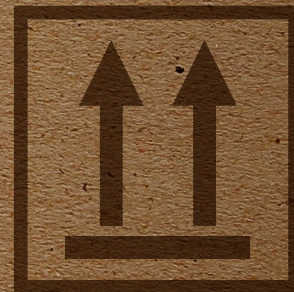


# Peak Season Preparation During **Uncertainty and Disruption**

Peak season shipping puts supply chains to the ultimate test of strength, endurance, capacity, will, and power. Find out why your enterprise needs a better peak season strategy.





# Overview

Timeliness and accuracy have never been more important for freight management than the coming months. As many businesses struggle with the uncertainties surrounding the COVID-19 crisis, questions abound: when will normal manufacturing levels resume? When will brick and mortar businesses reopen at full capacity? How will e-commerce continue to grow and evolve even further during store closures and limited capacities? Will there even be a peak shipping season this year?

There's no question that e-commerce has grown exponentially in recent years. In fact, according to the U.S. Department of Commerce quarterly e-commerce figures, **consumers spent \$601.75 billion online with U.S. merchants in 2019**, up 14.9% from \$523.64 billion the prior year. E-commerce has long been a key consideration as shippers and logistics service providers (LSPs) plan for the various peak seasons. However, the idea of rising e-commerce and routine seasons as the primary driving forces behind peak season may no longer be as relevant in today's uncertain environment. And, while supply chain disruption is not uncommon, the uncertainty and disruptions surrounding the COVID-19 crisis are making for some unprecedented decision-making. There is speculation and fears that mounting pressure may push the industry into a recession, forcing carriers to increase rates and put added pressure on shippers to maintain discounted options, including shipper-of-choice and carrier-of-choice statuses.

**Unprecedented disruption through so-called Black Swan events can wreak havoc on traditional supply chain management strategies.** In order to avoid losses, companies must rapidly evolve operations to create agile and efficient shipping strategies to remain competitive.

With that in mind, shippers and logistics service providers (LSPs) -- which includes third-party logistics (3PLs), freight forwarders, freight brokers, beneficial cargo owners, and small and regional carriers -- must take a comprehensive view of the all-year peak season freight management strategy. It's important to understand the traditional peak seasons that occur throughout the year, but it's especially important today to also understand what to do when disruptions happen.

This eBook will help shippers and LSPs to understand, better plan for, and succeed in peak season through an in-depth discussion of the following critical components:

- **The four key seasons of freight and their challenges**
- **Why peak shipping season makes or breaks shippers**
- **The relentless demand for more, more, and more throughout each peak**
- **Peak season 2020 - planning for uncertainty**



# I. Defining the Four Seasons of Freight Peak Season

**Traditionally, freight transportation maintains a degree of seasonality, broken across four critical periods throughout the year. These seasons include:**



**I. Defining the Four Seasons of Freight Peak Season**





# The Quiet Season

## January through March

Although the quiet season does not routinely have a high volume of freight, it does coincide with the Chinese New Year. Even though the holidays are already over, the quiet season bears another strain, forcing companies to operate in the coldest months of the year and an ongoing attempt to recover from the holiday shipping season.



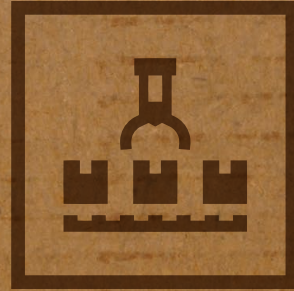
# The Produce Shipping Season

**April through July**

The Produce Shipping Season coincides with spring. As produce volume increases, carriers are more selective, resulting in markets tightening, and shippers facing added challenges in securing non-produce freight capacity availability.



**I. Defining the Four Seasons of Freight Peak Season**



## I. Defining the Four Seasons of Freight Peak Season

# The Peak Shipping Season

## August through October

While we may traditionally associate the holidays as the true peak shipping period, the period immediately prior to the holidays is the stage when most companies begin to roll out the processes and strategies necessary to survive the holidays. In addition, this season typically coincides with the “back-to-school” chaos, which places additional stress on the industry.



## I. Defining the Four Seasons of Freight Peak Season

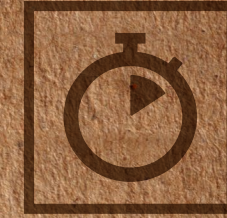
# The Holiday Shipping Season

## November through December

The holiday shipping season takes place from the weeks leading up to November going through the end of December. Companies face the added pressures of more workers that request vacation time, days that rapidly grow shorter, busier docs, and more freight demands than ever.



## II. Drilling Into Peak Season and Its Impact on Shippers



II. Drilling Into Peak Season and Its Impact on Shippers





## Peak season plays a vital role in how a company will start off the new year and continuously improve performance.

The four seasons of freight bleed into one another, and as e-commerce rises in both popularity and volume, it will also push organizations to reevaluate their returns policies. E-commerce freight has a significantly higher chance of being returned than items purchased through a brick-and-mortar location. Furthermore, the closing of the year represents an opportunity to invest in new technologies and services as the freight industry sees a surge in returns and every organization starts thinking about what it could do better for the next year.

Peak season is the reinvigoration of the supply chain, and more organizations are recognizing that peak season is only going to

become more complex. 2020 may represent the greatest changes to traditional peak season preparation. For instance, changes in commercial buying power precipitated changes in consumers' buying habits, leading to greater demand for certain items. According to TechTarget, "The challenge for the toilet paper supply chain is **the retail supply chain was overwhelmed with demand and couldn't tap in to the commercial supply chain fast enough.** For instance, even if a retail store wanted to sell commercial rolls and could somehow arrange to get them, commercial rolls lack the bar codes that retail stores require. Retail stores that took this approach ended up manually printing barcodes and having clerks attach them to the commercial rolls. That's a slow, manual process."

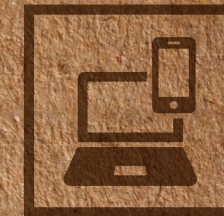
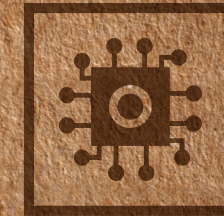
The only path forward through all planned and unexpected peaks will rely on the ability of companies to respond, which according to Supply Chain 24/7, involves the "digitalization of the supply chain and Business-to-Business-Consumer models will drive greater automation between constituents. This automation of the process, events, and alerts will only increase between man-man and machine-machine communications and every combination."

**Ultimately, the rising complexity will help provide relief as peaks grow more frequent and intense.**

## II. Drilling Into Peak Season and Its Impact on Shippers



# III. Peak Season Demand Only Gets Tougher & Technology Finally Moves to Make a Difference



III. Peak Season Demand Only Gets Tougher & Technology Finally Moves to Make a Difference





## During peak season, organizations typically run at two to three times the normal volume levels.

While this might not seem like a major challenge for a multi-trillion-dollar industry around the globe, not every company has the resources to rapidly scale operations and capabilities to meet the demand. Organizations are often unsure which workflows will perform best. Planning and executing transportation become more burdensome with each passing year, and organizations are constantly working to stay ahead of their competitors. It is an endless struggle for dominance, and technology platforms built specifically for freight are finally leveling the playing field.

For example, let's look more closely at a transportation management system (TMS). A dedicated, in-house TMS is able to immediately

automate load matching, generate invoices, send communications to carriers, verify freight schedules, and more. But often these systems require steep capital investment and take years to develop. Small, midsize, and some enterprise shippers and LSPs have typically been unable to access the funds and resources necessary to build an in-house system, as the costs were too prohibitive. The internet and cloud-based computing has changed that reality. Shippers today are able to utilize software-as-a-service (SaaS) subscription services to put the power of a dedicated TMS to work at a fraction of the cost of building and maintaining an in-house system.

**A SaaS-based TMS provides an organization with flexibility, resiliency, digitalization, collaboration features, and an easy-to-deploy configuration.** These functions are critical to successful navigation through expected and disruption-induced peaks.

MercuryGate has the resources and systems, not to mention experience, needed to maintain success throughout peak seasons, providing total transportation leverage for users of the platform. Let's take a closer look at how shippers and LSPs can plan for the 2020 peak seasons, keeping in mind the power, usability, and architecture of the MercuryGate TMS.

**III. Peak Season Demand Only Gets Tougher & Technology Finally Moves to Make a Difference**



# IV. Target Peak Season Shipping Strategies for Success in 2020

---

**Implementing a TMS is an essential component to help better manage peak shipping season, and is especially critical for managing uncertainty and disruption. For 2020, a well-rounded approach to better peak season performance must include these eight strategic differentiators:**



**IV. Target Peak Season Shipping Strategies for Success in 2020**





## 1. Increased Usage of Multimodal Shipping and Modality Optimization

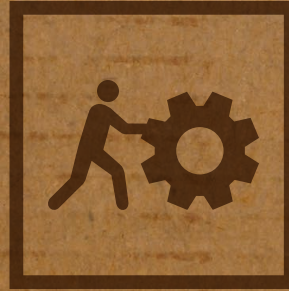
The rise of multimodal shipping is a significant advantage in peak season preparation. Using a TMS with multimodal capabilities immediately increases the available connections for the supply chain, reduces overall shipping costs by tapping new lanes and trade routes, generates data for use in analytics, and lowers risks, such as compliance violations. The premise is simple: **multimodal shipping empowers shippers to take advantage of all available capacity and resources within the industry for each shipment.** Obviously, not every carrier will have available capacity for every route all the time. In the instances where rates are too high or capacity is too low,

shippers and LSPs need an alternative. They need another option to get freight to the customer without delay, especially as demand changes in response to disruptions. In today's highly-competitive retail and e-commerce environment, consumers know they have choices. Any delay in shipping puts your business at risk, potentially driving customers to your competitors.

There is another side to the multimodal strategy. Multimodal shipping by itself, while beneficial, can only go so far. Shippers need to learn when to recognize how a specific multimodal blend for one shipment might be better than a comparative multi-leg path for a similar shipment, going to a similar location, arriving at a similar time, but occurring during a different peak season. This is most important in responding to disruption-induced peaks. In the world of multimodal shipping, a day can be an eternity in terms of finding available capacity and getting the best rate.

### IV. Target Peak Season Shipping Strategies for Success in 2020





## 2. Superior Transportation Modeling to Consider All Possible Scenarios

The next strategy for successful peak season planning involves transportation modeling. Transportation modeling is the virtual creation of countless “what-if” scenarios that keep shippers and their competitors up at night. It’s a fact that **in today’s world, risks are everywhere**. Hurricanes, snow storms and other weather-related events can cause massive and unexpected disruptions. The novel coronavirus and its disruption to global ocean shipping in the AIPAC region is just one example of a major global health crisis wreaking supply chain havoc. Yet new supply chain processes and workflows that come about when responding to or anticipating risk can add significant value to the supply chain. It’s been said that innovation is the mother of invention, but how does the day-to-day enterprise shipper determine how changes in one workflow might affect parts of the supply chain around the globe? Advanced technology and transportation modeling software can answer that question.

**IV. Target Peak Season Shipping Strategies for Success in 2020**





### 3. Implementing a TMS With High Usability

Making the decision to implement a TMS to help manage peak season shipping and beyond is a strategic advantage. But too often employee adoption is slow because a system is viewed as too complex or simply does not add enough value. While there are a number of so-called “TMS lite” and “free” TMS solutions available in the market, there is often a trade off that exists with these solutions. Many of the TMS lite solutions boast usability but often don’t have the feature-rich functionality required to handle the complexities of peak season shipping.

There’s no question that a TMS should be usable and user-friendly. **A usable system that promotes wider adoption in your company is critical to maintain sustainable freight management over time**, realize an ROI from your investment in the platform, and maximize all of your resources allocated for transportation. Additionally, usability naturally promotes ease-in-onboarding, such as the ability to leverage APIs:

“APIs enable connectivity, quickly, consistently, and cost-effective for these new communication models in a self-service model that trading partners can use to onboard themselves.”

For example, a highly usable TMS should enable your carriers to complete the onboarding process faster through EDI and API connection capabilities, which ultimately lowers IT costs, and allows users to get the most out of your system. In addition, a TMS will include carrier, vendor, and supplier portals, allowing multiple organizations within your supply chain -- from the manufacturer to your customers -- to realize the benefits of a usable system. However, it continues to add value as APIs “also support the quick connection to new supply chain fulfillment networks, originally foreign to them, in order to deliver the new products and services their manufacturing facilities are producing that were never dreamed of before for them. The underlying need to support advanced consumer and business needs is becoming the new impetus to connect to a diverse set of applications, different types of data networks, and multiple types of unique devices.”

It’s also important to understand the benefits realized from the perspective of a shipper’s customers or LSPs using the TMS. Customers want to know when a shipment will arrive and have the ability to track its status throughout the shipping process. Access to that information exists within the TMS. **A customer portal within the TMS can essentially transform your customers into TMS users.** Like shippers and LSPs, customers will expect an interface that is usable. That is the strategic advantage for peak shipping season success, especially as users turn to increased online ordering during disruptions.

#### IV. Target Peak Season Shipping Strategies for Success in 2020



## 4. Route Optimization Software That Applies Artificial Intelligence and Machine Learning

While transportation optimization used to be viewed as a supply chain function for only very large enterprise organizations, in today's increasingly global and complex world that is no longer the case. Any organization that manages peak season shipping -- no matter its size -- would benefit from route optimization software that proactively identifies problems in the supply chain and looks for the best-in-class scenario to achieve the most desirable result. **Route optimization software must run automatically, around the clock, without exception, and require only minimal human intervention.**



**IV. Target Peak Season Shipping Strategies for Success in 2020**





## 5. Diversifying the Carrier-Supplier Pool to Enable Continuous Product Flow

The carrier-supplier pool, composed of all inbound freight carriers and suppliers and including manufacturer-owned fleets, is a critical tactic to successful peak season preparation and execution. During peak season, the demand for products increases. Where peak season planning and execution becomes more complex involves being able to work with multiple suppliers, manufacturers, business-to-business partners, freight forwarders, freight brokers, third-party marketplaces, and everyone in between to secure available products and avoid the problems with listing an item as “out of stock” or delaying delivery unnecessarily. Those problems can be avoided by looking at all influences on suppliers first, and according to Supply Chain Dive:

“Global supply chains should not become 100% domestic. But both public- and private-sector leaders need to fully take into account the risks that far-flung supply chains pose — not only in the developing world, but also in those which have prospered mightily over the past half century or more from the offshoring of manufacturing.”

Similarly, this helps companies maintain a clear view of what’s happening and how to avoid further disruptions during Black Swan events. **Companies must “focus on total value, not just price,** by structuring the analysis so that unit price information is provided only at the end of the process and help firms include only those factors which are affected by the decision itself and are likely to have a big impact on what customers value, such as ethics and sustainability.”

Customers will go where the products are, and your business will miss out if you do not have an adequate, diverse group of carrier-suppliers available and readily accessible within your network via the TMS.

**IV. Target Peak Season  
Shipping Strategies for  
Success in 2020**



## 6. Enabling Brick-and-Mortar Stores to Fulfill E-Commerce Orders

In e-commerce, omnichannel fulfillment is a critical component of successful execution. As the market has shifted and consumers increasingly spend more time and money online, many consumers still like to visit physical stores. **Brick-and-mortar stores can also be used as fulfillment centers during peak season**, especially during busy seasonal times like holiday and back-to-school shopping. And their value doesn't end there. After the peak holiday season, many brick-and-mortar stores take returns. Physical stores provide the vital human element of interaction that customers still desire from modern supply chains. This can be especially true with returns, where the customer may need to try a different size for an

exchange or physically touch or see a product. And, while modern e-commerce has enabled customers with the convenience of 24/7 shopping online, a personal interaction is still required in many situations.

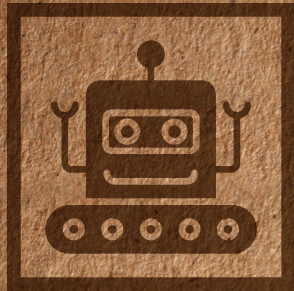
And, while many retail businesses have been forced to close their physical locations in recent weeks, some have re-imagined their traditional brick-and-mortar stores by setting them up as distribution and warehouse locations. What's more, many retailers have and will continue to offer curbside pick-up -- another unique form of e-commerce fulfillment that will often provide a faster delivery of product.

Just as it's important to produce the necessary human interaction for specific customer situations, it's also crucial to understand where technology and innovation plays a key role in peak season success. Next, we'll look at the application of robotic process automation (RPA).



**IV. Target Peak Season Shipping Strategies for Success in 2020**





## 7. Letting Robotic Process Automation Do the Virtual Heavy Lifting

Robotic process automation (RPA) is an innovative application of technology and virtual “robots” that interact with customers and parts of the supply chain to perform certain tasks. These virtual robots can be thought of as a small army of assistants that operate solely in cyberspace. RPA can pull critical data from email quote requests, query systems for freight quotes for international forwarding purposes, send automated notifications to customers, and much more. The list of capabilities through RPA is expanding more every day. **RPA is one of the most exciting aspects of modern supply chain management**, and it is the natural companion to peak season planning and execution. It is important to note that RPA is not simply a personal assistant like Microsoft Cortana or Google. While it performs similar functions, the capabilities within RPA are significantly augmented to enable efficiency and rapid execution of digital tasks.

Successful RPA use again relies on connected systems and holistic management of both planned and disruption-induced peaks.

**IV. Target Peak Season  
Shipping Strategies for  
Success in 2020**



## 8. Using Demand Forecasting to Connect With and Understand Customers

Demand forecasting tools also play into the peak season success strategy. Demand forecasting allows supply chain leaders to improve inventory management by leveraging customer and supply chain partner data to better plan inventory, reorder products, account for products within the warehouse or distribution center, distribute products throughout the network, and more. Demand planning is also vital in terms of locations. A product that is closer to consumers costs less for the organization to ship.

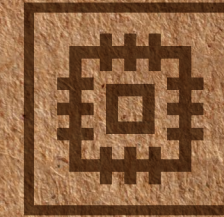
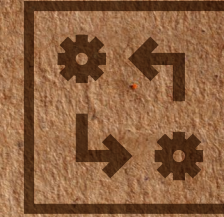
**Moving products closer to consumers also provides benefits to consumers**, including the ability to ship two different options, and take advantage of purchasing online and picking up in store fulfillment. This ultimately allows customers to take a more active role in deciding how they purchase and receive their products. Applying data for demand forecasting can also be used in reverse, creating targeted marketing campaigns that influence customers and help avoid product shortages or overages throughout the peak season. Think about an instance when you receive an email notifying you of a product similar to another product you've purchased in the past that has suddenly gone on sale. Now think back to the stipulations of the sale. Was it only available if you purchased it together with another item at the same time? Was the item recently liked by a friend on Facebook and shared on your page? Data is a valuable tool in connecting with customers. Using analytics, shippers and LSPs can predict what will happen and what needs to happen to avoid problems and remain proactive.



### IV. Target Peak Season Shipping Strategies for Success in 2020



# V. Summary: Success in Peak Season Rests in Your Systems and Processes



V. Summary: Success in Peak Season Rests in Your Systems and Processes





Users can realize an  
**additional**  
**2%**  
on top of typical  
TMS implementation  
**returns**

While we are still in a period of uncertainty, one thing is certain: **peak season will return, even if it looks different than what we have traditionally seen.** It's perhaps more important than ever to have the right technologies and processes in place to address uncertainty and disruption. Technologies will continue to evolve, and your competitors will look for every weakness in your organization and exploit them. However, your organization can take a proactive step by understanding how to prepare for and execute successful peak season strategies.

In conclusion, remember that peak seasons can be generalized for the whole industry, but some verticals may experience five or more peaks per year. The exact number depends on what your company sells, how it ships, and what happens throughout the market. There is no one-size-fits-all approach to making the best decisions for your supply chain, but these strategies can better arm you in managing peak season, especially during times of uncertainty and disruption. An advanced TMS solution can enable your organization to take advantage of the strategic capabilities discussed here, while also still providing the flexibility needed to overcome new obstacles and barriers as they occur. With the MercuryGate platform, users can realize an additional 2% on top of typical TMS implementation returns and finally achieve the goals of recurring, reliable, and resilient peak season planning and execution. [Request a demonstration](#) today to see how the MercuryGate platform will improve your supply chain efficiencies and give you a competitive differentiator for the upcoming peak season, and peak seasons yet to come.

**V. Summary: Success  
in Peak Season Rests  
in Your Systems and  
Processes**





060820

©Copyright 2020, MercuryGate International

[mercurygate.com](https://mercurygate.com)

