly. Yet, there is at least one area where simplicity is within reach: **the back office.**

This guide explains **five advantages of simplifying the back office** with a modern, cloud-based transportation management system (TMS).



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Creating a Better Flow

Simplifying the back office requires a TMS capable of moving freight transactions in a “frictionless” way – without errors, delays, or disruptions. Ideally, the back office is a fast-moving river where freight transactions flow swiftly and accurately downstream, from order to invoice.

Systems connected with a TMS, such as electronic logging devices (ELDs) and accounting software, can act as tributaries that accelerate workflow in the office and over the road.

With the right TMS, companies can expect:

1 Lightning-Fast Execution

Having the ability to say “yes” to customers faster and more often is a key factor of success. Transportation companies that use a modern TMS can speed response times and expand their capabilities to handle various freight types and transport modes with:

Automated Communications

Electronic data interchange (EDI) is the de-facto standard for sharing data between computer systems. EDI has traditionally been expensive to set up and maintain. Companies who use a SaaS-based TMS with EDI included in the monthly subscription can eliminate cost and complexity.

With a TMS that easily connects with customers and third-party carriers through EDI and direct API integrations, companies can respond instantly to rate requests, load tenders, shipment tracking updates, and other time-sensitive communications.

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Blended Carrier-broker Operations

Transportation companies that operate asset and non-asset divisions can save money and gain a competitive advantage by using a TMS that supports both types of operations.

A TMS with carrier and brokerage functions can simplify the back-office and give transportation companies a customer service advantage by having a single point of contact for all freight transactions.

The SaaS-based Magnus TMS, for example, has carrier and brokerage functions. On the carrier side, users can assign orders to company assets and drivers and then digitally manage the progress of loads through all stages – pickup, in transit, delivery, and invoicing.

On the brokerage side, users can assign loads to third-party carriers. When an assignment is made, the system pushes out an electronic load tender with a rate agreement to the carrier for acceptance. If the carrier does not respond within a defined period, the load flows back into the queue for reassignment.

Optimized Load Planning

Transportation companies make or lose money the instant they assign orders to a company asset or third-party carrier. Dispatch mistakes throttle margins by creating extra deadhead miles, mismanaging driver hours, causing missed appointments, and more.

A modern TMS can harness the power of machine learning and artificial intelligence (AI) to simplify and optimize load planning. With these added capabilities, a TMS can simultaneously evaluate all possible power-to-load combinations and recommend the most profitable and feasible solutions.

If a carrier has less-than-truckload operations, load planning can also be simplified with an AI tool for creating loads. The Magnus TMS, for instance, has a drag-and-drop Load Builder tool to create LTL shipments from orders. This helps users quickly identify the most profitable shipment options based on factors like pickup and delivery locations, commodity types, and appointment times.





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Integrated Driver Workflow

Tightly coordinating load planning and dispatch processes with drivers is necessary to ensure plans are executed on time and error-free. A modern TMS with an integrated mobile driver app can give trucking and logistics companies a simple, foolproof method for sharing information with drivers and closing the loop on freight transactions.

An integrated mobile app creates a frictionless experience by:

Preventing Mistakes

If dispatchers manually exchange messages with drivers, load details will be missed, overlooked, or lost. Transportation companies that use a TMS with an integrated mobile app have a structured, automated workflow that sends pertinent information to drivers, directly from the TMS, with a single click.

Eliminating Missed Steps

Drivers can focus on the immediate task at hand. Companies that use the Magnus TMS and integrated Driver App, for example, can automatically prompt drivers to capture a proof-of-delivery (POD) receipt or obtain an electronic signature for a load during the delivery process.

Another useful feature gives drivers an instant confirmation, upon delivery, of what they will be paid for the load based on a daily, hourly, mileage, or percentage-based rate. With the Magnus Driver App, fleets can use pay transparency to eliminate a potential source of friction with drivers.

Creating Accountability

Completing a freight transaction should not require a post-mortem search for missing information or documents like a POD. Any exceptions to the normal flow can be identified immediately to resolve the issue before it delays payroll or invoicing.

If an order is missing a POD, an integrated mobile app can immediately alert the office, and driver, and track their responses. When all steps and documentation for loads are complete, a modern TMS can simplify payroll and invoicing with a single-click approval process.



3 Easy Accounting

Instant visibility of load profitability is critical for successfully navigating the freight market. Transportation companies with a modern TMS can analyze each load to ensure all details have been accounted for, especially accessorial charges for fuel, load tarping, detention, and toll roads. This will guarantee no money is left on the table.

Three attributes of a next-generation TMS that prove most helpful for analyzing load profitability are:

Shipment-level P&Ls

Tracking the profitability of each load is a game-changer. With a TMS that gives this level of visibility, customer service reps and other users can prevent mistakes and focus their efforts on soliciting the most profitable customers and loads.

Likewise, if a load is brokered to a third-party carrier, a modern TMS with shipment-level P&L reporting can show the margin—the revenue minus the rate paid to the carrier plus accessorial charges.

Additional components for profitability analysis make it possible to evaluate revenue separately from the fuel surcharge for a load, and capture driver trip expenses through the mobile app.

Simplified Pricing

Having a TMS that simplifies complex rating scenarios creates another back-office advantage. A transportation company may have a different rate structure based on commodities or unique fuel surcharge agreements for each customer. With a modern TMS, rates can be established for a variety of freight types and customer agreements. The system can then automatically verify the rates as part of the invoicing process.

Integrated Solutions

Having the flexibility to choose an accounting system that best meets a company's operational and financial needs is a major advantage. If a TMS provider has its own accounting system, a transportation company may be paying the vendor more to have less functionality. A better option is to use enterprise-grade systems from vendors such as QuickBooks, Microsoft, and Accumatica.

Generally, third-party accounting systems have more resources and options to use integrated tax, payroll, and banking services to simplify back-office functions.

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Proactive Management

TMS platforms may be adept at capturing and reporting exceptions, though some will require users to pay for add-on modules to get these capabilities. Additionally, these modules typically send information through email alerts and reports that inundate users with information they can't immediately act upon.

A more effective way to manage exceptions is with a TMS that comes with customizable, role-based user dashboards. The Magnus TMS, for example, has color-coded operations dashboards with on-screen exception notifications.

When an exception occurs — such as a load falling behind schedule or a driver being detained by a customer — a field will change color to alert users, who can then access detailed information about the event with a single click.

The dashboards also give users quick access to their most-used functions in a “My Favorites” section. A search feature also simplifies the process of locating items by entering an order ID or driver name, for example.



The Future is all SaaS

Remote work during the pandemic accelerated transportation companies' migration from client-server to cloud-native TMS platforms. Many companies never skipped a beat when they shifted back-office functions to a virtual environment to support hybrid and mobile work.

In the process, many companies found SaaS-based platforms made it easier to connect with customers, carriers, and support applications to increase operating efficiencies.

A modern, SaaS-based TMS offering that includes everything to digitize back-office functions — onboarding, EDI setup, software integrations, a driver app, BI platform, updates, support, and more — is now available with a predictable monthly subscription.

This all-inclusive SaaS model for TMS is a major departure from the traditional client-server approach that saddles companies with high and unpredictable costs for software licensing, add-on modules, integrations, support and maintenance, among others.

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Big Data Insights

Trucking and logistics companies seldom lack data. The greater challenge is to make it quickly digestible and user-friendly. This will prevent extra work created by moving upstream in search of information from different sources.

When a key performance indicator (KPI) is not where it should be, people can get stalled by asking “how what?” Suppose a customer service score is declining or margins are eroding. Simply knowing the numbers is not enough.

With a modern TMS, users can quickly get answers with:

Integrated Business Intelligence (BI)

An integrated BI platform removes friction from the reporting process. Users no longer need to search for information or ask the IT department to build custom reports. Instead, they can use BI like a real-time canal system to instantly, and fluidly, reach higher levels of understanding to make optimal decisions.

Like the locks of a canal system, a modern TMS with an integrated BI platform controls the flow of data from various sources to give users what they need to level-up efficiency from intuitive dashboards and data visualizations.

A TMS with an integrated BI platform gives users meaning and context to operational and financial information. The technology can also identify complex patterns in data to help predict outcomes for office teams to make proactive course corrections.





Seeing is Believing

The five advantages listed in this guide can all be attained by simplifying the back office with a modern TMS. Most TMS platforms have similar functions, but simplicity is a unique attribute that is difficult to define but easily recognizable. The expression “I know it when I see it” applies.

Simplicity is not to be confused with a simple solution, however. Complexity is required to digitize the order-to-cash process, from entering and dispatching orders to completing payroll and invoicing. All this takes place behind the scenes to remove friction and create simplicity where it matters most – for the experience of customers, office staff, and drivers.

This guide is brought to you by Magnus Technologies.

About Magnus Technology Group

Magnus Technology Group, headquartered in Austin Texas, has 20 years of experience designing, developing, and delivering enterprise TMS software.

The Magnus TMS platform works seamlessly with the Magnus Driver App, Magnus Carrier Advantage network and Business Intelligence module to deliver a complete, end-to-end mobile dispatch and order fulfillment solution for truckload and LTL fleets to maximize profitability and growth.

Transportation simplified.

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