

# KEEPING PACE

WITH

## CARRIER COMPLIANCE

## COMPONENT-BASED ARCHITECTURE HELPS SHIPPERS KEEP PACE WITH CHANGES IN CARRIER COMPLIANCE

By Mike Doyle, ConnectShip™

### What is needed in a shipping software solution?

Below are some things to consider regarding shipping software:

- Is the system architecture component-based or monolithic?
- With which enterprise systems is the software compatible and is it API-based?
- Will it integrate with order-entry systems where shipping decisions should be made?
- Does the vendor enable customers to support their own implementations, or require custom development?
- Can the software accommodate negotiated rates and custom shipping documents?
- How extensive is the scalability, customization, and flexibility of the software?
- Can the software manage multiple carriers on one system?
- What carrier and origin countries are supported and what is the process for adding new carriers?
- What technical support and formal training is available?
- With which external devices, such as bar code scanners, is the software compatible?
- Are compliance updates paid for separately or through a subscription?
- Does implementing the system result in additional information silos throughout your organization?

### Outsource Carrier Compliance to Component-Based Software Vendors to Update Shipping Functionality without System-wide Upgrades

When it comes to managing carrier compliance, it's easy to understand why some companies are reluctant to get too many solution providers involved. In some cases, using more than one or two providers involves greater vendor management and additional costs to maintain multiple solutions. In the case of shipping solutions, if you partner with a solution provider that outsources carrier compliance to a shipping software vendor, your solution provider will manage the relationship with the shipping vendor. However, it is important that your solution provider be partnered with a component-based shipping software vendor so that necessary changes can be made to specific shipping components without requiring an overhaul to the entire system.

By forming a relationship with a shipping software vendor who offers component-based architecture, the solution provider can integrate a system that is flexible and scalable. The ideal shipping software vendor provides technical support, in-depth training, and carrier rate and service feature updates as part of the initial license so that the shipper isn't nickel-and-dimed. Rate and service updates should be made available electronically. With this type of partnership, the shipper is getting *the best of both worlds* – their solution provider is the first tier for problem resolution and is backed by the software vendor's technical support.

The advantage of component-based architecture for shipping is the ability to make carrier rate and feature changes to individual shipping components. Utilizing component-based architecture means the shipper experiences less down time and lower costs. They can also concentrate on their core manufacturing and distribution functions rather than worry about carrier compliance.

Industry analysts also point to the advantage of component-based architecture. According to Steve Banker, Director of Supply Chain Management, ARC Advisory, one question to consider about a warehouse management system is whether it is componentized; is the code tied to the larger ERP solution or has the WMS component been segregated from the other ERP components? This question is an important one to ask because, *"...often only the shipping and picking components need to be upgraded, as this is where process changes more often occur, making for quicker upgrade cycles."* To access the article, search on "Why Architecture Matters in a Warehouse Management Solution," in the March 2009 Archive at <http://logisticsviewpoints.com>.

### Fly through customs and offer customers choices.

Choosing a provider that supports U.S. and international origin carriers opens doors to new global markets. In a global marketplace, integration of multi-carrier shipping software decreases the risks and costs associated with non-compliance. A shipping solution can help avoid penalties and reduce the hassle of shipments held up at customs. From a cash flow standpoint, a shipping solution with the flexibility to make changes to custom rates makes it possible to fully recover costs when invoicing customers.

The greatest gains to be realized are in the area of customer service. High quality shipping software provides customers with a choice of carriers and services, such as next-day or 2-day. It also gives the customer an easy, traceable method to initiate and track returns. By leveraging shipping components that can be integrated with their ERP's order management process, shippers can manage customers' delivery expectations at the time orders are placed.

### Why integrate a separate shipping solution? Expertise and efficiency.

An API-based shipping solution is designed to be integrated with enterprise-wide management systems and offers many advantages. Customized user access to the rating and shipping functionality can be designed by a solution provider or come as part of the ERP application. The primary function of the solution is to easily enable shipping rate comparisons using the most up-to-date published or negotiated carrier rates. Speed and package throughput are dramatically increased using an application specifically designed for rating and shipping packages. Finally, multi-carrier shipping software providers maintain relationships with multiple carriers, perform testing on all shipping documents to assure smooth operations, and offer compatibility with the latest devices such as thermal printers, scales, scanners and RFID readers.

### Flexible architecture provides for business needs now and in the future.

Shipping software is an investment for the current and future business climate. For example, a company that is keeping tight control of inventory can benefit from incorporating a shipping technology that facilitates just-in-time distribution by comparing delivery commitment times. That same scalable, flexible platform can be easily modified to manage logistics when demand increases. Flexible software allows shippers to rapidly respond to new business needs with additional distribution centers or service to new suppliers that may have carrier-specific order and delivery requirements.

### An investment in compliance.

Shipping software companies invest heavily in talent and technology to provide their customers with accurate carrier rates, service features, and compliance documentation. For example, the carrier compliance and software engineering leadership at ConnectShip encompasses more than 120 years of shipping and technology experience. At ConnectShip, the role of the software engineers is to collaborate with the requirements and quality assurance teams to implement carrier-compliant shipping automation.

Compliance with each carrier involves months of formal and informal discussions throughout the certification process. The senior management of ConnectShip and their teams have earned the trust and respect of the carriers, and they continue to work together to meet shippers needs.

*Constant updates to carrier rates and service features and the necessity to maintain multi-carrier support is less costly when the carrier compliance function is outsourced to software vendors offering component-based architecture such as ConnectShip.*

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### About ConnectShip

ConnectShip™ is a multi-carrier shipping software engineering firm and a wholly-owned subsidiary of UPS®. ConnectShip provides component-based architecture, carrier compliance, and a powerful shipping engine for enterprise resource planning, supply chain, transportation, and warehouse management systems. Information is available at <http://www.connectship.com>.

