

TRENDS & CHALLENGES

SHAPING THE TRANSPORTATION INDUSTRY

The Issues – Finding Capacity, Visibility, Parcel Shipping

Managing the transportation process at any organization – no matter the size – can be complex and challenging. Here, we take a look at some of the key issues transportation leaders are facing, and how they're using innovative technology and processes to find the solutions they need to succeed.

Finding Capacity: What Are the Root Causes?



- **A worsening driver shortage**
 - Current shortage is projected at **50,000** and climbing.*
 - Expected to grow to more than **175,000** by 2026.*

*Source: October 2017, ATA Driver Shortage Report
- **Soaring freight volumes**
 - July 2018 - **10.6 percent** increase in freight volume

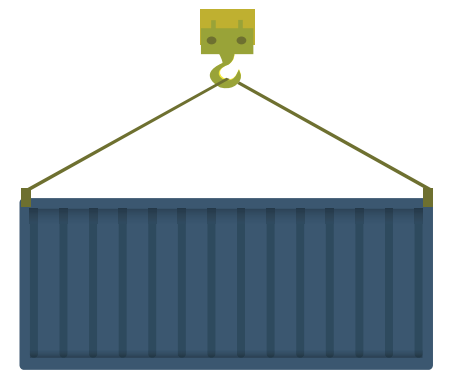
*Source: The Cass Freight Index
- **ELD mandate places hard limit on hours of service**



Key Takeaway: A TMS with load optimization must be a key consideration. In capacity crunches, load optimization across modes can help transportation managers fully load trucks, which means fewer loads that need coverage.

Visibility: Where's My Stuff?

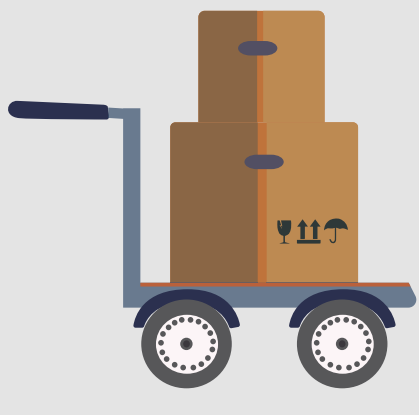
- Just **6 percent** of companies believe they have achieved full supply chain visibility.
*Source: October 2017, ATA Driver Shortage Report
- **77 percent** say they have either no visibility or a restricted view.
*Source: Geodis' 2017 Supply Chain Worldwide Survey
- **66 percent** of supply chain leaders: advanced supply chain analytics will be critically important to their supply chain operations in the next 2 to 3 years.
*Source: The Hackett Group, Analytics: Laying the Foundation for Supply Chain Digital Transformation



Key Takeaway: With the right technology, logistics operations can get a top-down view of freight activity and track every shipment at the most detailed level.

Parcel Shipping: "The Age of the Consumer"

- What is **"The Age of the Consumer?"** e-commerce has spurred demand for fast, low-cost, perfect service, provided seamlessly across sales, order, and delivery channel.
- Revenues for the U.S. business-to-business (B2B) parcel market are predicted to grow by 0.8 percent, reaching an estimated **\$36 billion** in 2019.*
*Source: Council of Supply Chain Management Professionals, 28th annual "State of Logistics Report" (June 2017)

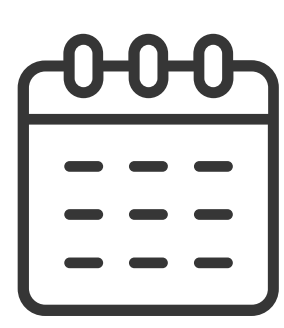


Key Takeaway: It's never been more important to optimize cost and service for small shipments, whether they move via parcel carrier, less than truckload, or across modes. A TMS with multimodal optimization of parcel and LTL in a single, integrated platform opens up a new world of opportunities for improving costs, service, and decision support.

TMS Business Value Highlights



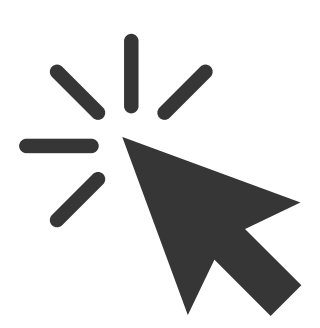
5-10%
freight cost reductions for shippers



6-18
months to break-even

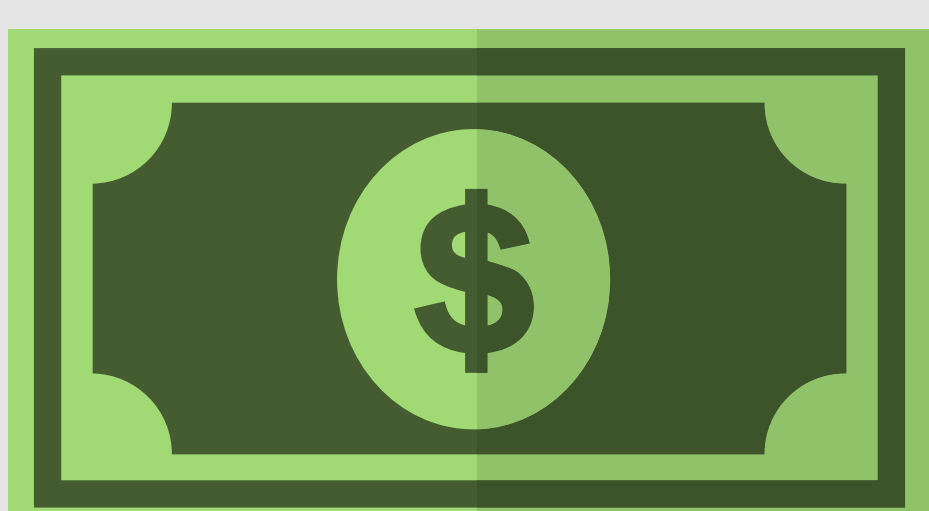


< 10%
of net savings absorbed by TMS costs



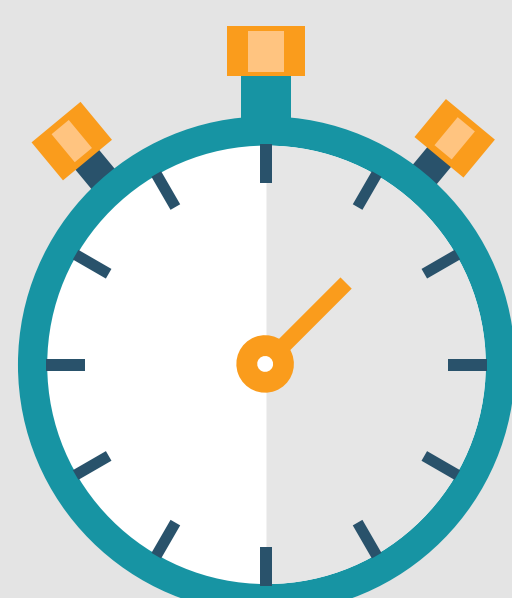
40%
TMS adoption rate among shippers

Fact vs. Fiction



MYTH: A TMS requires a substantial capital investment.

FACT: A cloud-based TMS can be expensed as a subscription or transaction fee. With limited expense, this approach allows companies to prove rapid ROI.



MYTH: A TMS Implementation is long and complex.

FACT: A TMS can be implemented in weeks. Most MercuryGate TMS implementations are operational in 4-6 weeks.