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A New Business Intelligence Solution...from a 3PL!

By [Adrian Gonzalez](#)

I wrote a lot about Business Intelligence (BI) last year (see "[Making Smarter Decisions Faster](#)"), and it's one of the "[attributes of tomorrow's industry leaders](#)" that I've been speaking about recently. What is BI? Here is my quick definition: "*BI is about empowering people, across all levels of the organization, to make smarter and faster business decisions by providing them with a more detailed, accurate, and timely understanding of their role in achieving the company's strategic, tactical, and operational goals.*"

BI is much more than a type of software application. It's really about changing the way people work and make decisions, from the CEO all the way down to the employee loading boxes onto a truck. In short, there are many facets to implementing a successful BI strategy, and they fall into the usual "people, process, and technology" categories.

Nonetheless, software is certainly a key enabler of business intelligence, which is why I was intrigued by the [press release Transplace issued last month](#) announcing its enhanced business intelligence portal. What made the news especially intriguing was the fact that it was coming from a logistics service provider (3PL).

You can read the press release for all the details, but in a nutshell, the new BI reporting system (built with the [Microsoft Business Intelligence](#) suite) provides customers with on-demand, self-service capabilities to create and access reports, scorecards, and performance dashboards. Customers can generate ad-hoc reports, schedule the creation and distribution of KPI reports, and access more than 100 pre-built standard transportation reports. And because the solution is Microsoft-based, integration with Excel and other Microsoft Office applications (a key requirement for many customers) is greatly improved. The bottom line: customers are no longer constrained by the old process, where reports were mostly created and pushed out to them by their Transplace account manager.

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Screenshot of Supplier Compliance Dashboard (Source: Transplace)

Last week, I spoke to Craig Boroughf, director of transportation for [USG Corp.](#), to get more details on how USG is benefiting from the new BI system, and to get his perspective on "next steps" for this type of solution.

Simply stated, the new BI solution provides USG with more real-time and detailed visibility to their transportation activities, and they have greater control and flexibility in how to access and use this information. For example, USG is able to identify and address exceptions, such as new lanes without contracted rates, in a timelier manner, which ultimately translates into cost savings. The BI solution also allows USG to overcome some internal IT constraints. The company's legacy order fulfillment solution, for example, does not allow transportation costs to be unbundled into its various components (line haul, fuel surcharge, accessorial fees, etc.); it only allows a single freight value to be entered. Therefore, without the detailed information provided by the BI solution, allocating transportation costs by line item would not be possible.

In terms of the road ahead, Mr. Boroughf highlighted two very interesting opportunities for Transplace, as well as other 3PLs. First, extending the scope of business intelligence to include benchmarking capabilities based on information gathered from other shippers on the network. I couldn't agree more. As I've said many times before (see "[More Questions About Software-as-a-Service](#)"), benchmarking is the "hidden value" of a software-as-a-service solution. Yes, Transplace is a 3PL, but they're also a software-as-a-service TMS provider (which explains their "The 3PL and Technology Company" tagline). Providing benchmarking information is by no means a trivial task, and it's still a work-in-progress for most SaaS providers, but it's what customers want, and in my opinion, whichever SaaS TMS vendor or 3PL gets it right first, will gain a competitive advantage.

The second opportunity is to add sustainability-related metrics and reports to the BI solution. USG and Transplace are both members of the EPA's SmartWay Transport Partnership (Transplace received an [Environmental Excellence Award](#) from SmartWay last October). Mr. Boroughf believes that sustainability reporting requirements, particularly with regards to carbon emissions, will increase down the road, and I agree, especially if proposed regulations, like cap-and-trade, become law in the near future (see "[Carbon Tax, VMT Fee, and Future Transportation Costs](#)").



The idea of a "sustainability dashboard" is not new. Last month, for example, Microsoft [announced](#) the general availability of its Environmental Sustainability Dashboard for Microsoft Dynamics AX. But a dashboard is only as good as the data that's fed into it. The real challenge is gathering the required data, validating it, transforming it into the necessary format, and preparing it for filing. Transplace and other logistics service providers can enhance their value proposition to customers by taking on this responsibility (for a fee, of course).

As a whole, the 3PL industry doesn't have a good reputation when it comes to IT capabilities, so it's always nice to come across an IT-related success story. From a software standpoint, I wouldn't say Transplace's solution is groundbreaking (although the way they've architected their backend BI infrastructure is very smart). What I find unique, however, is their perspective on business intelligence. "Data is a corporate asset that companies should own and act on," is what Cindy Winkel, director of Business Intelligence at Transplace, told me when I interviewed her. She was talking primarily about customers having greater access and control of their data, but unlike many other logistics service providers, Transplace also views data as a corporate asset, and it's this perspective, rather than their BI portal, that could serve as an ongoing competitive differentiator.

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