

IBM® Sterling Transportation Management System

*Drive costs out of transportation with
cloud-based TMS*



Overview

*In this Solution Overview,
you will learn:*

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

Benefits

- Reduces costs through efficient transportation planning and execution
 - Raises service levels through real-time visibility into shipping processes
 - Increases productivity by eliminating manual processes
 - Improves on-time delivery through better collaboration with carriers, vendors, and customers
 - Enhances performance by comparing performance against peers on the network
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Executive summary

Amid rising fuel costs and increased customer pressures, transportation management has become a source of competitive advantage. IBM can help give you an edge through a collaborative logistics network of over 10,000 carriers and a comprehensive, cloud-based system for transportation planning, execution, settlement, and analysis.

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 percent 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 IBM took a different approach.



The value of TMS on cloud

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. Virtually all of this is delivered on cloud, which means fewer IT resource requirements, no upgrade costs, configuration rather than installation, faster, easier connectivity, and lower total cost of ownership.

With Sterling TMS, you gain virtually 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 10,000 carriers

To start, Sterling TMS gives you access to a collaborative logistics network of over 10,000 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 easier to bring them onboard.

Planning

Sterling TMS' planning tools provide for centralized management and local execution – so you can better 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 help ensure shipments are rated more accurately against virtually 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

“Sterling Transportation Management System has allowed us to see a 15 percent reduction in our cost per pound, excluding the cost of fuel.”

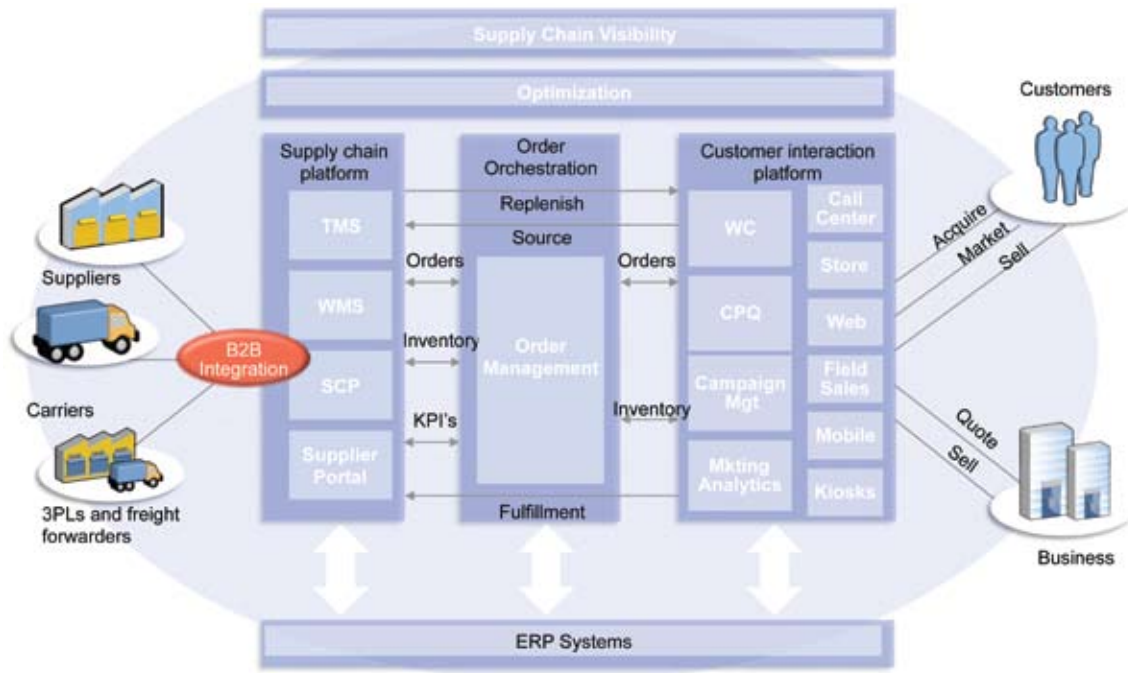
— Keith Hartlaub, General Manager, Sargento Foods Inc

Execution

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

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 virtually all your shipments – practically 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 IBM® 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.

Contract management

Sterling TMS improves contract compliance by connecting virtually 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 fosters contract compliance across the organization. Contract management includes support for multiple currencies and imperial and metric units of measure. Rates are security-rich and accessible primarily by the company that negotiated them.

Sterling Transportation Management System

Solution components	Capabilities
Shipment planning workbench	Display current shipment plans; drag-and-drop loads to more 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 virtually all modes of transportation with optimal routing and load consolidation; powered by the IBM's ILOG Optimization 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
Freight audit and payment	Manage invoice approvals against shipment, rate, and carrier contracts stored online and initiate payment from the accounts payable system
Network benchmarks	More accurately compare and measure cost and execution performance against a network of nearly 150 shippers
Capacity center	Tap into network data to improve forward planning of capacity to match supply and demand between shippers and carriers

Dedicated fleets

Sterling TMS offers an innovative 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 improve accuracy, shorten payment cycles, and lower administrative costs. You also get comprehensive invoice auditing for more 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.



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