



## Shipping System Integration: Hidden Opportunities

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Major benefits of integrating a “customized” shipping system interface with your in-house ERP system:

- **Increased Savings:** The minimization or elimination of duplicate data entry, creating labor savings and increased accuracy for your company.
- **Fewer Errors:** The minimization or elimination of user decision making by shipping department personnel, thus reducing human errors.
- **Managed Growth:** The growth of your company without the addition of shipping personnel and the related equipment, space, costs and aggravation.
- **Enhanced Customer Service:** Enhancement of your customer service by proactively providing timely and accurate data relative to the customer's shipments.
- **Less Costly Improvements:** The ability to change your company's user interface quickly and inexpensively when properly programmed initially.
- **Improved Compliance:** Improved compliance and the elimination of charge backs and fines through the better integration of your customer's unique shipping and receiving requirements.

Proper shipping system integration is a more difficult task than one generally assumes. When companies decide to research shipping solutions, the general perception is that any of the leading software suppliers are qualified to provide a solution, but this is generally NOT true. The real benefits do not lie in the shipping system software, but rather in its ability to be integrated with a current ERP system.

Why are so few companies fully integrated with an interface customized to their unique needs and processes? Many times, the problems start with the mindset, “it's only a shipping system”. This one erroneous statement can doom a company to inefficiency. It is time to begin thinking of the shipping department not only as the final step in processing an order, but as a point of customer service and even as a possible profit center. This department can also help manage procurement and production and ultimately be a great investment for companies seeking new sources of revenue.

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It is important to be aware that most shipping software is sold by salespeople who are many levels removed from the actual developers of the system. These salespeople sometimes also represent a full line of other shipping and/or mailing solutions. Generally, those who represent multiple products lack the technical and design knowledge of the shipping system to understand the full range of options available to meet a company's various needs and its unique ways of handling data, information, processes and parcels. On the other hand, an experienced vendor who was actually involved in the design and development of the software can many times recommend additional functions or modify, combine or eliminate existing functions to improve processing speed and/or create other efficiencies.

Most shipping system vendors create standard user interfaces for their system, often supporting different technologies. These interfaces are designed to offer the most common features, which may not be the ones needed by the company. Well designed interfaces will also offer the ability to be customized and expanded through the use of XML or other common programming languages. This is especially important to provide scalability to companies experiencing significant growth and those with increasing customer demands or customer shipping requirements.

When discussing interfaces many companies focus on the ability to import or “mine” certain existing information. What data and information do companies have that can be brought into the interface to streamline the shipping/fulfilment process and possibly just as important, what information can be disseminated to other departments to enhance their internal performance?

A common strategy is for companies to utilize as much data as possible from its current system. This will save the shipper from tedious data entry tasks and let him/her focus on applying accessorials. Many times these accessorials can also be passed into the shipping system, leaving the shipper to simply scan and move packages. Customers receiving packages from a well integrated system will also reap benefits. As the system becomes more automated and streamlined, errors are less likely to occur and packages will be shipped correctly and on time.

Consider the value of a shipping system vendor writing a custom interface that gives a company exactly what it needs and nothing more. It will use less storage space and other resources and can send data to the departments that can benefit most from it, in formats that are easy for staff or existing applications to import.

So, what can shipping software, with an interface that has been customized to fit a company's specific needs, do beyond actually shipping a package? Just about anything. Here are just a few of the possibilities:

- Inventory Control - inventories can be updated, in real time, affecting purchasing, production, customer service and sales.

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- Customer Service - can give the customer advanced notification of the shipment and alert them of contents and/or other tracking information, back orders, etc.
- Sales - update sales staff with pertinent customer information so that follow-up contacts are timely, resulting in better customer service. Reduce customer shipping costs, which can provide a sales team with a significant advantage over its competitors.
- Warehouse Management - capture information about who the internal picker, packer and shipper personnel are on each order, ship orders faster, reduce human errors, eliminate shipping bottlenecks, and reduce employee costs by eliminating unnecessary labor.
- Cost Savings and Finance and Accounting - create full “compliance” with a customer's routing guides and similar rules to decrease or eliminate “charge backs and fines”, know if an order shipped “complete”, eliminate the need for a pick ticket to be returned for a manual update, automatically purchase cost saving 3rd party insurance, automatically calculate and charge shipping and handling fees (and easily change them when needed), and initiate the rate shopping function.

When the decision is made by a company to purchase shipping software, almost every department in the company should be involved in the initial analysis, as evidenced in the above list of those departments which can benefit. With the combined help from management, employees and an experienced and knowledgeable shipping system vendor, significant improvements can be made in the company's efficiency and therefore its profit, all from a lowly shipping system.

Integrating a shipping system with an in-house ERP system can be complicated, but seamless integration is not impossible. By following a few simple guidelines and seeking assistance from a reputable, experienced and knowledgeable vendor, companies can select the best available product and develop a customized user interface to fulfill its goals and ultimately increase the value of a company's existing database, improve efficiency, save costs and increase a company's profits.

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