Why Technology, Why Now?

Technology is not new to the transportation and logistics industries. Carriers have used electronic data interchange (EDI) for years to transmit information to shippers, and some logistics professionals are using integrated, web based systems to manage complex global supply chains. However, studies indicate that not everyone in the transportation industry is ready to embrace technology.

For example, only 35 percent of all shippers use Transportation Management System (TMS) solutions, according to a recent *Logistics Management* article. A research report by *American Shipper* magazine also points out that only 5 percent of shippers surveyed state that they are operating with very accurate data.

Why Technology?

While there does not appear to be a common reason for not adopting technology, most stakeholders agree that transportation and logistics companies are rapidly reaching the point in which technology is not a not a “nice to have” – it is a necessity to serve today’s tech savvy consumers.

A recent State of the Industry Report prepared by A. T. Kearney describes a future with fully digital, connected and flexible supply chains. The report goes on to say, “Inevitably winners and losers will emerge as companies that make the right technology investments and strategic choices outperform others.”

Fortunately, there has never been a better time to invest in technology, or evaluate the systems currently in place.

Why Now?

1. Because it keeps getting better
2. Because it is easier to access

Just as today’s smart phones bear little resemblance to the cell phones in use ten years ago, supply chain technology has vastly improved. Some TMS providers offer services that encompass the full life cycle of a shipment. Before a load is tendered or a route chosen, TMS solutions include purchasing capabilities designed specifically for the transportation industry as well as carrier or fleet management. And, after the shipment has been delivered, a TMS can flag some of the most obvious invoice issues – a duplicate bill, a charge that is different than the quote –allowing shippers to address these discrepancies quickly and, if they choose, directly with carriers.

From increased integration capabilities to web apps and business intelligence tools, supply chain technology is poised to continue to improve, with operational platforms that are more intuitive and user friendly.

1. Because it is easier to access

With cloud-based systems becoming more prevalent, companies of all sizes are benefitting from TMS solutions. Gone are the high up front costs and need for an extensive IT infrastructure. Supply chain professionals that choose cloud-based TMS can take advantage of a faster return on investment (ROI), easier maintenance and often more frequent upgrades.

1. Because it works

But, the most compelling reason to invest in technology now is because it works. There are numerous studies by universities, analysts and real world best practice examples that show companies using a TMS experience a 5-10% reduction in freight costs alone. Companies are also successfully leveraging TMS solutions to automate non-value added work, grow their business with existing resources, enter new markets faster and gain control tower visibility across their entire supply chains.

Today’s transportation technology is not just a tool for transactions or tactical execution – it is the secret weapon that leading companies use to drive smart strategic decisions and increase ROI. So, for anyone still not committed to a technology solution, now is the time to stop kicking the tires and get in the driver’s seat.