

TOP 100

INBOUND LOGISTICS

LOGISTICS IT PROVIDERS & MARKET RESEARCH SURVEY

Inbound Logistics surveys the market to determine the latest logistics technology trends—and chooses 100 IT providers that are leading the way.

by Joseph O'Reilly

THE PACE OF CHANGE IN THE LOGISTICS TECHNOLOGY SECTOR OVER THE PAST SEVERAL YEARS has truly been revolutionary. Cloud computing has changed the way IT vendors engineer solutions, and how buyers approach capital investment in new technology. SAP and Oracle implementations aside, the uptime and risk once associated with costly IT expenditures are markedly less prohibitive. Importantly, more hedges are built into the way that IT buyers and sellers operate.

Shippers are no longer at the mercy of acquiring a fixed legacy ERP system that they have to live with, regardless of performance. A silver-bullet solution does not exist anymore. Plug-and-play modules have replaced plug-and-pray installations—with an emphasis on play. Shippers have options. They can use crowdsourcing platforms to tap into critical mass and gain economies of scale. This affords users the capacity to negotiate better rates, drive visibility, and benchmark performance. Gainsharing has become another popular sales hook, especially with managed technology offerings.

Beyond that, buyers can source solutions and software direct from vendors, or through integrators and third-party intermediaries. The secondary market has become a viable option. It's why logistics technology is such a hyper-competitive space.

Inbound Logistics' annual Logistics Technology Perspectives offers market research to help IT buyers and users make better sense of what's going on in the industry. We solicited more than 200 IT solutions companies—of all different shapes and sizes—to document some of the trends that make this space so dynamic.

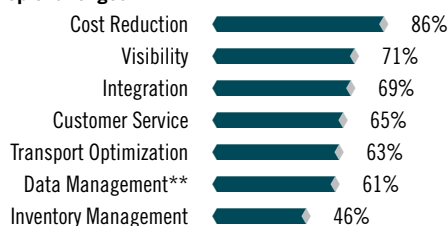
FIG. 1 Industries IT Providers Serve



FIG. 2 Solutions IT Providers Offer



FIG. 3 LIT Buyers' Top Challenges:



*including 3PLs, warehousing, carriers, international trade
 ** big data, quality, synchronization

As always, *IL's* Top 100 Logistics IT Providers list (page 46) bookends this market research. Our annual compendium of best-in-class IT companies celebrates innovators that are helping shippers revolutionize their supply chains.

Changing Deployment Dynamics

“Traditional logistics technology was applied top down, a most evident example being the ERP system,” shares one logistics

technology company. “The new trend in Software-as-a-Service (SaaS) offers dynamic systems that are clearly intended as mid-level enterprise solutions, providing visibility and communication tools that empower operations.”

Making the Investment

As the logistics technology market continues to expand and diversify, companies have fewer excuses for not investing in and adopting new systems. In the past, cost and risk were cardinal considerations. Companies often didn't want to mortgage their IT budget—or business—on technology that might just as quickly become obsolete.

Times have changed. Flexibility is the buzzword when it comes to logistics IT. From a deployment perspective, 47 percent of vendors surveyed by *Inbound Logistics* provide Web-based solutions. That compares to 40 percent in 2014. Only three percent provide local systems exclusively. The far majority (50 percent) offer both.

What's interesting is that the number of IT companies delivering solutions on-premise is declining—47 percent compared to 61 percent last year. It's a clear indication of where demand is trending. IT buyers want technology that flexes with business growth or decline. They don't want fixed costs.

“We already see close to 50 percent of new implementations opting for a SaaS deployment model,” another Top 100 respondent explains. “We expect this to grow to 80 percent of our deployments in the next few years. In anticipation of this shift in the marketplace, we reconstructed our solution to be deployable as a cloud application and as an on-premise application.”

Pay Scales

A similar comparison can be made for how IT buyers pay for technology. Pricing has changed considerably over the past decade, largely because of Web-based systems. This year, 75 percent of IT vendor respondents provide transactional, pay-as-you-go subscriptions (72 percent in 2014), compared to 58 percent that sell technology per seat/user, and 57 percent that offer system-based pricing.

These numbers support a continuing trend in the technology space that is unlikely to reverse course. Shippers want to pay for play. That's the only return on investment that makes sense. And with so much competition in the industry, it's difficult for vendors to argue.

The facility with which IT vendors can develop and adapt technology holds few bounds. The maturation of SaaS and cloud-deployed solutions has welcomed a whole host of new companies into the marketplace. And it's not just on the software side. 3PLs increasingly are making a play to be their customers' go-to source for technology.

Again in 2015, the majority of IT companies surveyed (90 percent) serve 3PLs, warehouses, and carriers, followed by e-business (84 percent), manufacturing (82 percent), retail (75 percent), and wholesale (73 percent) (see Figure 1).

That e-business demand trumps manufacturing and retail for the first time is notable. Omnichannel continues to reshape the future of supply chain management—and technology is following accordingly.

The growth of the 3PL marketplace presents an interesting dichotomy for technology vendors. Service providers, as well as carriers, are prime sales targets. Some intermediaries offer private-label solutions; others pick and choose functional technologies to create solution suites that better serve customer needs.

But IT vendors also now compete against 3PLs, some of which are developing their own homegrown systems. Among non-asset-based logistics service providers, technology is a competitive differentiator—especially when they can bundle solutions and services together within a gainshare-type model.

Solution Evolution

Cloud technology is not without risk. Security and redundancy have long been concerns, especially when companies are dealing with sensitive customer data. That's one of the reasons why warehouse management solutions are less popular considerations as Web deployments—especially compared to more transactional TMS-type applications. But these long-held biases are starting to ease as well.

Order management (67 percent), optimization (65 percent), transportation/TMS solutions (62 percent), and routing and scheduling (55 percent) round out top technologies that IT vendors provide, according to this year's data (see *Figure 2*).

The focus on optimization reveals an interesting trend as IT buyers look to fine-tune existing capabilities. The software industry presents a panoply of options that drill down specific functions from transportation to warehouse slotting. Companies are looking to squeeze out costs anywhere they can.

To that end, cost reduction remains the top challenge for IT buyers, according to 86 percent of vendors surveyed this year (see *Figure 3*). Visibility (71 percent), integration (69 percent), customer service (65 percent), and transport optimization (63 percent) round out greatest priorities.

Integration will always be a concern, especially as more companies on-board multiple different

function-specific solutions. Cloud computing facilitates this task to a great degree.

Visibility and cost also go hand in hand. “The severe port congestion on the U.S. West Coast from mid-2014 through early 2015 has been extremely challenging for shippers and their logistics service providers,” notes one Top 100 respondent. “Shippers not only seek solutions to know the status of their current shipments and earlier notification of potential delays, they are also analyzing transportation options by trade lane, port, and carrier to determine the risk and associated costs. By having greater visibility to the performance of their routes, shippers can make more informed decisions.”

Data Matters

Data analytics and management, in terms of quality and integration, is another pressing issue. Sixty-one percent of IT companies point to that as a challenge, up from 58 percent one year ago.

Big data has become a cottage industry with explosive growth potential. It's bringing more business intelligence solutions to the transportation and logistics market, while similarly stoking 3PL value propositions. Service providers that can analyze and interpret data, then prescribe solutions, are ahead of the game. Even some IT vendors are expanding into 3PL-type consultative services by virtue of their data analytics capabilities.

Elsewhere, shippers are leaning on technology to help steer and support fledgling omnichannel strategies.

“As retailers add more sales channels to their businesses, the more complex their IT landscapes become,” shares another IT company. “For many multi-channel retailers, inventory, order, and warehouse management systems and processes remain siloed between channels—i.e., warehouses, DCs, stores, and drop-ship partners. Retailers are now looking for solutions to help unite their disconnected systems and give them a single record of inventory. This is crucial to optimizing order fulfillment and managing returns.”

Moving forward, logistics technology is following a clear trajectory. Shippers no longer see it from a pricing perspective. Cloud deployments and market maturation have increased competition and reduced costs. Rather, IT buyers are differentiating solutions by the value they bring to the enterprise. Increasingly, there's more than enough to go around. ■

2015 TOP 100 LOGISTICS TECHNOLOGY PROVIDERS

IL editors received more than 200 questionnaires this year from leading technology companies. After conducting comprehensive research, the selection team chose this year's crop of Top 100 awardees, representing the best of “best-in-class.”

We value IT vendors that provide core transportation and logistics solutions, and document and celebrate retailer/manufacturer successes. This year's group emulates these shared considerations.

Turn the page and browse the Top 100 Logistics IT Providers. If you have any questions, email: editor@inboundlogistics.com

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				TRANSACTIONAL (SUBSCRIPTION)	SYSTEM	SEAT/USER	MANUFACTURING (ALL KINDS)	RETAIL	WHOLESALE	E-BUSINESS	SERVICES/GOVERNMENT	TRANSPORTATION	AEROSPACE	AGRICULTURE	APPAREL & TEXTILES	AUTOMOTIVE	CHEMICALS	CONSTRUCTION & BUILDING MATERIALS	CONSUMER PACKAGED GOODS	ELECTRONICS	RENEWABLE ENERGY	FOOD & BEVERAGE	FURNITURE	GROCERY	HEALTHCARE
3Gtms 3gtms.com	203-513-9336	■	■	■	■		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
3PL Central 3plcentral.com	888-743-0058	■		■			■	■	■	■	■														
Acuitive Solutions acuitivesolutions.com	267-744-4939	■		■			■	■	■				■		■		■	■				■			
Agistix agistix.com	888-244-7849	■		■	■		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
ALC Logistics alclogistics.com	800-282-3246	■		■			■	■	■				■		■	■	■	■				■		■	
Aljex Software aljex.com	732-357-8700	■		■						■			■	■	■	■	■	■	■	■	■	■	■	■	■
Amber Road amberroad.com	201-935-8588	■		■			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Apprise Software apprise.com	610-991-3900	■	■	■		■	■	■	■			■				■	■				■	■			
Argos Software argossoftware.com	559-227-1000	■	■		■	■		■	■	■															
Arkieva arkieva.com	302-738-9215	■	■	■			■	■	■	■			■	■	■	■	■	■	■	■	■	■	■	■	■
ASC Software ascsoftware.com	937-429-1428	■	■		■	■		■	■	■			■	■	■	■	■	■	■	■	■	■	■	■	■
Avercast avercast.com	208-538-5380	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
BestTransport besttransport.com	614-888-2378	■		■			■			■			■		■	■	■								
Blue Ridge blueridgeinventory.com	404-214-0856	■		■			■	■	■	■	■				■						■		■		
C3 Solutions c3solutions.com	514-315-3139	■		■			■	■	■	■			■	■	■	■	■	■	■	■	■	■	■	■	■
CargoSmart Limited cargosmart.com	408-325-7650	■		■	■		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Cass Information Systems cassinfo.com	314-506-5500	■		■			■	■	■	■	■		■	■	■	■	■	■	■	■	■	■	■	■	■
Catapult International gocatapult.com	913-232-2389	■		■	■	■		■	■	■															
Cheetah Software Systems cheetah.com	805-373-7111	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
ClearTrack Information Network cleartrack.com	877-377-4400	■		■	■	■	■	■				■	■									■			

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Intellect Technologies intellecttech.com	609-454-3170	■	■	■	■					■														
Interlink Technologies thinkinterlink.com	800-655-5465	■	■	■	■	■	■	■		■		■	■	■	■		■	■			■	■	■	
International Asset Systems interasset.com	510-844-3000	■		■	■	■				■		■	■	■	■	■	■	■			■	■		■
International Business Systems ibs.net	916-985-3900	■	■	■	■		■	■	■	■				■							■		■	■
INTRTRA intrtra.com	973-263-5100	■		■		■	■	■	■	■														
Invata Intralogistics invata.com	860-819-3200		■		■	■	■	■	■	■	■		■		■		■	■			■	■	■	■
JDA Software jda.com	480-308-3000	■	■	■	■	■	■	■	■	■	■		■		■	■	■	■			■	■	■	■
Kewill kewill.com	978-482-2500	■	■	■		■	■	■	■	■	■	■	■	■	■	■	■	■			■	■	■	■
LeanLogistics leanlogistics.com	866-584-7280	■		■		■	■	■	■	■		■			■	■	■	■			■	■	■	
Llamasoft llamasoft.com	734-418-3119	■	■	■	■	■	■	■	■	■	■		■		■	■	■	■			■	■	■	■
LOG-NET log-net.com	732-758-6800	■		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
LogFire logfire.com	678-271-9000	■			■	■	■	■	■	■		■		■	■	■	■	■			■	■	■	■
Logility logility.com	800-762-5207	■	■		■	■	■			■			■	■	■		■	■			■	■		■
M33 Integrated m33integrated.com	866-672-2862	■		■	■	■	■			■		■	■	■	■	■	■	■				■	■	
MADE4NET made4net.us	201-645-4345	■	■	■	■	■	■	■	■	■		■	■	■	■	■	■	■			■	■	■	■
Magaya Corporation magaya.com	786-845-9150	■	■	■	■		■	■	■	■		■	■	■		■	■	■			■			
MagicLogic Optimization magiclogic.com	206-274-6248	■	■		■	■	■	■		■														
Manhattan Associates manh.com	877-596-9208	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■			■	■	■	■
McLeod Software mcleodsoftware.com	205-823-5100	■	■		■					■														
MercuryGate International mercurygate.com	877-537-6419	■		■		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

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ShipXpress shipxpress.com	904-241-5850	■		■	■		■	■	■	■			■				■		■	■	■				
Smart Software smartcorp.com	800-762-7899	■	■		■	■		■	■	■			■				■	■	■	■	■				
SMC³ smc3.com	800-845-8090	■	■	■		■		■	■	■			■	■	■		■		■	■	■	■	■	■	■
SphereWMS spherewms.com	214-382-2680	■		■	■		■	■	■	■			■		■	■	■	■	■	■	■	■	■	■	■
SPS Commerce spscommerce.com	866-245-8100	■		■			■	■	■	■				■			■	■	■	■	■	■	■	■	■
Suntek Systems suntekscm.com	949-789-0070	■	■	■		■				■															
Systems Logic warehouseinbox.com	866-967-7226	■	■			■			■	■				■	■	■	■	■	■	■	■	■	■	■	■
TECSYS tecsys.com	800-922-8649	■	■	■	■	■	■	■	■	■				■		■	■	■	■	■	■	■	■	■	■
Terra Technology terratechnology.com	203-847-4007	■	■	■	■	■	■	■	■	■			■	■	■	■	■	■	■	■	■	■	■	■	■
TMW Systems tmwsystems.com	800-401-6682	■	■	■	■	■	■			■				■	■	■	■	■	■	■	■	■	■	■	■
ToolsGroup toolsgroup.com	617-263-0080	■	■	■	■	■	■	■	■	■			■	■		■	■	■	■	■	■	■	■	■	■
TOPS Software topseng.com	972-739-8677	■	■		■	■	■			■															
Trans-i Technologies trans-i.com	954-524-1501	■	■	■	■	■	■	■	■	■				■		■	■	■	■	■	■	■	■	■	■
TRANSPOREON Group Americas transporeon.com/us	267-281-1555	■		■		■	■			■			■	■	■	■	■	■	■	■	■	■	■	■	■
TransportGistics transportgistics.com	631-567-4100	■	■	■	■	■	■	■	■	■			■		■	■	■	■	■	■	■	■	■	■	■
Transwide transwide.com	877-763-3240	■		■		■	■	■		■			■		■	■	■	■	■	■	■	■	■	■	■
TransWorks trnswrks.com	260-487-4450	■		■					■	■			■		■	■	■	■	■	■	■	■	■	■	■
TZA tza.com	800-229-3450	■	■	■		■	■	■	■	■				■	■	■	■	■	■	■	■	■	■	■	■
U.S. Bank usbpayment.com/freight-payment	866-274-5898	■		■		■	■	■	■	■			■	■	■	■	■	■	■	■	■	■	■	■	■
UltraShipTMS ultrashiptms.com	800-731-7512	■		■		■	■	■	■	■			■	■		■	■	■	■	■	■	■	■	■	■

