

Choose the Right TMS

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Choosing a Transportation Management System (TMS) system can be tricky. Every TMS system has its proponents, and every TMS vendor will tell you theirs is the best. There are many flavors of TMS to choose from. Some vendors have basic dispatch systems; some offer full soup-to-nuts systems. Some offer systems for sale; others offer web-based system for a monthly fee.

How can you tell which will be best for your company?

Think Productivity

The number one consideration in choosing a TMS system should be speed. Your employees will have strong opinions on your new system. How will they gauge its success?

"It helps me do my job in less time."

That's what you want to hear. No one upgrades to add time to their day, its all about saving time. If you switch, and it takes your people an extra hour a day to do their job, exactly how does a new TMS help them or you?

The other way your employees will gauge success?

"I make more money with it".

If you switch and their commissions go down, it's a disaster. They lose and you lose. The best system is the one that helps you move more loads with better profit ratios.

There is an easy way to gauge productivity: make a checklist of key tasks and time them. Industry leaders time everything. UPS, Fedex, Wal-mart, and other market leaders are known for finding innovative ways to slash seconds off repetitive tasks.

How long does it take to book a load? How much time in front of the computer screen? How many phone calls? How long does each one take? Because TMS systems are so different, a stopwatch and a checklist will help you make the correct decision.

You're sure to see glowing case studies of happy customers. No one is going to show you disgusted ex-customers. But make sure those extravagant endorsements are real. Ask for contact information and call. And when you do, get as much information as you can and perhaps a baseline for comparison.

What were they doing before implementing the system? What did the system save them? If the answer is a percentage, then a percentage of what? How many bills per month and how many people are billing? How many loads and how many dispatchers? How much time does it take to book a load? What were they using before? How long did it take to learn and implement the system?

Hosted Apps Deliver

Make sure your new system comes with upgrades. Without upgrades, it will be quickly out-dated. Do you have to purchase the upgrades? How often do they come out?

These questions only apply to installed systems, not to hosted ones. Hosted systems that you access over the Internet are constantly and automatically upgraded. You don't have to worry about specific updates and software versions.

Software as a subscription can be much less risky too. There is little or no up-front cost. With no servers to purchase, no installation expense, no software licenses, you get the return on investment immediately -- without additional investment. By contrast, it can take years to recoup an installation investment. By the time you break even on the purchase, there may be newer, better technology on the market. Also, backups and security are usually much stronger in hosted systems.

Training is an important consideration. We all have technology we can't take advantage of because we don't take the time to learn it. If you can't or won't take the time to learn a complex system, you may be better off with something simple that you can master quickly.

No matter which system you choose, though, you will get more from that system with training. How much training depends on the system and what features or modules you select.

Try Before You Buy

Some vendors have web-based on-line classes you can attend before you buy. This is an invaluable option. You may learn the system and love it, or learn it and hate it. Before you commit tens or hundreds of thousands of dollars, make sure it's the former and not the latter. It can save you years of lost profits and opportunities.

Another benefit from pre-buy training is that you may hear questions from other attendees and learn how other companies are coping with their switch-over. Frustrated or happy questions could influence your decision.

Before you lay out a lot of money for a system, make sure you're going to love it. Test a system yourself before buying or subscribing. Feel comfortable adding and dispatching a shipment.

Don't get confused. If you do, ask more questions and get unconfused. Take good notes. Once you have narrowed your choices to a few favorites, see a second or third demo. The more you see before you buy, the fewer surprises you'll have after.

McDonalds has a rule about who can buy a franchise. Before you can own a McDonalds franchise, you must attend Hamburger University and know how to operate every piece of equipment in the store.

Your time is valuable, but nothing will waste more time than choosing the wrong system. Take the time to get it right.

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