DATA SHEET

Transportation Forecasting

Forward Visibility Into Logistics Capacity Needs

Most companies lack the ability to forecast transportation needs, resulting in constant expediting, suboptimal service and high costs. E2open®'s Transportation Forecasting application enables shippers to plan transportation by lane, mode and class with the same sophistication they use for finished goods forecasting, incorporating promotional and seasonal sales surges. The result is reduced freight costs, improved on-time deliveries and greater productivity.

Most logistics departments have limited visibility into their transportation capacity needs beyond a few days of open orders. Transportation management systems (TMSs) streamline execution, but they cannot address this seemingly simple question: How much carrier capacity will be required next week? While planners typically know about surges in volume weeks in advance, logistics managers are the last to know, so orders cross the desk and teams are left scrambling for capacity. This lack of visibility stems from the disconnect between transportation management and the sales and operations planning (S&OP) process, undermining overall supply chain performance.

Part of e2open's Transportation and Logistics intelligent application suite, e2open Transportation Forecasting complements existing investments in transportation and warehouse management systems. It generates daily transportation lane forecasts by mode and class so shippers can book capacity with preferred carriers in advance at the lowest cost. All modes of transport are supported, including truck, rail, air and ocean for customer, interplant and inbound shipping. With visibility into future transportation needs, companies can secure freight capacity at lower costs and with higher service levels.

Key Features

- Forecasting of shipping loads by lane, mode, class and day
- Creation of daily inbound and outbound warehouse forecasts to ensure adequate capacity
- Treatment for promotional and seasonal sales surges
- Time-phased sourcing and scenario management for planning in advance of network changes
- What-if scenario management to evaluate alternative plans
- Collaborative platform for communicating between parties

Key Benefits

- 3-4% improvement in on-time deliveries
- Up to 8% reduction in excess freight costs
- More accurate logistics budgets and the ability to easily identify potential savings
- Foundation for collaborating with preferred carriers to secure lower rates and improved service
- Improved planning productivity and job satisfaction as a result of less expediting
- Ability to identify lanes that can be converted to more efficient intermodal transportation with lower costs and carbon intensity

The Power of Advanced Forecasting for Logistics

E2open Transportation Forecasting provides logistics teams with the same kind of advanced forecasting capabilities previously available only to demand planners.

Ability to Reserve Capacity with Preferred Carriers

Sophisticated product allocation and vehicle conversion hierarchies enable companies to translate demand forecasts into transportation capacity requirements by lane, mode, class and day. With visibility into future transportation needs, logistics managers can identify gaps and proactively secure capacity with preferred carriers for the best service at the lowest cost. Productivity improves, because there's a less frequent need for managers to scramble to line up capacity on short notice with secondary suppliers or the spot market. Today's driver shortages and strict hours-of-service regulations make it all the more important to reserve capacity to ensure economical and reliable transportation.

Win-Win Relationships Between Shippers and Carriers

Transportation forecasts help companies work more closely with preferred carriers and gain long-term strategic benefits. With reliable forecasts, carriers can ensure that assets are available in the right place at the right time to meet shipper needs while simultaneously reducing carrier costs. When it comes time to negotiate carrier contracts, reliable long-term forecasts form the basis for mutually beneficial strategic relationships. Providing an accurate projection of transportation needs enables shippers to secure "shipper of choice" preferred service terms. Both shippers and carriers can lower their costs as a result.

Warehouse Capacity Planning

Warehouse throughput projections consisting of daily inbound and outbound forecasts make it possible to efficiently plan staffing, loading, cross-docking and storage capacity. Only by planning both transportation and warehouse capacity can shippers provide the best service at the lowest cost.

Treatment for Promotions, Seasonality and Network Changes to Anticipate Surges

When a service failure occurs, most often it results from a surge in volume due to promotional or seasonal sales, or from step changes in required capacity triggered by network configuration changes. Companies can minimize such failures by coordinating planning and logistics functions. Demand planners usually have visibility into promotional and seasonal lift, and by translating this knowledge into transportation forecasts, logistics departments can plan explicitly for surges in volume. To address network configuration changes, the system provides for time-phased sourcing and scenario management so users can plan requirements in advance and avoid surprises.

Analytics for Evaluating Options and Managing Costs

A rich array of analysis tools enables companies to manage costs and evaluate tradeoffs. In-memory analytics report on actual and planned costs and cost components. Cost forecasting can be used to plan budgets and identify potential savings. Diagramming features enable the visualization of networks and product flows. What-if scenario management can be used to evaluate the cost and performance tradeoffs of different network designs, including shifts to less costly and carbon-intensive intermodal transportation. With these capabilities, logistics professionals can shift their focus from expediting shipments to proactively understanding, predicting and managing logistics costs and performance.

e2open®

End-to-End Supply Chain Management Platform

Once an organization implements any e2open platform application, it is easy to add more capabilities in the future for better visibility, coordination and control over the end-to-end supply chain. The e2open platform creates a digital representation of the internal — and optionally external — network, connects internal ERP and financial systems using SAP® and Oracle® certified adapters for timely data feeds, and normalizes and cleanses the data to make it decision-grade. Using machine-learning enabled algorithms and supply chain management applications, the platform processes the data and provides bi-directional, closed-loop communications back to ERP systems for execution. This facilitates the evolution of supply chain processes towards true convergence of end-to-end planning and execution.

Logistics teams gain visibility into their capacity needs so they can shift from operating in a reactive mode to proactively reducing costs, improving service levels and deepening relationships with carriers. Productivity increases dramatically as a result.

About e2open

At e2open, we're creating a more connected, intelligent supply chain. It starts with sensing and responding to real-time demand, supply and delivery constraints. Bringing together data from customers, distribution channels, suppliers, contract manufacturers and logistics partners, our collaborative and agile supply chain platform enables companies to use data in real time, with artificial intelligence and machine learning to drive smarter decisions. All this complex information is delivered in a single view that encompasses your demand, supply and logistics ecosystems. E2open is changing everything. Visit www.e2open.com.

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