5 Benefits to Update your Transportation Management System

WAREHOUSING

20 OCT, 2021 . 7 MINUTES READ

Over the last few years, logistics and supply chain management has undergone many changes. It is no longer merely storing goods and transporting them from one place to another. Increased customers' expectations, market demands, and growing competition have forced logistics companies to upgrade themselves and their service offerings. However, one thing that has had the most significant impact is technology. The use of digital technology and automation has made supply chain management simpler with enhanced efficiency and greater profitability. One such technological advancement is Transportation Management System (TMS).

What is Transport Management System?

A part of the Supply Chain Management (SCM) System, Transport Management System (TMS) is a specially designed software that helps streamline the shipping process. TMS helps businesses plan, execute, and optimise the physical movement of goods. Used for both inbound and outbound goods, TMS ensures compliance with all laws.

In short, TMS performs three board functions:

Identify shippers and compare rates

Book shipments at the lowest costs

Track the shipment

Importance of Transport Management System:

To succeed in business, it's crucial to align your processes in line with customers' expectations. From planning to procurement, TMS plays a vital role in the entire supply chain. Transport Management System allows customers to get real-time visibility of their products by ensuring that only the right products are packed and shipped to the end customer & It helps them improve their delivery timelines and overall service levels. A quick and error-free product delivery results in higher customer satisfaction. This leads to more sales, more profits and helps businesses grow.

Role of Transport Management System in Logistics

The supply chain business is witnessing high demand, with parcel deliveries expected to increase by about 20% YoY every year between 2017 and 2021 as per a Bloomberg report. Out of this total market, 50% increase will come from express shipments and same-day delivery requirements.

We live in a dynamic business environment, where customers expect quicker deliveries at reduced costs. TMS helps customers successfully navigate complicated processes around trade policies and compliance. Implementing TMS can help shipping companies overcome all challenges and ensure a seamless delivery process.

Who Uses a Transport Management System?

TMS is a must and ideal software for all logistics companies, shippers, carriers, and cargo service providers. In addition, TMS can also be used for greater business efficiency by other businesses, which include:

e-Commerce companies

Manufacturing companies

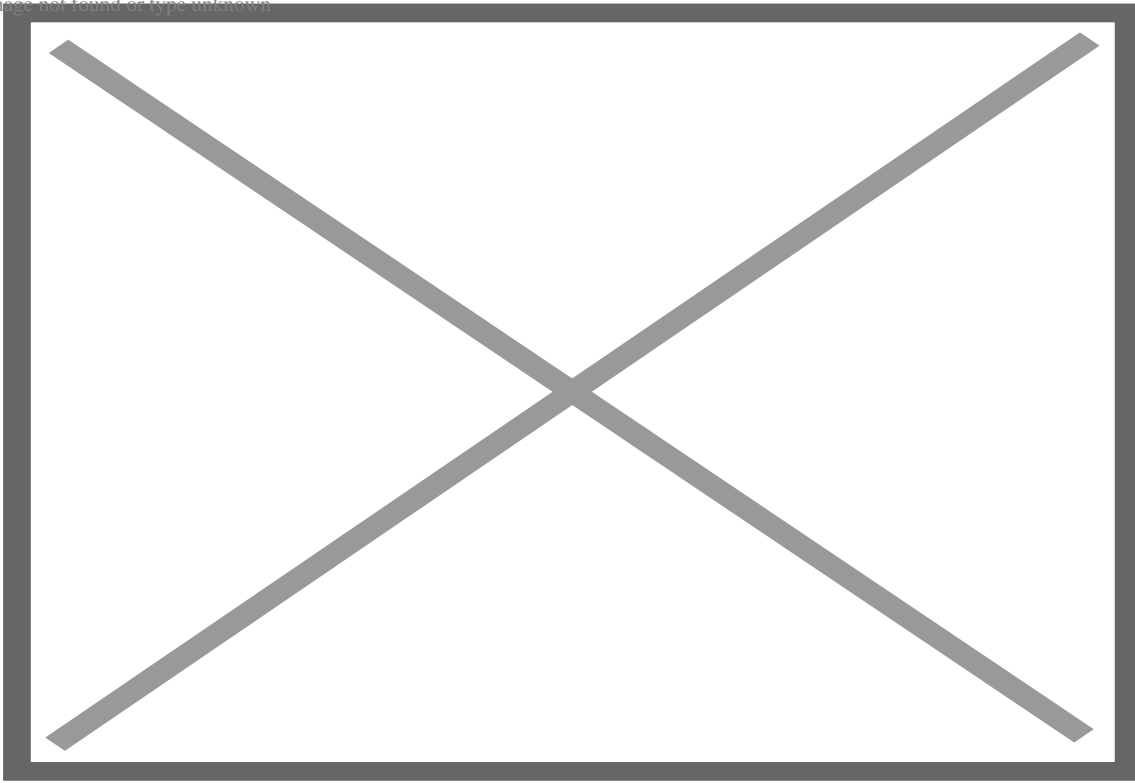Wholesales Dealers and Distributors

Retailers offering home delivery

Third-party logistics providers

These days, TMS is seen as an enabler of global trade and logistics, helping you offer more significant customer satisfaction and higher business growth along the way.

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Functions of TMS:

As mentioned above, TMS plays a significant role in the entire Supply Chain Management. The various functions where TMS adds value are listed below:

Planning: The main objective of an effective TMS is optimising the shipping process. TMS can provide you with all the required data and analytics to support your shipping process and reduce landing costs. In-depth analytics can provide very useful business insights to improve your performance and discover key trends and patterns.

For example, TMS can also help in optimising less-than-truckload (LTL) shipments. It helps you plan multi-leg trips, reducing fuel and labor expenses by eliminating empty miles between delivery destinations.

Freight Management: Managing freight is one of the top priorities of logistics and supply chain companies. An effective freight management system helps reduce waste and unnecessary expenses. At the same time, the latest technology and automation tools help you fasten your process and eliminate the chances of human errors.

TMS can accommodate information about several carriers, and when required, it can help you compare the rates of various services providers in real-time. You can negotiate and manage rates from a single interface without having to speak to different carriers. A TMS can accommodate tens of thousands of carriers without a glitch!
It can be used to automate workflow and reduce paperwork. One can also make use of advanced features like load tendering and order management.

Execution: With TMS in your organisation, execution becomes a cakewalk. It helps you make bookings and perform essential functions of freight management in real-time. The software gives you real-time visibility of the movement of your goods with the ability to track them anytime.

TMS gives you a dashboard to access all details related to consignments sent, which can be then shared with clients or customers. Not only that, the system lets you communicate with drivers and track time and distance remotely. This dashboard gives you a complete overview of your operations and helps you make informed business decisions.

Administration: The fourth and last function of TMS is administration, enabling you to efficiently handle the transport and logistics management workflow. The feature is backed by robust documentation and reporting features to achieve compliance and eliminate the paper processes.

It involves several features like generating an invoice, generating a bill of loading, billing, tracking payment, and receiving payments.

Advanced TMS versions can further enhance efficiency by confirming freight milestones like pickup, delivery, and transit time.

Benefits of TMS

TMS helps a company cut down wasteful cost-heads, improve business efficiencies, and improve the top line. Some of the specific benefits of TMS are listed below:

Reduced Freight Expenses: TMS allows companies to compare multiple service providers and get the best rates. By optimising the routes and load-balancing, companies can further lower their freight expenses. Detailed analytics with real-time and accurate fleet information helps companies use their resources in an optimum manner.

TMS makes freight management and workflow efficiently via automation of labour-intensive processes, which reduces human errors and reduces costs significantly.
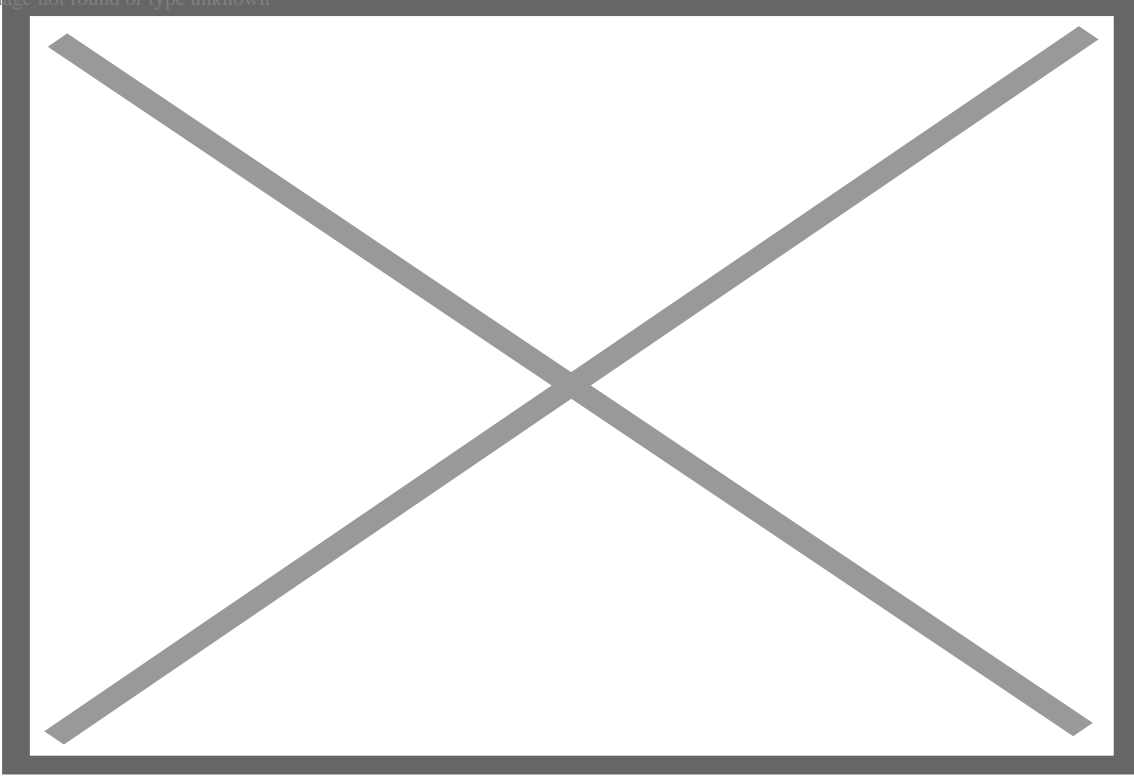
Track Deliveries in Real-Time: TMS allows the companies to track their fleet in real-time. The GPS enabled-map helps companies pinpoint the exact location of each driver and see routes taken, delivery locations and other valuable details. This visibility into fleet movement increases efficiency, productivity, and hence revenue.

Tracking helps companies in optimising their routes and creating better schedules. It also helps to identify drivers who are free at that moment and can be assigned duties accordingly. TMS also has a feature to track and assess each driver's performance and give feedback as and when required.

Increase Customer Satisfaction: With TMS, not just you but your customers can also track the delivery status. This keeps them updated about the estimated date and time of delivery. Predictive analytics helps companies evaluate delivery schedules and sends timely updates to customers in case of any delays. All this put together increases customers confidence in your company and delivery process.

It also helps companies link their order management and warehouse management, making the whole process efficient.

Improve Warehouse Efficiency and Productivity

TMS allows companies to track the lifecycle of goods in their warehouse – from its entry till its exit. Basis this information, companies can make accurate forecasts and thereby improve the transparency of your supply chain process.

It helps warehouse managers know exactly where a particular good is located – whether in transit or warehouse. On the whole, TMS increases the efficiency and productivity of a warehouse.

Saves Time: TMS helps companies get rid of entering data manually and related paperwork. This saves a lot of precious man-hours. Since TMS gives the exact location of the area where the goods are stored, no time is wasted in fetching the product at the shipping time.

It also saves time while comparing the rates of various service providers. The single dashboard does away with the need to scroll through multiple spreadsheets to find the best service provider.

Varuna and its use of Transport Management System

Varuna Group is one of the leading logistics and warehousing companies in India. It has invested heavily in technology for more than two decades to make its systems and processes efficient and customer friendly.

At Varuna, TMS is critical of the seamless functioning of all its warehouses across. The TMS used is compatible with other systems like WMS, Order Management System, and Invoice Management System. The system helps to determine the optimum load and real-time visibility of shipment while in transit. Thus, helping Varuna in swift and effective delivery and accurately predicting delivery timelines.

Varuna Group offers customers a complete bouquet of Logistics and Warehousing services. The company uses various automation tools like Transport Management System, Fleet Management Portal, and a customised ERP to provide these services seamlessly.

If you have any queries or requirements for managing your logistics or warehousing needs,e we will be glad to step in to cut your costs, improve your efficiencies and add value to your supply chain.