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3Gtms: Transforming Supply Chain Delivery With Adaptive Transportation Management Software



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CEOCFO: *Mr. Weseley, the tagline on the 3Gtms website is, "Powering Transportation Innovation." How are you doing so?*

Mr. Weseley: In the transportation world, there is often a simple way to do things and then there is the flexible way to do them. Sometimes the simple way is right; sometimes the more complex or flexible way is right. At 3Gtms, we give our users the capability to think outside the box and build thoughtful, creative options for moving, tracking and settling the freight. Our software is designed to consider all the options users can create, determine the best ones, and execute them.

CEOCFO: *Would you give us an example of how that works on a day-to-day basis?*

Mr. Weseley: Sure, let's take a food company with a facility in Texas that ships freight all over the country. On any given day, they may have a handful of shipments all under 15,000 pounds going to customers in the northeastern U.S. Traditionally, most shippers would deliver these orders individually using less-than-truckload (LTL) carriers.

However, there are other options. Maybe it's more cost-effective to consolidate them into one load and ship them first to a regional carrier's break-bulk terminal, where they'll be separated again for final delivery. Alternatively, a couple of the shipments could be delivered as a stop along the way to that break-bulk terminal or after that stop. They could be loaded onto one, two or several trucks. These are all viable options but if the company is manually creating and comparing them, it's time-consuming.

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 - Mitch Weseley

3Gtms has developed a software algorithm that automatically analyzes the shipping data and determines in seconds the cheapest way to move the freight, looking at all the options I just mentioned and more. By using our algorithm, our customers can reduce their LTL freight budget by 10% to 20%.

Once the algorithm has figured out how to move it, the system automatically tenders or offers the loads to truckload carriers. It can be configured to automate the process of accepting and rejecting the trucks, if you so desire. It can communicate with the ERP and the WMS (warehouse management system) to confirm that the orders are going to be picked up by the carrier on Tuesday morning at 8:00 and tell the user to load them in the truck in a specific order. It generates the bill and then the carrier will pick up the freight.

As it delivers the orders to two, three or four places, the carrier system sends status messages back to our transportation management system (TMS) noting on-time or late delivery status and other issues. If it is going to be late, our software sends out alerts and then, when delivery is complete, it makes sure the freight bill is paid. 3Gtms has created a system that offers a combination of very sophisticated algorithms and flexible, powerful execution and tracking logic.

CEOCFO: *Are companies paying attention to shipping more than they have in the past, or is it incidental?*

Mr. Weseley: Shippers have not adopted TMS software at the same rate as they have adopted other major enterprise supply chain software, which is shocking to me. As a result, many companies do their routing by hand, and call carriers on the phone to say they have 50 loads on route today and call them again to find out which shipments are late. It is amazing to me that today, so much is still handled manually, working with paper spreadsheets.

However, the adoption rate of TMS software is still certainly higher today than it used to be. When I entered this industry about 36 years ago, the market penetration rate for TMS software was zero; I'm glad to state that it's significantly higher now. At 3Gtms, we sell our software both to shippers and non-asset-based logistics companies.

The penetration rate is much higher with logistic companies, because this is, after all, their core business, so they need the best tools to be the most proficient. It's rarer nowadays that we see a mid-to-large sized company that has no TMS software whatsoever; we now tend to see companies that are using a legacy system and they're looking for a better one.

What has driven the steady increase is the demand for dashboarding, load control centers and visibility towers. Companies today want to know where all their inbound and outbound freight is, what's late, and where there are problems. They don't want to be surprised to find that the truck they were expecting on Tuesday does not arrive. They want to know well in advance that it's not going to get there so they can make plans to deal with that.

CEOCFO: *In such a crowded field with thin margins, how do you help your customers find the right carrier for their needs?*

Mr. Weseley: 3Gtms transportation management software captures data and provides the business intelligence on a wide range of parameters such as on-time percentages, damage reports and freight claims that have been filed. The software enables users to rate carriers by quality and use that quality rating in the carrier selection decision-making process. We are solely in the business of providing the tools to do any of those things.

CEOCFO: *Do companies pay attention to more than price for moving freight?*

Mr. Weseley: Yes, there are many factors important to companies. For example, we're in a world where one day, there's a driver shortage and the next, there's a driver surplus, so capacity is a factor affecting delivery. Quality is always a factor. Many companies focus on quality. They want to make sure they have a high quality on-time percentage. We also have many customers who have issues with fragile freight, which creates its own set of issues. We have many accounts with food and other products that require refrigeration. All these issues are potential factors in the process and every company decides on how they view customer service, pricing and so on. 3Gtms software enables our customers to build factors like these into the planning process so that they are automatically taken into consideration.

CEOCFO: *3Gtms offers a system that is intuitive enough to be used by all transportation professionals. How do you make sure it goes smoothly?*

Mr. Weseley: Software is never as smooth as you think. We have a large, broad and deep product, and anybody who tells you that implementing a transportation management system is going to be easy is very wrong. I always tell people that if anybody says that to you, you should run the other way as fast as you can. TMS software literally touches more companies than any other software system in any enterprise – manufacturing, retail, and so on – any company that is shipping a physical product. It touches every single vendor, every single customer, carrier, warehouse, and often the production facilities. It's connected to countless companies, some of who have very strong IT professionals and others who do not.

This industry is second to none in terms of unpredictability. The 3Gtms algorithm recommends the optimal way to move the freight, but the reality is the moment a truck leaves the warehouse, anything can happen. You can get an injury, a tire blow-out, traffic delay or weather problem. We're in an industry where weather changes constantly and people cancel on you, you have stock-outs, changes – I could go on and on. It is a most unpredictable business. So, transportation software is, in the extreme, a software product in which most of the code is written to deal with unexpected disruptions to the plan, as opposed to software designed for a world where everything does go according to plan.

What happens when disruption hits? What are we going to do when the truck is late or when we cannot fit all the freight in the truck, et cetera? There's very little room for error. When you have a customer who says, "It must be there at 7:00 am on Thursday," then it must be there at 7:00 am on Thursday. It must be taken into consideration that a particular material has to be handled in a certain way and if it's not and it breaks, well then you have a problem.

CEOCFO: *When you first talk with a prospective customer, do they understand the potential return-on-investment (ROI), or do they need convincing that it makes sense to engage with 3Gtms?*

Mr. Weseley: In our industry, the ability to route freight well can save a company, as an overall percentage, more money than anything else it's ever going to find, yet very few people believe that. Many prospective buyers we meet have tried another TMS, but it's typically an older system from 20 years ago. They say, "I couldn't get that one to work, so I figured optimization and routing software was just not real."

3Gtms transportation software works extremely well; we can point to countless customers that have made the investment in it and are absolutely thrilled with it. Yet there are still plenty of people who've been managing transportation for a long time who do not think it's possible to create software that will truly work for them. Many companies still rely on a certain employee, "Joe," who has manually routed freight with phone calls and spreadsheets for years.

Management knows there are crazy complexities to it and the answers are all in Joe's head. They don't know what they'll do when Joe retires but until then, they can't think of any other way to do it. It's among the scariest and most frustrating conversations that we have, with prospective buyers who have a hard time believing that 3Gtms software actually works, and we've spent decades successfully helping hundreds of companies.

CEOCFO: *You have a good reputation for customer satisfaction and your retention rates are unmatched in the industry. Would you tell us how you make customer service and satisfaction a reality?*

Mr. Weseley: Everyone at 3Gtms knows that zero customer attrition in the prime directive; it is the goal and the golden rule. You start with focus and culture. Everybody here knows that, and we do what it takes to make the customer happy and satisfied.

Our approach to sales and support is critical to building customer satisfaction. When we sell to somebody, we're honest. We do not oversell or misstate what we have. When we're in a competitive deal, we're very honest about the fact that software implementations are not perfect or easy. We talk about the milestones and challenges that may come up, and if they do, how we are going to get through them.

A competitor might say, "this is easy, don't worry about it." Yet every three to six months, we receive a call from the buyer who chose the competitor, but they'd now like to switch to 3Gtms. We help them make the transition as fast and smoothly as possible in order to prevent any disruptions in their business.

If we're honest with buyers about what we have, what the gaps are and how we'll work through the challenges, it's a lot easier to meet their expectations. We follow a structured process in which we document the project implementation plan and manage it completely, and we make sure we have clear communication about what has to be done, how we configure the software, how we connect it with everyone and how we train their users. When complete, the project transitions to our support department at 3Gtms. If somebody has questions, they can get answers quickly and expeditiously.

CEOCFO: 3Gtms was recognized in the Fast 500; how do you continue the trajectory?

Mr. Weseley: My view on the way to run companies is to focus on two things – the customer and the product. We're a proud customer-centric company. We're also extremely product-centric; we hire the best design and development people and invest heavily in product development. We continually improve our product by keeping our finger on the pulse of the industry and what our customers want. My philosophy is this: If our customers are satisfied with 3Gtms products and services, they'll stay with us. We'll continue to build and grow with them and ultimately, we'll all be successful.

We're in a close-knit industry. Word gets around. Many times, colleagues who have used 3Gtms software will recommend us to others. We don't oversell and then scramble to figure out how we're going to deliver. We succeed because of our track record for delivering value, positive references and our spirit of partnership with our customers.

