

## Transportation Management and Shipping Software enabling Enterprises, eTailers, Retailers, Manufacturers and Distributors to Automate Multi-Carrier Management and Reduce Costs



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**Interview conducted by:**  
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**CEOCFO: Mr. Malley, what is the idea behind Pierbridge, Inc.?**

**Mr. Malley:** We are a software development company that specializes in transportation management systems. We help companies ship more efficiently and make better decisions to reduce transportation costs.

**CEOCFO: What are some of the challenges in the transportation industry that you can address?**

**Mr. Malley:** Transportation is being driven more and more by the growth of ecommerce. Brick and mortar retailers are struggling to compete against Amazon and are moving toward adoption of omni-channel fulfillment strategies. To be successful, retailers have to be able to ship smaller parcels from any facility including warehouses, stores and suppliers directly to consumers' doorsteps. Supply chains are now competing against supply chains. Consumers want fast delivery and they want it to be free. They also want free returns. We help businesses determine the most cost-effective way of shipping orders and then automate weighing, rate shopping, cartonization, labeling, tracking and returns processing.

**"Our employees have extensive industry experience and have established a clear track record of innovations dating back to 1991. Transtream is the only TMS platform that has been awarded FedEx Diamond and UPS Connectship platinum level certifications for four years running. That just really speaks to the quality, level of customer adoption, and the usefulness of our solutions."- Bob Malley**

**CEOCFO: Would you give us an example of what a typical engagement is? Who is coming to you? What are you providing? What are they choosing from? How do you make it easy for them?**

**Mr. Malley:** Typically, we work with managers in charge of transportation and logistics. They are responsible for getting orders shipped and delivered on-time, while ensuring that transportation costs don't reduce margins. We sell through a community of systems integrators, consultants, and other technology partners who deploy our software on-premise or provide their customers with access to our Software as a Service (SaaS) solution. We sell "Transtream" as our SaaS solution. We are frequently introduced by one of our carrier partners, like FedEx, who understand that customers need our multi-carrier solutions. We evaluate customer requirements, look at their shipping patterns and fulfillment operations, as well as their delivery requirements, and then make recommendations as to what kinds of solutions would help them operate more efficiently and cost-effectively. We use our Composer tools to adapt apps to customer workflows. In order to automate processes, our solutions are almost always integrated with other enterprise systems. We have tools that simplify integration.

**CEOCFO: *Do many people still want it physically on their premises?***

**Mr. Malley:** We have customers who ship hundreds of thousands of parcels per day, especially during the holiday rush. They need to be able to process transactions very quickly... in sub-seconds. High volume shippers aren't willing to risk Internet downtime or latency. Some retailers will use a hybrid solution: on-premise servers for high volume warehouse locations, and SaaS solutions for stores. Global financial service and government agency customers have very high cyber-security standards and they will often prefer an on-premise deployment. But in general, shippers are getting more comfortable about accessing our solutions from a cloud SaaS environment. One of the reasons for this is that our technology helps shippers overcome some of the limitations that have traditionally impeded adoption of a SaaS solution. For example, many cloud systems are not able to connect and exchange data in real-time with on-premise enterprise systems. Our Internet of Things (IoT) technology, HubCapp, allows us to securely integrate with an on-premise warehouse management system or order management system from across the Internet. We are also able to connect to local scales, scanners, conveyors, and thermal printers from the cloud. Our IoT technology has removed real-time integration as an obstacle for large shippers.

**CEOCFO: *How do you stay on top of transportation routes, new transportation companies, new services and regulatory issues that you might need to take into consideration? Once you have decided maybe a carrier or route or something is good, how do you keep watch that maybe all of a sudden the company has not fallen off of it; even though they were very good six months ago, now they are not so good and you cannot really recommend it in your solution or have people use it?***

**Mr. Malley:** Our customers and partner community keep us on top of market trends. It is a small industry, and you get to know who is meeting customer demands. In the same way Kayak doesn't favor an airline, Pierbridge is carrier agnostic. Meaning shippers decide which services they will use within the platform and they won't use them if they don't provide quality service. There are more and more carrier services jumping in to take advantage of the ecommerce package delivery boom. It used to be the big three; UPS, FedEx and the US Postal Service. But now because retailers need to compete with Amazon, they are engaging more carriers, including regional carriers and couriers. Lately we are seeing same-day delivery services like Deliv and UberRUSH entering the market. It will be drones one day. In addition to being responsible for carrier compliance standards, we are also responsible for complying with regulatory requirements for processing cross-border documentation and hazardous material forms. I have been running TMS companies since 1989 and Pierbridge now has over 4,000 medium to large size enterprises using our software. They are pretty vocal about trends they see and the kinds of carrier services and workflows they expect us to support. We also learn from our integrators and our partners about technology trends.

**CEOCFO: *Is it iffier with the local carriers or using an Uber or something where it is less regimented than UPS?***

**Mr. Malley:** My experience is that the regional carrier services like LSO, OnTrac, Deluxe Delivery Service and other couriers do a good job. If they didn't have reliable, regimented logistic systems they wouldn't be around for very long. They provide local delivery with very competitive rates, which is highly valued by shippers who have to contend with the cost of "free shipping".

**CEOCFO: *Are all the clients using Transtream and HubCapp? Do they go hand-in-hand?***

**Mr. Malley:** Transtream is our TMS solution. To process shipments efficiently, Transtream needs to be able to exchange data with customer enterprise. Transtream needs to read from scales and print labels. What HubCapp does is connect Transtream cloud solutions to local data and devices. So yes, if Transtream is accessed from the cloud, it is typically integrated using HubCapp tools.

**CEOCFO: *Would you tell us about your recent agreement with Postea?***

**Mr. Malley:** One of the new technologies we recently released is a cartonization technology called Opdimizer. What it is designed to do is quickly determine how many cartons and what size cartons should be used to ship an order, taking into account carrier charges. This helps shippers rate shop in order entry and shopping carts, reduce waste during the fulfillment process, and reduce unexpected dimensional weight charges on carrier invoices. Transtream integrates with Postea's QubeVu dimensional weighing system that captures dimensional weight during the shipping process to ensure shippers aren't surprised later by unexpected shipping charges during the carrier billing process.

**CEOCFO: *How do you know how much packaging a company will use, such as the excess stuff on the inside that you do not need, or that might need but do not really think you do?***

**Mr. Malley:** We've all had the experience of opening a box only to find it stuffed with too much filler. Carriers are cracking down on boxes with too much filler with dimensional weight rating. Think of it as a carrier air tax. Our Opdimizer feature lets you set up packing rules, including percentage of fill, and it will automatically select the right box with an acceptable amount of fill for each order. That way, shippers can avoid dimensional weight fees and waste.

**CEOCFO: *What do you offer that your clients do not recognize is important, that they might not be using?***

**Mr. Malley:** The availability of regional carrier services could be more widely used. We also provide office shipping apps that enables any business to have complete control over their transportation expenditures, whether shipping from a warehouse or desktop. Our new Opimizer feature takes the guesswork out of transportation cost estimation and packing decisions. If shippers underestimate the number of cartons required to ship an order, it could impact their margins. If they overestimate the number of cartons required to ship an order, they risk quoting a shipping charge that makes them uncompetitive. With carriers lowering the bar for dimensional weight rating, it is important to control packing decisions. Opimizer provides a process for controlling transportation costs.

**CEOCFO: *What is your global or geographic reach today?***

**Mr. Malley:** Half of our employees are in the UK and Helsinki and the other half are in the United States and Canada. We are focused on North America and Europe. We have designs on expanding into Asia in the not-too-distant future.

**CEOCFO: *Is it pretty much the same situations in Europe as it is in the US or are there more differences than just who the carrier is?***

**Mr. Malley:** Yes, there are lots of differences. The biggest difference is that UPS and FedEx have dominated the market in the US for many years as a kind of duopoly. The US Postal Service parcel business is growing on the back of ecommerce, leveraging their last mile home delivery capability. It has been those big three for many years. In Europe, the carrier market is more fragmented because of pre-European Union transportation and logistics patterns favoring smaller, more local services. The second difference is the technology that UPS and FedEx have developed over the years. They are extremely sophisticated. European carriers are years behind. Most have web services that don't offer rating capabilities, which would be unheard of in the North American market. But this will change rapidly as ecommerce grows globally. FedEx's acquisition of TNT will also create a competitive benchmark for other carriers to follow in the region.

**CEOCFO: *Why is now the time for Asia? Why are you ready or is it just that Asia is ready for you?***

**Mr. Malley:** Ecommerce is driving global transportation and therefore we need to follow that demand with global solutions. If someone in Japan can log onto a website to buy something, you need to be able to deliver it and then you need to be able to return it. They do not really care what it takes to ship. Many companies that we work with are looking for global solutions. Again, it is tougher in Asia, because the carriers there are even more fragmented and less technologically capable than European carriers.

**CEOCFO: *What surprised you as Pierbridge has grown and evolved and reached the point where it is today?***

**Mr. Malley:** I think the biggest surprise to me is the pace of change. With new carrier services, new technologies, new cloud platforms to integrate, regulatory requirements, and cyber-security requirements, it never stops. It used to be that you could establish a product development roadmap a year or two in advance. Now it's not so much about the plan, as constant planning, to paraphrase Eisenhower. You really need to be more agile and respond to the market more quickly with new innovations. That has probably been the biggest surprise. I think it is not just our industry or us. Anyone who is dealing with technology has to be ready to change pretty quickly.

**CEOCFO: *Why should people choose Pierbridge, Inc?***

**Mr. Malley:** We always say that we have five main differentiators from the technical standpoint. The first is that our software is designed to scale. That means that you can install it on a laptop or on a server or access it from the cloud and it is the same code base. Our solutions can grow as a customer grows. They can start by using Transtream in the cloud and as they get bigger they can install it within their environment. It is the exact same software. That is a big plus for our partners who can address multiple markets with the same platform. The second reason is that the software is designed to be flexible. We have a Composer tool that allows our partner community to adapt our apps to clients' special needs and workflows. Our solutions adapt and grow as our clients grow. The third one would be connectivity. We've talked about HubCapp; we can connect to data no matter where it is and data devices no matter where they are in real-time. The fourth is our community of integrators, consultants, and partners that have increasingly embraced our platform and have created some amazing solutions in the marketplace. Last but not least, our employees have extensive industry experience and have established a clear track record of innovations dating back to 1991. Transtream is the only TMS platform that has been awarded FedEx Diamond and UPS Connectship platinum level certifications for four years running. That just really speaks to the quality, level of customer adoption, and the usefulness of our solutions.