



WHITE PAPER

Fueling Your Sustainability Program Through Your TMS

How shippers can align their logistics operations with their sustainability goals

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Introduction

The subject of sustainability has been a hotly debated topic among transportation and logistics executives for decades. On one hand, some companies resort to hopeful pledges and promises, while others relegate the topic as an empty marketing tactic.

The truth is that the transportation and logistics sector is one of the largest contributors to U.S. greenhouse gas (GHG) emissions. The U.S. transportation industry alone makes up 29% of the country's total GHG emissions.

Tackling sustainability is a 2-part process: launching your initiative and measuring progress. At first glance, launching a sustainability initiative from scratch may sound intimidating but the potential benefits if executed correctly will be worthwhile for your company.

If your company is exploring outside investment, Gartner noted that “consumers and institutional investors alike are allocating their business and investments on companies that do right by people and the planet.”

The research firm also disputes wide-held doubts in the same article by citing, “contrary to popular belief, sustainable logistics programs not only strengthen brand perception and offer marketing benefits — especially to green-driven consumer segments — they can also reduce cost across different time horizons.”

If sustainability initiatives are proven to be beneficial to both the environment and the company, why aren't more logistics leaders prioritizing this as a core value?

In this white paper, we'll share which TMS features are most beneficial to your company's sustainability efforts and bottom line.

3 Barriers to Corporate Sustainability

With such lucrative benefits on the line, why do companies continue to refrain from taking action?

False Dichotomy

One reason is that business leaders assume a false dichotomy between profit and environmental sustainability. Harvard Business Review suggests that “executives are often reluctant to place sustainability core to their company’s business strategy in the mistaken belief that the costs outweigh the benefits.” Placing significance on such efforts is in the best interest of the company for the long run, despite requiring some level of effort to implement. Senior Vice Dean of Columbia University points out in his article, “The False Trade-Off Between Economic Growth and Environmental Protection” that “the investment in environmental clean-up often stimulates other upgrades that enable businesses to more effectively compete in a global economy.”

Difficulty Implementing

The Ivey Business Journal invited representatives from leading corporations to discuss organizational barriers to participating in sustainability initiatives of their own. The number one reason that was mentioned was that: “there are too many metrics that claim to measure sustainability—and they’re too confusing.” However, if logistics operations exist within your company’s business model, focusing on the reduction of greenhouse gas emissions through increased efficiency of transportation can be a clear-cut objective.

Action without Assessment

A report by Bain & Company noted that 98% of the companies they surveyed did not achieve the sustainability goals they publicly set forth. The trend can be attributed to declining momentum and the lack of quantitative metrics for progress within the organization. The former head of a multinational food and drink conglomerate that was ranked no. 1 on the Dow Jones Sustainability Index for their vertical shared their perspective on how to best embark on ambitious sustainability goals, saying “the feedback loop of committing, acting, reporting and then getting positive feedback from ratings agencies became a real driver for positive change.”

“those companies that proactively make sustainability core to business strategy will drive innovation and engender enthusiasm and loyalty from employees, customers, suppliers, communities and investors.”

Leveraging your TMS as an avenue towards sustainability

There are endless ways for manufacturing companies to advance their sustainability initiatives across all departments. More often than not, executives either overwhelm their teams with ambitious visions or resort to one-time projects that lack sufficient momentum. In regard to their transportation and logistics operations, there are a few key reasons why starting with your TMS can accelerate your company's sustainability impact.

- Examining the primary source of gas emissions within your supply chain demonstrates your company's ownership in a global cause
- Positioning your company for success requires efforts to be attainable and ongoing
- Adapting existing processes is easier than building new projects

The Harvard Business Review published a piece titled “The Comprehensive Business Case Study for Sustainability” where they advise that “executives can no longer afford to approach sustainability as a ‘nice to have’ or as a solid function separated from the ‘real’ business,” emphasizing that “those companies that proactively make sustainability core to business strategy will drive innovation and engender enthusiasm and loyalty from employees, customers, suppliers, communities and investors.”

Going Green: 5 Ways a TMS Can Positively Impact the Environment (and Your Business)

Digital Document Management

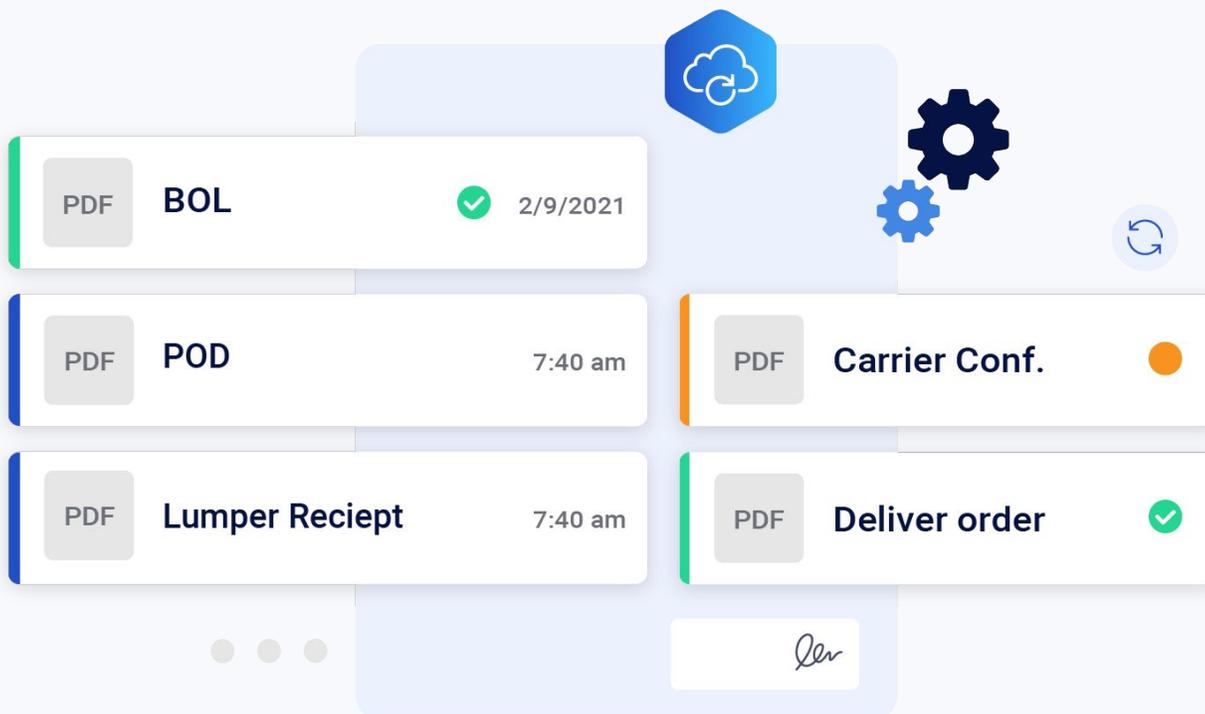
The digitization of supply chains has historically been a slow process. Global disruption in 2020 accelerated digitization road maps for most companies as they needed to quickly devise plans that would allow them to resume business operations. Digital document management enabled logistics managers to share, store, and request required documents with their freight partners digitally. An office employee uses up to 10,000 sheets of paper on average annually; up to 45% of paper printed in offices end up in the trash by the end of the day. ZUUM Transportation's BEYOND TMS automatically creates invoices for each shipment, regenerates a new version through the assessorial modules, and accepts e-signatures for contactless deliveries and payments. Centralizing documents digitally not only eliminates the need for paper documents but it also reduces human error and enables workflow automations.

10,000

sheets of paper annually

45%

of printed paper ends up in the trash at the end of the day



Shared Truckload

When scheduling freight transportation, shippers often choose between Full-Truckload (FTL), Partial Truckload (PTL), or Less than Truckload (LTL) shipping. Choosing PTL and LTL shipping can turn out to be costly for shippers and less fuel efficient for carriers. LTL shipping contributes 1.2% of the U.S.'s annual carbon emissions, equating to 342 million tons every year. To tackle this, logistics managers should consider utilizing Shared TruckLoad shipping for loads typically delivered via PTL or LTL. Shared Truckload optimizes trailer space by identifying shipments from different companies with similar routes and transporting these shipments via FTL. Participating shippers promote fuel efficiency, enjoy the lowered shipping rate associated with FTL shipping and eliminate additional costs securing and handling PTL and LTL freight.



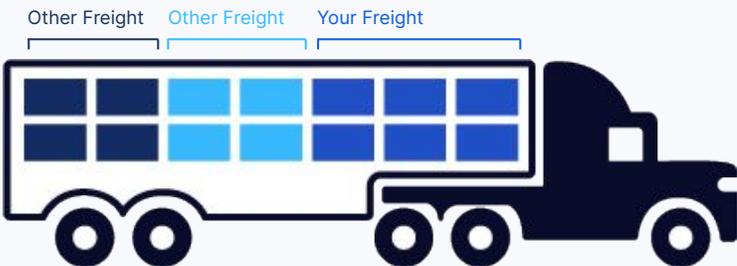
FTL - Full Truckload



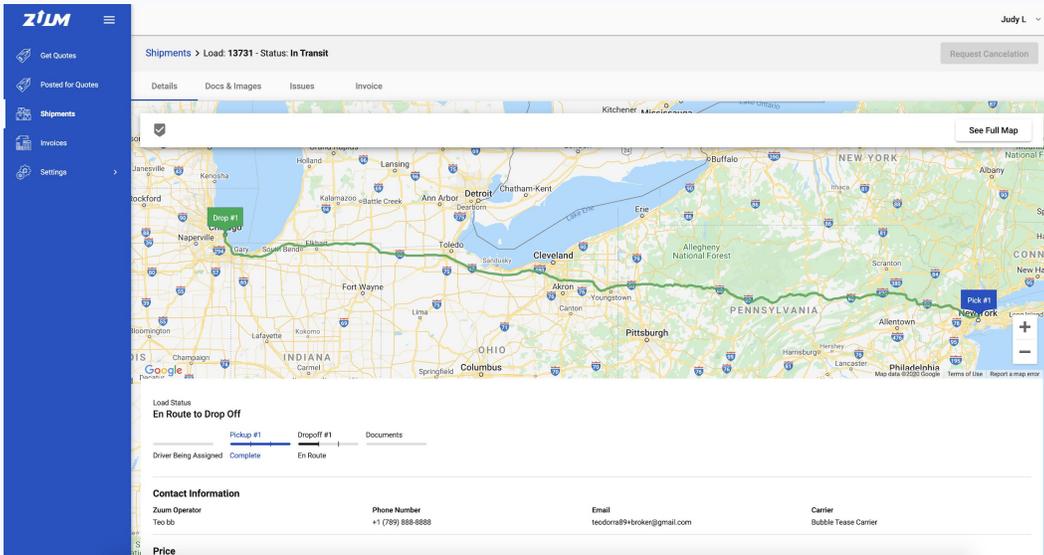
PTL - Partial Truckload



LTL - Less Than Truckload



STL - Shared Truckload



Route Optimization

Route planning historically fell under the responsibility of freight brokers and carriers. Shippers recognize how the fluctuation of numerous variables can vastly affect their freight spend if not closely monitored. Since then, technology has advanced and tools for route optimization have been made available for all freight participants. ZUUM's technology solutions for shippers consume internal and external data to facilitate route planning for their booked carrier partners. ZUUM's proprietary algorithm is based on weather, location, age of vehicles, and road conditions and enhances freight planning while minimizing operational costs. When trucks are able to spend less time on the road, they are inevitably using less fuel and reducing the amount of greenhouse gas emitted.

Implications of overlooking the need for route optimization:

- increase in fuel consumption
- customer complaints
- delayed timelines

Backhaul Finder

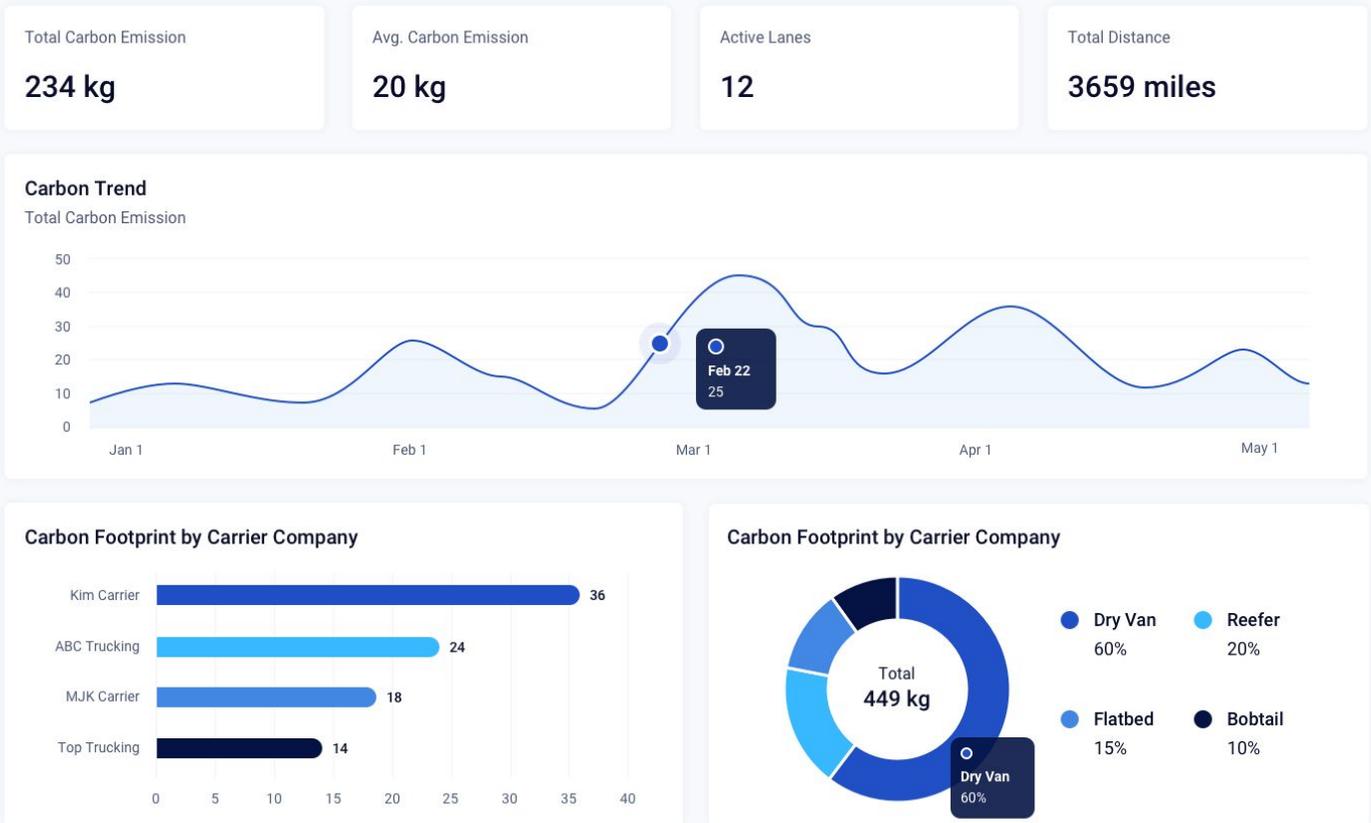
Backhauls are carrier return routes, following shipment delivery. If that carrier is unable to book and transport a shipment for their trip home, they are obliged to drive empty miles, or haul an empty trailer. This not only diminishes the profit earned from the original shipment, it also further contributes to the emission of greenhouse gases. Of 175 billion miles in the U.S. driven by trucks, 61 billion are empty miles, resulting in 87 million metric tons of CO2 emissions. Shippers have the opportunity to reduce freight costs when they are able to utilize a carrier's backhaul for their lane. Some carriers will offer discounted rates for transporting shipments on their backhauls to balance their travel costs. ZUUM's Backhaul Finder matches the company's upcoming lanes with truck drivers who are looking for freight to transport on their journey home. This tool enables shippers to increase capacity efficiency, eliminate empty miles and minimize unnecessary greenhouse gas emissions.

Active Loads

ID	Customer	Status	Start Date	FTL/LTL	Pickup Address	Dropoff Address	Weight
17179	ZI	FTL	10/11/2020	FTL	1. Dallas, TX	2. San Diego, CA	25,000 lbs
17179	ZI	FTL	10/12/2020	FTL	1. Dallas, TX	2. Los Angeles, CA	25,000 lbs
17179	ZI	FTL	10/12/2020	FTL	1. Dallas, TX	2. Redlands, CA	25,000 lbs
17179	ZI	FTL	10/15/2020	FTL	1. Dallas, TX	2. Irvine, CA	25,000 lbs

Carbon Emission Reports

Earlier we highlighted measurement as an important step in implementing a sustainability program that generates meaningful progress. ZUUM's BEYOND TMS gives shippers access to carbon footprint reports. The dashboard provides data on total carbon emissions, carbon trends, carbon footprint by lane, carbon footprint by carrier company, carbon footprint by weight, and carbon footprint by truck type. The actionable insight allows shippers to monitor how their freight transportation planning affects their carbon footprint and measure their progress towards sustainability. BEYOND TMS's carbon emission reports will collect "massive amounts of data from its environment" and identify "connections that humans fail to notice."



Conclusion

When it comes to developing a corporate sustainability program, leaders often struggle with overcoming self-imposed barriers, performing an appropriate cost-benefit analysis, and defining relevant metrics to engender meaningful impact. While there are many sustainability initiatives companies can take part in, leveraging a TMS as an avenue towards sustainability enables companies to tackle the primary source of GHG within the organization, to create attainable company objectives, and to adapt quickly without launching new projects. Each of these features allow shippers to substantially minimize operational costs, accelerate digitization agendas, and drive real change with their sustainability initiatives. Companies that choose to overlook the value of a sustainability program that is practical, effective, and measurable will be eclipsed by more proactive organizations in a rapidly changing market and business environment.

Going Green: 5 Ways a TMS Can Positively Impact the Environment (and Your Business)



Digital Document Management



Backhaul Finder



Shared Truckload



Carbon Emission Reports



Route Optimization



About ZUUM Transportation

ZUUM Transportation, Inc. is a rapidly growing tech startup transforming the logistics industry. Their vision is to optimize logistics and streamline supply chains globally with one efficient, automated, and easy-to-use super platform. Centralized information flow provides actionable intelligence, capacity aggregation provides instant access to vetted carriers, and back office automation reduces errors and maximizes productivity. ZUUM combines a digital freight marketplace with a shipper TMS, broker SaaS, carrier TMS, and mobile driver app.

Driving Meaningful Impact: How ZUUM Transportation Can Help

Shifting priorities within a company's core values is difficult. Positive sentiment will need to begin with the executive leadership of the company. Moving past perceived barriers will be key before aligning business objectives with sustainability goals. The experts at ZUUM Transportation will guide your team on how to integrate these tools with your existing processes and leverage the technology and insights for maximum productivity. Visit zuumapp.com to find out how we are creating value for our Fortune 50 customers through our expertise, technology solutions, and bold collaboration.