



## Drive costs out of transportation with on demand TMS

### IBM Sterling Transportation Management System

#### Executive Summary

Amid rising fuel costs and increased customer pressures, transportation management has become a source of competitive advantage. Sterling Commerce can give you an edge through a collaborative logistics network of over 9,000 carriers and a complete, on demand system for transportation planning, execution, settlement, and analysis.

#### In this Solution Overview, you will learn:

- Why you should seek an on demand TMS solution
- How you can improve every aspect of your transportation operation with a single solution
- How to gain a more accurate picture of your 'cost to serve'

#### Benefits of this solution:

- Reduce costs through efficient transportation planning and execution
- Raise service levels through real-time visibility into shipping processes
- Increase productivity by eliminating manual processes
- Improve on-time delivery through better collaboration with carriers, vendors, and customers
- Continually improve performance through accurate and timely measurement of KPIs

#### Create competitive advantage

Not long ago, transportation management was considered a tactical concern—a necessary cost of doing business, which had little impact on margins or profitability. But today, all that is changing. Rising fuel prices, changes to the manufacturing model, and increased pressures for improved service have made transportation management a strategic issue. To stay competitive, companies must meet customer demands for:

- Faster cycle times
- Higher on-time delivery rates
- Information about the location and makeup of rolling stock

Leading-edge companies are meeting these expectations through new transportation management systems that support collaborative planning and execution with carriers and customers. These systems have the potential to save as much as 10-25% of your total shipping costs, through optimized load building, carrier rate comparisons, contract compliance, and streamlined inbound execution.

However building a transportation management system in-house can be time-consuming and expensive, with uncertain results—which is why we took a different approach.

#### The value of on demand TMS

The IBM® Sterling Transportation Management System (Sterling TMS) gives you Web-based access to a collaborative logistics network of carriers, shippers, and customers, along with tools to automate the entire transportation management process. All of this is delivered on demand, which means fewer IT resource requirements, no upgrade costs, configuration rather than installation, fast, easy connectivity, and low total cost of ownership.

With Sterling TMS, you gain all the convenience of an on demand model without sacrificing power, control or capability. It is a comprehensive, leading-edge system that spans the entire process of:

- Planning
- Execution
- Settlement
- Performance analysis

### Access to over 9,000 carriers

To start, Sterling TMS gives you access to a collaborative logistics network of over 9,000 carriers. With more carriers to choose from, plus better visibility into available capacity, you can get better rates and execute shipments more efficiently. If your preferred carriers aren't already part of the network, it's easy to bring them onboard.

### Planning

Sterling TMS planning tools provide for centralized management and local execution—so you can streamline processes and initiate enterprise-wide planning routines from corporate headquarters while allowing remote sites to approve their own freight schedules. Initial plans can be delivered in minutes, even for a large volume of orders. Capabilities include:

### Inbound transportation planning

Sterling TMS Inbound Transportation Planning provides your supply chain personnel with extended visibility into the status of orders and shipments so you can better plan and optimize your inbound and outbound freight process.

### Comprehensive rating engine

Sterling TMS uses a highly flexible and accurate rating engine to create transportation plans and ensure

shipments are rated accurately against all existing contracts. It also supports external rating engines to calculate mileage across multiple countries.

### Optimized load building

Sterling TMS offers the latest in optimization capabilities including:

- Shipment consolidation
- Mode conversion
- Route-guide compliance
- Continuous moves

### Execution

Sterling TMS automates complex processes such as load tendering and contract compliance and puts visibility into every step of the shipment process. That visibility can be shared with customers, partners, service personnel, and dispatchers to provide accurate, timely information on inventory in transit. Dashboards can be configured to any audience with multiple layers of detail. You can track an entire shipment or drill down to give customers an exact count of the inventory on any truck.

### Carrier selection

Sterling TMS can help minimize customer charge-backs and select carriers by "least cost" or "best service model." Automation is managed through configured business rules that access contracts and routes guides.

*"Sterling TMS gives us a central repository, so we can see at one glance all the orders shipping across all business units."*

Stacey Bernal  
Transportation Systems Manager  
Cargill

## Sterling Selling and Fulfillment Suite

Sterling TMS is part of the IBM® Sterling Selling and Fulfillment Suite



## Sterling Transportation Management System

Solution Components	Capabilities
Shipment planning workbench	Display current shipment plans. Drag-and-drop loads to easily modify plans in response to operational changes at time of dispatch.
Contract management workbench	Maintain contracts collaboratively and view expected shipment costs and routing guides. Use it to plan real shipments or to compare carriers by running what-if scenarios.
Shipment optimization	Create highly efficient shipment plans across all modes of transportation with optimal routing and load consolidation. Powered by the ILOG Transport PowerOps engine.
Inbound transportation planning	Collaborate with suppliers in the planning and execution of inbound shipments and provide supply chain personnel with enhanced visibility into inbound planning activities.
Dedicated fleet management	Incorporate dedicated/private fleets into shipment planning and execution processes and evaluate delivery costs for this option against common carriers.
Vendor and carrier portals	Collaborate with key partners throughout the fulfillment and transportation process.
Average rate calculator	View historical transportation costs by lanes to improve shipment tendering and contract negotiations.
Capacity center	Tap into network data to improve forward planning of capacity to match supply and demand between shippers and carriers.

### Load tendering

With both online and electronic tendering and acceptance, you can lock in capacity early and collaborate with carriers for the best rates and routes.

### Shipment tracking

Sterling TMS gives you visibility into all your shipments—regardless of location. For retailers, this results in better order tracking, improved supplier compliance, and streamlined dock and distribution-center operations. Manufacturers and 3PLs can better equip customer service representatives to monitor customer shipments. Or they can grant visibility to customers directly.

### Alerts and status updates

Sterling TMS makes shipment status available to anyone you want to share it with. Alerts and status updates can be based on events for exception management and faster response to problems.

### Sterling TMS is mobile enabled

Sterling TMS capabilities have been extended to mobile digital devices. The Sterling TMS Carrier Mobile application

enables transportation carriers to respond to shipment tender requests and provide real-time status updates to shippers from their mobile digital device.

### Yard management

Extend visibility of the transportation process across the yard and warehouse, enabling shippers, carriers, and suppliers to assign available trailers to a load from the trailer pool and schedule delivery and pickup appointments.

### Contract management

Sterling TMS improves contract compliance by connecting all transportation staff, logistics providers and carriers to a single online network that hosts current authorized contracts. This connection streamlines contract negotiation, automates carrier selection and tendering, facilitates audits, and enforces contract compliance across the organization. Contract management includes support for multiple currencies and imperial and metric units of measure. Rates are secure and accessible only by the company that negotiated them.

### Dedicated fleets

Sterling TMS offers a unique dedicated fleet management tool that tracks the movement of dedicated fleets and provides decision support for assigning route itineraries. Freight payment and fleet cost allocation data supports strategic analysis and can help you decide whether to use dedicated or contract carriers for a shipment.

### Settlement

Sterling TMS automates invoice processing and payment approvals to ensure accuracy, shorten payment cycles, and lower administrative costs. You also get complete invoice auditing for accurate invoice matching. Invoices are checked against shipment, rate, and carrier contracts stored online, with payment for unplanned events negotiated and approved online. You can even settle spot shipments with non-contracted carriers.

---

*“Like most companies, we make important decisions based on key performance indicators. By having visual access to information, we’ve been able make better decisions for our transportation business based on empirical data.”*

Rick Gaynor  
Director of Logistics  
CONTECH

### **Managing add-on fees**

Sterling TMS can help manage planned and unplanned assessorial fees, with rates in negotiated transportation contracts. The Sterling TMS carrier portal lets customers and carriers collaborate online to propose, accept, or deny unplanned assessorials. These can be used for accurate cost allocation, with standard assessorials like fuel charges pre-defined.

### **Analytics**

Sterling TMS offers insights into transportation operations for accurate cost analysis. Understanding cost allocation leads to better decision making, while measuring trends and KPIs provides the empirical data needed to continually improve performance. For example, carrier performance can be measured by metrics such as “on-time delivery” or “tender acceptance rates,” so that future contract negotiations are based on performance, not promises or assumptions.

### **Reports**

Analytics include Excel-formatted extracts for assessorial tracking, allocated freight costs, billing, freight-payment accrual, and invoice comparisons. On the other side of the ledger, shipment-savings reports compare actual freight costs to order and shipment base.

### **Dashboards**

Dashboards provide operational views of current performance. Exceptions can be spotted easily, and “drill-down” capabilities provide needed detail. Examples of dashboards include order status, order lead time and performance, and shipments status and performance.

### **Realize the benefits of Sterling TMS now**

Sterling TMS is part of the **Sterling Selling and Fulfillment Suite**. Sterling Selling and Fulfillment applications provide complete visibility and control over sales, fulfillment and logistics operations, and manage all steps of the order life cycle—from inquiry to cash—as a single, unified process across the extended enterprise.

### **About Sterling Commerce**

Sterling Commerce, an IBM® Company, helps organizations worldwide increase business agility in their dynamic business network through innovative solutions for selling and fulfillment and for seamless and secure integration with customers, partners and suppliers. More information can be found at [www.sterlingcommerce.com](http://www.sterlingcommerce.com).

**Sterling Commerce**  
An IBM Company

---

For all Sterling Commerce offices worldwide, visit [www.sterlingcommerce.com](http://www.sterlingcommerce.com)

©2007 – 2010, Sterling Commerce, Inc.  
All rights reserved. Sterling Commerce and the Sterling Commerce logo are trademarks of Sterling Commerce, Inc. or its affiliated companies. All products referenced are the service marks, trademarks, or registered marks of their respective owners. Printed in U.S.A.  
SC0433 11/10