What to Look for in a Carrier Data Management System & System Provider

By Niko Michas, President & CEO, BridgeNet Solutions, Inc.

If your company is handling hundreds, thousands, or even millions of shipments per week, you need access to a carrier data management system that can successfully do the following:

• Reveal your current shipping methods and point to improved methods
• Help you to practice lean manufacturing where appropriate
• Allow you to operate as an on-demand business
• Improve your ability to make and understand sourcing decisions
• Assist with overall supply chain management

For most companies, it is going to be more cost-efficient to go through a third party to implement a carrier data management system that can do all of the above than to try and create their own system in-house. Every major carrier literally has thousands of pages of information which can take months, if not years, for any large corporation to research and analyze. The average corporation doesn't have in place the technology and hand-in-hand tools needed to perform a complete rate analysis or maximize on findings.

By going through a third party data carrier system provider that already has a proven system in place, shippers can save both time and money. In my decades of experience in the parcel industry, I have found that global shippers are capable of saving an average of up to 40% on their overall annual logistics expense when they go through a carrier data system provider, and startlingly lesser amounts when they attempt to perform their analytics in-house.

Despite being aware of such statistics, many shippers are concerned that opening their doors to a third party will make their department or position seem deficient or irrelevant in some way to higher-ups. In my experience, this is not typically what happens. Typically, supply chain professionals that have the wherewithal to locate, research, hire, and then work with established third party providers to save their company money, are far more likely to rise up the ranks at their company at a faster rate than to suffer negative effects from implementing a technology-based cost-saving initiative.

The key to making sure your partnership with a third party shines a positive light on you and your department is working with a third party that empowers you to make decisions rather than dictates those decisions for you.

To find such a carrier data management system provider, look to third parties that have a proven record of successfully accepting and housing electronic data directly from carriers on behalf of shippers, and have shown that they are able to perform benchmarking analyses based on that data in order to provide shippers with the market intelligence they need to create and implement ongoing cost-saving solutions. Do they already have in place a dashboard that you can use to view and control each shipment in your supply chain, monitor routing guide compliance, and manage your overall supply chain? What kind of reporting and forecasting capabilities does it have?

You want to work with a third party that can tailor proven, pre-existing technology specifically to your needs—not one that promises they can custom-make create the technology you need from scratch. This will lower expenses on your end, and will help ensure a positive outcome on both sides.

Furthermore, any carrier data system you implement should be primed to expand with your

company when shipment volumes and/or profits increase. This may not seem like a terribly important capability now, but even if your expenses are increasing and revenues decreasing, it may still be possible for you to take advantage of things like relatively stabilized fuel charges and other economic advantages specific to your particular industry, and in doing so, expand your company. Your safest bet is to go with a carrier data system provider that is prepared to handle both worst and best-case scenarios.