

JTS Johanson Transportation Service

Freight Industry Guidebook

Topical insights from JTS Thought Leaders

What to Look for in a Modern TMS (and Why It Matters to Your Bottom Line)

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Freight is one of the largest costs a shipper can control, yet many companies still manage it with spreadsheets, email threads and calls. When rates swing and capacity tightens, those manual processes quietly drain money in ways that rarely show up as a single line item. A transportation management system (TMS) is software that plans, executes and tracks freight moves in one place, from quoting and booking to tracking, invoicing and reporting. But not every TMS is created equally. Here's what to look for in a modern system and how each capability translates into dollars saved or earned.

Signs You've Outgrown Your Current Process

If these sound familiar, you could be wasting time and money:

- Quoting by phone and email. Every load means calling or emailing carriers and waiting on rates.
- No single view of freight in transit. Your team spends hours tracking down shipment locations.
- Invoice errors slip through. Overcharges, duplicate bills, and unapproved accessorial charges get paid without review.
- Decisions run on gut feelings. You can't easily see cost per lane, carrier on-time performance, best routing options and other KPIs.
- Knowledge lives in a few people's heads. When the key coordinator is out, everything slows down.

Core Capabilities to Look For in a TMS

The best TMS platforms tie every feature to a measurable result. These eight capabilities deliver the biggest return.

Capability	What to look for	Bottom-line impact
Multimodal rate shopping	Comparison of rates for truckload, LTL, and intermodal all on one screen	Choose the lowest-cost mode that meets the delivery date, such as intermodal for flexible moves over 500 miles
Load planning and optimization	Order consolidation, multi-stop routing, trailer & container fill	Fewer shipments, fewer empty miles and better use of every trailer
Real time visibility	GPS and carrier-integrated tracking, automated status updates, exception alerts	Fewer check calls, earlier warning of delays and better customer communication
Carrier management and tendering	Carrier scorecards, compliance & insurance checks, automated tendering	Reliable capacity when the market tightens and fewer service failures
Freight audit and payment	Automatic matching of invoices to rates and accessorial fees	Catch billing errors and duplicate charges before they are paid
Analytics and reporting	Cost per lane, cost per unit, on-time performance and mode mix dashboards	Data to support contract negotiations and budgeting
Integrations	Connections to your ERP, WMS and accounting systems through EDI or API	Less manual data entry, fewer errors and a faster order-to-cash cycle
Document management	BOLs, PODs and invoices stored and searchable by shipment	Faster billing, simpler claims and audit-ready records

A simple test during any demo: for each feature, ask what number it moves and how you would measure it.

What "Modern" Means Now

A modern TMS should make work easier from day one, not after a year-long IT project. Look for:

- **Intelligent automation and AI.** Predictive analysis, trend identification, ultra-fast workflows; automated tendering and exception alerts that save real hours. Be wary of AI claims a vendor can't demonstrate with your own freight.
- **State-of-the art tech integrations.** Third-party or built in integrations fuel the brain of your TMS. AI to build intelligent predictions, reports and analytics. AI-driven actionable steps you can take to improve your logistics operations. Microsoft® Power BI® for interactive, graphics-rich dashboards. Google Maps Live Satellite Maps. Built-in NMFC freight classification tool. Shiplify™ accessorial identification, to name some.
- **Mobile access.** Shippers, warehouse staff and drivers can check status and share documents from a phone.
- **Cloud-based delivery.** No servers to maintain, automatic updates and access from anywhere.

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Questions to Ask Before You Commit

1. **What is the total cost of ownership?** Include licensing, implementation, training, integrations and any per-load or per-user fees.

2. **How long does implementation take?** Who does the work. and what is expected of your team.

3. Will it grow with us? Confirm it handles new modes, locations and volume without a costly upgrade.

4. What support is included? Find out whether you get a real person to call, and how quickly they respond.

5. How is our data protected, and who owns it? Ask about security practices and whether you can export your data if you leave.

Building the ROI Case

A TMS pays off when hard savings plus soft savings exceed its total cost. Hard savings are lower freight spend and recovered billing errors. Soft savings are staff hours freed up and fewer costly mistakes.

Illustrative example only. These numbers are hypothetical and show how to build the math, not expected results. Consider a shipper with $5 million in annual freight spend:

Savings source	Assumption	Annual value
Freight audit	1% of spend recovered from billing errors	$50,000
Mode optimization	100 loads shifted from OTR to intermodal at $400 savings / load	$40,000
Staff time	10 hours a week at $35/hr, for 50 weeks	$17,500
Total		**$107,500**

Compare that total against the full annual cost of the system and its support. Plug in your own expenses, lanes and labor rates to see where you land.

Buy, Build or Partner?

There are three common paths to TMS capability, and the right one depends on your volume, team and complexity.

Approach	Best fit	Tradeoffs
License a TMS	High-volume shippers with an in-house logistics team	Full control, but you own setup, carrier relationships and day-to-day management
Build your own	Very large enterprises with unique requirements and in-house development teams	Fully custom, but it is expensive and slow to to develop, and you own the upkeep
Partner with a 3PL	Shippers who want the technology plus people who run it	Access to the 3PL's TMS, carrier network and expertise with little to no upfront investment

For many small and mid-sized shippers, partnering is the fastest route to the visibility and savings described above, without adding headcount or software overhead.

JTS' arriviture® 2.0 TMS is available to our shipping partners at no cost. It incorporates state-of-the art technology features like AI-powered intelligent reporting and analytics with predictive analysis and trend identification. It will give you actionable recommendations you can take to improve your logistics operations and save money. It also features an ultra-fast worklfow for order processing, Google Maps live Satellite imagery for location pinpointing, an NMFC freight classifier to get freight class right the first time, and has a Shiplify integration to uncover hidden accessorial fees at the time of booking. JTS' arriviture helps you automate and streamline all your daily logistics tasks from start to finish.

The Bottom Line

The right TMS pays for itself through better visibility, smarter mode choices and tighter cost control. The wrong one becomes just another system your team works around. Judge every feature by the number it moves, and make sure experienced people stand behind the technology.

For more help, or to learn more about arriviture, contact us at arriviture@johansontrans.com or (800) 261-6690.

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