

5 Ways to Simplify and Thrive with a Modern TMS

The ultimate guide for transportation companies to reduce operational cost and complexity.



Trucking and logistics operations appear simple on paper. Match the closest available driver and equipment to each load. Dispatch the power-load assignments for pickups and deliveries.

Rinse and repeat.

Nothing in the trucking and logistics business is ever that simple, however. And paper just makes things worse. Simplifying freight transactions will require a digital quote-to-cash process for loads.

Simplifying the process end-to-end will significantly increase profit margins and cash flow. It will also win more business. Shippers want to work with companies that offer an Easy Button for rate quotes, tendering orders, and seamless dispatch and delivery with complete visibility.

The need to simplify grows even stronger during an economic downturn. Motor carriers and freight brokers must trim costs and increase staying power with customers who become more selective when the freight market has surplus capacity.

Simplifying the process end-to-end will significantly increase profit margins and cash flow.

Powerful tools can remove complexity and lighten the workload for office employees and drivers. This guide shows how transportation and logistics companies can simplify the quote-to-cash lifecycle with a modern transportation management system (TMS) to achieve greater efficiency and customer service.

The Mother of Innovation

Technology innovations in transportation and logistics are rooted in simplicity. The driving force is to make it easier and faster for systems to move data from point A to Z, and anywhere in between, so that people can be more efficient and make better decisions. Once people experience a simpler and smarter way to work, their newfound path of least resistance frees up resources for more valuable and rewarding activities.

By taking advantage of technology innovation, motor carriers and freight brokers can simplify their operations to experience:

- Increased labor efficiency by eliminating mundane, repetitive work
- Accelerated cash flow by billing customers immediately after delivering loads
- Revenue growth as customers use their "Easy Button" more often
- Data insights for users to positively change outcomes

Simplifying is a high priority for the \$875 billion U.S. trucking and logistics industry, especially when the economic cycle turns downward and lower freight rates drill into revenues or when inflation is hammering the cost side of the ledger. Companies that make strategic investments in technology can operate more efficiently and emerge stronger when economic cycles turn positive.

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Simplify with a Modern TMS

One of the most effective ways to simplify is by replacing outdated transportation management systems (TMS). This strategy can deliver outsized benefits. Companies that streamline the quote-to-cash lifecycle with a modern TMS can operate at peak efficiency and more quickly scale up or down, as needed.

Perhaps the most compelling reason to upgrade to a modern TMS upgrade is to stay competitive. Larger and more sophisticated companies tend to double down on technology investments in a soft market.

Companies that migrate to a modern, SaaS-based TMS also benefit from minimal startup costs and zero overhead. They gain benefits from having real-time data backups and maximum uptime with systems that are better protected from ransomware attacks and other disasters. Once deployed, a modern TMS compounds the benefits by simplifying business with:

Companies that migrate to a modern, SaaS-based TMS also benefit from minimal startup costs and zero overhead.

- **1. An all-inclusive subscription.** A fixed monthly fee based on truck count that includes access to all features EDI setup and maintenance, integrations, software upgrades, training, support and more makes it easy to budget and scale up or down.
- **2. Connectivity.** Integration with internal and external systems can automate the flow of orders into a TMS and streamline dispatch and billing.
- **3. Driver App.** A fully integrated mobile app gives drivers a structured workflow that simplifies and automates routine dispatch-driver communications.
- **4. Al-powered tools.** Advanced features in a modern TMS platform can help users make optimal load planning decisions by evaluating all options.
- **5. Business intelligence (BI).** The amount of data companies manage grows 40 to 60 percent each year. Modern TMS platforms make information easy to access for users at every level.

How each of these five pillars for modern TMS technology makes it easy to simplify operations are explained in more detail next.





All-Inclusive Pricing

Legacy client-server TMS and outdated web-based software platforms have complex pricing models. Vendors traditionally charged high upfront costs for software licenses and various fees for add-on modules and integrations.

Software vendors with a client-server TMS sell a base package and pile on charges for implementation and anything else that fits outside the box. Customers must buy add-on modules for reporting, third-party integrations with telematics and accounting systems,

and more. The cost adds up quickly, and to top it off, legacy TMS platforms have ongoing maintenance fees and expensive upgrades that create disruptions.

This modular pricing approach complicates the budgeting process for trucking and logistics companies who end up paying for features they rarely use as their software becomes outdated.

Modern, SaaS-based TMS platforms reduce cost and complexity from the start. Trucking and logistics companies can pay a monthly subscription for an

enterprise-grade system that comes with everything they need to digitize the order-to-cash lifecycle of loads, including a mobile app to streamline driver workflows.

This all-inclusive approach makes it possible to:

- Keep IT costs and budgets proportionately aligned with revenues
- Always stay on the most recent software versio
- Avoid disruptions when it's time to upgrade





Connectivity

Toggling between software applications and web portals to update shipment statuses and complete other tasks wastes time and adds complexity. Using a TMS platform that integrates with various third-party applications for no extra cost saves money and gives users a "single pane of glass" to maximize operational visibility and control.

Making integrations part of a TMS implementation – and not expensive add-ons or afterthoughts – creates rapid ROI when the following capabilities are included in the monthly subscription:

EDI – to connect electronically with customers to receive orders, send tracking updates, and other communications.

Telematics – to update the TMS with real-time hours of service, vehicle speeds, equipment locations, and more.

Purchasing – to authorize fuel, send advances, and pay expenses directly from the TMS. Applicable deductions flow directly to a driver's upcoming settlement.

Shipment visibility – to give customers a seamless experience with accurate ETAs from pickup to delivery.

Accounting – to streamline financial reconciliations and automatically import and index payables and receivables data and documents.

Logistics automation – to speed the carrier selection and verification process. Freight brokers can use a TMS to receive data from public and private databases within the TMS. They can also send loads and receive tracking information electronically from drivers through an integrated mobile app. 3

Driver Workflow

Modern TMS platforms that come with a native mobile app that extends the power of automation to drivers offer a simpler and more rewarding work experience. Fleets and brokers can give drivers automated, step-by-step instructions for completing loads.

Some key characteristics of a fully integrated mobile dispatch system are:

Route assignments. As soon as a load is dispatched to a driver it is visible in the app. Drivers also see deadhead and true loaded miles, and other details for each load.

Load tracking. The driver can update the status of the order at the critical steps along the route.

Instant two-way messaging. Dispatchers using the TMS can exchange messages with drivers via email, text, or directly to the app.

Electronic document capture. Drivers are prompted to capture proof-of-delivery receipts through the app and cannot submit loads for payroll until this step is complete. Fleets can also use signature capture to have receivers sign the driver app for a true electronic delivery.

An integrated driver app can go beyond pickup and delivery tasks. Carriers and freight brokers can simplify more processes by giving drivers the ability to view pay for upcoming loads, request time off, choose loads and perform other tasks inside or outside the cab.



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AI-Powered Tools

Historically, large fleets and logistics companies with significant IT resources were the only sector of the industry who could afford advanced software to simplify load planning decisions by optimally matching capacity to loads. Recent developments level the playing field.

Companies of all sizes can tap the power of artificial intelligence (AI) with a modern TMS to make the best-possible planning decisions. Powerful, real-time data models deliver instant recommendations for driver-load combinations based on time, distance, locations, hours-of-service and other real-time variables.

A modern TMS system that uses AI can automatically calculate rates for loads, and analyze profitability by lane to help companies optimize their freight networks.

Some TMS vendors with SaaS-based platforms have skilled report writers and data scientists on staff to create advanced reports that benefit all users for no added cost. As an example, a vendor may decide to create a model that identifies drivers who are at risk of quitting and then give management a notification for at-risk drivers based on changes in work schedules, pay, and other areas.

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Business Intelligence (BI)

Companies waste time and money when people must ask the IT department to build reports. BI tools make accessing data and making intelligent decisions everyone's job.

SaaS-based TMS platforms with easy-to-use BI tools open a pipeline for users at all skill levels to create reports and visualizations. For example, managers and executives can look across different disciplines and departments to quickly identify and respond to developing trends.

TMS platforms that come with easy-to-use BI tools make it possible to create dashboards that simplify access to information for each user. This helps promote creativity and collaboration from users quickly pivoting and making changes, as needed, by seeing the big picture and drilling into data at the customer, lane/load and truck level.

BI tools make accessing data and making intelligent decisions everyone's job.

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149.16

210.95

23.26

1.41%



Be the Easy Button

Transportation companies looking to simplify their operations and automate the quoteto-cash cycle for loads can find powerful, cost-effective solutions. Now may be a time to scale down to prepare for a soft freight market, or to scale back up to take advantage of new business opportunities.

Take inventory of what activities are currently wasting time, causing errors, or making it difficult for customers to do business with you. Making work easier for associates and being the Easy Button for customers are possible by upgrading to a modern, SaaS-based TMS with everything you need to simplify and thrive.

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.

To learn more visit www.magnustech.com

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