BUSINESS PROCESS ASSESSMENT (BPA):
A FULL EXAM TO MAXIMIZE SOFTWARE UTILIZATION & ROI

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Introduction

Few industries are more dynamic and fast-moving than transportation and logistics. To compete in this fast lane, motor carriers and logistics providers need technology and business processes tuned up for peak performance.

More specifically, they need transportation management software (TMS), the engine of business, firing on all cylinders to move orders quickly and accurately through the quote-to-cash cycle for loads.

TMS CORE FUNCTIONS

ORDER ENTRY

LOAD PLANNING

DISPATCH

BILLING AND PAYMENTS

INTEGRATED APPLICATIONS
These and other functions can be enhanced by applications including business intelligence, telematics and fleet maintenance management software.

Even with a state-of-the-art TMS platform and integrated applications, transportation companies can become stalled at times by business processes getting out of sync.

This whitepaper delivers practical advice to motor carriers and logistics companies to maximize their returns on investment in enterprise TMS technology. The paper begins by explaining why business processes get out of sync, and then explores a proven method that transportation software consultants use to assess and service businesses to get them back on the fast track.

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Diagnostics

When your personal vehicle is not operating at peak performance, you naturally start by looking under the hood. Due to the complexity of today's electro-mechanical engines, the reasons are seldom in plain sight.

Most likely, the engine needs to be looked over by an experienced technician with the right tools to render an accurate diagnosis. The cost of a diagnosis is easily justified by eliminating guesswork that would otherwise delay or complicate the remedy.

With an accurate diagnosis, a decision can be made on how best to proceed. Depending on the scope and complexity of the project, some repair work might be performed with your own resources while other portions are handed to experienced professionals.

Underperforming business processes can likewise be difficult to diagnose. TMS platforms are complex with multiple layers of applications throughout an enterprise, from the C-suite to the back office and to mobile work environments.

Likewise, getting a clear diagnosis from consultants who specialize in TMS technology and business process automation enable transportation companies to immediately apply the best solutions in the shortest possible timeframe.

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Warning Signs

Continuity in business processes is a hallmark of successful companies. Recognizing this, some fleets and logistics companies have staff members that standardize and document all of their technology and processes.

Even with the best change management strategies, turnover in the upper ranks of management or even on the front lines can disrupt critical business processes. In addition to employee turnover, many other scenarios cause businesses to fall short of maximizing the value of their investment in TMS technology.

5 MOST COMMON SCENARIOS

1 NEGLECT
Transportation companies are always busy. In the rush to complete all of the daily work in the quote-to-cash cycle, they may fail to keep their software and training current.

2 FAST GROWTH
Change happens quickly when companies add new lines of business or go through mergers and acquisitions. Amid this change, companies often struggle to adapt technology to their current and future needs.

3 PLUGGING HOLES
To fulfill urgent needs, companies may change or modify their business processes in haste and miss opportunities to apply best practices and create truly optimized solutions.

4 POLITICS
When business processes go awry, people often lay the blame on others or on the software itself. The root cause is more likely due to a lack of understanding of how the different layers of a TMS platform interact.

5 MISTRUST
When end users do not trust the data from a TMS system they create their own spreadsheets and manual processes.

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Business Process Assessment

Transportation companies that decide to engage the help of professionals can get an accurate, unbiased assessment of how their business processes and technology are performing.

A proven method transportation software consultants use is an analysis called a Business Process Assessment (BPA). During a BPA, consultants look at all processes in the quote-to-cash cycle to prescribe solutions for a business to operate with higher levels of efficiency and improve its cash flow.

The BPA is a comprehensive analysis of how a company utilizes the capabilities purchased within a TMS platform, from its core features to the various modules and integrated functions with third-party applications.

To conduct a BPA, an experienced consultant comes onsite to conduct a formal review. Once the review is complete, the consultant produces a detailed report that identifies what a company is doing well and what areas stand in need of improvement.

The report contains detailed recommendations and commentary that provide step-by-step guidance and clear benchmarks for charting a company's progress towards achieving maximum returns.

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Sample BPA

The following shows an example of what TMS features are audited in a BPA. The example comes from a study by the Strategic Services consulting team of TMW Systems, a Trimble Company and leading software developer in the transportation industry.

STUDY DETAILS

For the study, the Strategic Services team reviewed a sample of 25 individual BPAs conducted on a diverse set of transportation companies between 2015 and 2017. The sample group had tractor counts that ranged from 110 to 900.

CORE FEATURES

The study highlights how companies utilize eight core features of an enterprise TMS platform:

- **ORDER ENTRY**
- **MOBILE COMMUNICATIONS**
- **DRIVER SETTLEMENTS**
- **INVOICING**
- **LOAD & DRIVER PLANNING**
- **NOTES & EXPIRATIONS**
- **REPORTING**
- **TIMELINESS**

STUDY FINDINGS

The study showed that on average transportation companies utilize the eight core features 40.5 percent of the time.

40.5%
USE OF CORE FEATURES

At first glance, a utilization rate of 40.5 percent might seem low considering the investments they made for TMS platform. However, the utilization rate of software is better understood by applying the Pareto principle.

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PARETO PRINCIPLE

The Pareto principle states that 20 percent of the inputs for a process create 80 percent of the outputs. This explains a naturally occurring phenomena in business. As an example, try running a report on the mpg performance of drivers in a fleet. The results will likely show that approximately 20 percent of drivers produced 80 percent of the total fuel savings during a given time period.

20% EFFORT **80% RESULTS**

The same study by the Strategic Services team identified seven core TMS features that consultants called out most frequently when conducting BPAs. The following list shows the most common opportunities to maximize their returns from TMS platforms and integrated technologies:

- **MOBILE COMMUNICATIONS**
- **UPGRADES (TO CURRENT VERSIONS)**
- **GENERAL SYSTEMS CONFIGURATION/ WORKFLOW/TRAINING**
- **EDI UTILIZATION**
- **INTEGRATED IMAGING**
- **BUSINESS INTELLIGENCE AND REPORTING**

Creating a Roadmap

The value of a BPA is not limited to diagnosing the problems. A BPA report identifies opportunities that are within reach of a business to improve its use of technology to maximize returns.

One of the useful features of the report is a utilization graph that benchmarks where a company could improve its utilization of core TMS features. A company might see, for instance, that it currently utilizes the Load & Driver Planning feature of its TMS at 40 percent of capacity.

The BPA report and its output provides recommendations and best practices to improve the utilization and results of each feature. During the review, a consultant may find that processes are taking place outside of a TMS that management may not be aware of.

For example, in the operations department, where the Load & Driver Planning process takes place, a consultant might observe that data is being written on a whiteboard or entered into spreadsheets.

Problems in other areas of the company might be contributing. In the order entry department, a consultant might observe that employees are monitoring third-party web portals to respond to load tenders from customers, rather than use the integrated features in a TMS to automatically respond.

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Measures of Success

TMS systems can serve up a lot of information to users at all levels. In a fast-moving trucking and logistics business, having access to so much information can at times be confusing and intimidating to users.

Reviewing how a business uses metrics from a TMS is a core part of a BPA. Consultants will review how metrics are being used, how they align with the needs of a business, and provide recommendations for using metrics to improve business performance and process efficiency.

Some of the metrics used by a private fleet can differ significantly than a for-hire carrier, for example, while other metrics are applicable to all types of transportation operations such as revenue per mile, tractor utilization and the number of orders.

As part of a BPA analysis, consultants can also help companies establish dashboard metrics that are predictive in nature, and create workflows that enable users to more quickly respond to early indicators. In addition, bridging the gaps in trust are critical to business success. The review process works to help companies ensure the integrity of the data being reported which leads to the ability to make sound business decisions.

Beyond a BPA

Ultimately, the main objective for a BPA is to increase profitability and cash flow of a transportation company by charting the path to more fully utilizing its technology investments.

As part of the consulting engagement, a BPA will identify options for companies to engage professionals to assist with recommended actions such as training, documentation and other change management projects to help prevent users from reverting to old habits.

Professionals can also design custom tools in the software to increase user compliance with designed business processes. One option is to design new audit functions and reports to ensure that users follow standard procedures.

Other options to continue to work with consultants beyond the BPA include training on how to maximize use of integrated applications and hands-on education to help users understand how all of the different layers of TMS systems interact to optimize process flow.

Conclusion

This whitepaper has explained a process that professionals use to tune-up the engines of a transportation business. The method starts with an on-site audit called a BPA that assesses how a company utilizes the features of a TMS platform with a special emphasis on the quote-to-cash cycle.

The output of a BPA is a detailed report that shows the current state of utilization and breaks down the steps needed to realize maximum value from the investment in TMS and integrated technologies.

Like a service manual, the BPA report gives companies the information needed to move quickly and make the necessary changes to reduce costs, improve cash flow and focus on the most important metrics to stay in the fast lane for success.

Rather than wait for a crisis to develop, transportation providers can take a proactive approach by getting a BPA to identify areas opportunity to accelerate their returns on technology investments and enable more profitable growth.

FINAL CHECK

When looking under the hood of your business, is the answer to any of these questions "yes"? If so, your IT systems could benefit from a tune up:

- [ ] DOES ANYTHING CAUSE YOU THINK "SHOULDN'T THIS BE AUTOMATED?"

- [ ] DO YOU ASK, "WHY DO I HAVE TO DO IT THIS WAY?"

- [ ] DO ANY BUSINESS PROCESSES INVOLVE SPREADSHEETS?

- [ ] WHEN YOU QUESTION SOMEONE ON WHY THEY DO THINGS A CERTAIN WAY, DO THEY RESPOND WITH "BECAUSE THAT'S THE WAY THE PERSON BEFORE ME DID IT"?

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TMW is a leading transportation software provider to commercial and private fleets, brokerage and 3PL organizations. Founded in 1983, TMW has focused on providing enterprise software to the transportation industry, including asset-based and non-asset-based operations as well as heavy duty vehicle service centers. With offices in Cleveland, Dallas, Nashville, Oklahoma City, Raleigh, Vancouver and Melbourne, Australia, the company serves over 2,000 customers, including many of the largest, most sophisticated and complex transportation service companies in North America. TMW is a Trimble Company (NASDAQ: TRMB) and part of the international Transportation and Logistics Division.