

# Midmarket Context: ‘Magic Quadrant for Transportation Management Systems’

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By Analysts [Carly West](#), [Bart De Muynck](#), [Brock Johns](#), [Oscar Sanchez Duran](#)

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The TMS midmarket continues to gather the interest of organizations looking to improve operational efficiency through simple, scalable and affordable TMS solutions. Supply chain technology leaders can use this research to determine if midmarket TMS solutions are more suitable to their requirements.

## Get the full story

This content is part of a larger body of research on this topic.

[Magic Quadrant for Transportation Management Systems](#)

## Market Differentiators

Transportation management system (TMS) applications that target small and midsize shippers continue to be one of the faster-growing subsegments of the TMS market. Cloud-based TMS solutions that build on simplicity and focus on user experience and usability remain the typical TMS offering and demanded product in this market. The midmarket TMSs are solutions specialized in managing core transportation operations, tasks and activities of low complexity and lower complexity shippers, which often/usually are shippers that spend less than \$100 million in freight under management (FUM) annually.

TMS applications in the midmarket concentrate on the complexity Levels 1 and 2 of transportation operations, but these offerings can often support some of Level 3 transportation operation complexity. (See [The Five Levels of TMS Complexity](#) as described in [Gartner’s Model for Holistic Multimodal Transportation Management Systems – Part 1: Core Capabilities](#) and [Gartner’s Model for Holistic Multimodal Transportation Management Systems – Part 2: Extended Capabilities](#).)

Gartner considers midsize shippers those companies that spend between \$25 million and \$100 million in FUM per year across all modes of transportation. In most (but not all) cases, midmarket TMSs are targeted at those businesses. There are many environments in which transportation operations share all the characteristics of a small and midsize business (SMB). An example is a large manufacturing company with limited resources to manage and operate transportation activity and freight under management higher than \$100 million, which uses only over-the-road transportation with a limited number of contracted carriers for a large percentage of full truckload transportation. On the contrary, some small or midsize companies can have complex transportation networks (they are only smaller in

the number of transactions or total freight spend) and would be better served by the holistic TMS solutions.

Vendors that specifically pitch midmarket transportation operations focus more on prioritizing the orchestration or tactical execution of logistics operations and providing low cost of ownership, rapid implementation, more intuitive solutions, and reduced complexity of implementation and support. Midmarket TMS vendors are more likely to be built natively as cloud platforms that help deliver these benefits. TMS solutions aimed at the small and midsize market can be characterized as:

- Solutions with capabilities that appeal to SMBs in the areas of planning, sourcing and procurement, execution, visibility, settlement, and performance.
- Products built with the midmarket resources in mind:
  - Fit SMB financial constraints
  - Bundled solutions that are full end-to-end suites for one fixed price and no unforeseen additional costs
  - Characterized by a simple, straightforward user interface that requires minimal training
  - Minimized staffing requirements
  - Easy to install, configure, manage and integrate with existing systems

Although larger TMS vendors targeting multinational corporations and application megasuite vendors also have solutions (or partner with solutions) that can be used for the midmarket, they are not covered in this research.

## Considerations for Technology and Service Selection

Gartner defines a “TMS” as a solution used by shippers (such as manufacturers, retailers, distributors and wholesalers) or non-asset-based, third-party logistics (3PL) organizations to manage their transportation operations (see [Magic Quadrant for Transportation Management Systems](#)).

Although the holistic TMS market has five broad types of TMS vendors, this research covers only:

- **SCM suite vendors.** These vendors offer a portfolio of applications focused primarily on SCM, including aspects of logistics, but not other functional areas such as financials or human capital management. Although these vendors might offer a variety of SCM solutions, they do not necessarily offer an integrated platform (although some do).
- **Logistics suite vendors.** These vendors offer a portfolio of logistics applications focused primarily on TMS, warehouse management system (WMS), global trade management (GTM), freight payment, visibility and/or parcel management.

- **Specialist TMS vendors.** These are independent software vendors (ISVs) that focus primarily or exclusively on holistic TMS, although they might offer some additional capabilities.

## Small and Midsize Enterprise TMS Market

TMS applications have become more accessible to companies of all sizes over time. Lower implementation times due to industry-ready templates, deployment delivery models, and reduction of total cost of ownership through software licensing models like term license for software as a service (SaaS) are allowing small and midsize businesses to acquire TMS. There are more options for small and midsize organizations with limited resources on time, funds and personnel to access technology solutions to manage their supply chain operations.

The move from legacy TMS and Excel files to a modern TMS remains one of the main drivers for growth in the midmarket, as small and midsize organizations with less complex transportation operations are considering TMS technology as an affordable choice. The increase in offerings of cloud-based TMS solutions is providing organizations with more choices when selecting a TMS that would fit their requirements as well as their time and monetary constraints.

The TMS market remains fragmented because of the prolific number of TMS vendors and product choices. In many cases, TMS solutions are focused on specific capabilities, industries, company types and sizes, or regions. Small and midsize organizations looking for a TMS often require just a “good enough” solution — a tool that can help them optimize their operations and reduce some costs for a reasonable price level and implementation effort. Specialized and regional vendors, as well as new, innovative startups, seem to be in a better position in this market because they offer agile and easy-to-use-and-implement solutions.

In 2020, TMS vendors in the midmarket saw substantial growth. The COVID-19 pandemic caused many additional challenges in an already-strained and complex transportation industry. COVID-19 further exaggerated the difficulties already present in a market with high costs, operational challenges and limited capacity. Just a few of the challenges include changing consumer demands, changes in distribution models to meet consumer changes, increased demand, increased operating costs for carriers, and fewer carriers and drivers in the market. As a result, shippers are turning to technology solutions to help manage the fluctuation and complexity in the transportation market. This has accelerated the adoption of TMS in the small and midmarket shipper segments. Some vendors serving these markets had record years in terms of numbers of new users and new customers. Examples include InMotion Global, which recorded its highest increase in new customers in the midst of the pandemic, and Kuebix TMS, which is being used by a record number of small shippers.

## Scalability and Performance

Scalability and performance are typically top-ranking criteria for selecting a TMS for many organizations. While smaller shippers often demand simpler, intuitive and more user-friendly TMS solutions, the scalability and performance of the application remain a concern for many organizations when selecting a TMS. As small and midsize organizations grow, it is important that the TMS of their

choice can scale on demand to adapt to their current business needs. TMS vendors offering cloud-based solutions are often very scalable. They provide organizations many options through different subscription models, with options to grant extra user accounts, more data storage or server resources to process a higher amount of data without compromising the performance of the TMS.

### **Simplicity and User Experience**

TMSs focused on the midmarket must be implemented easily, in a relatively short period of time (two to four months), and require minimum training efforts to become familiar with the functionalities to start using the application. These organizations do not have the resources, time or budget of larger organizations to engage in a long and tedious TMS implementation project. In many cases, this has led to organizations expecting implementation times around three to six weeks and an ROI of six months.

Simplicity and user experience remain as differentiating characteristics between TMS providers. Midmarket and larger TMS vendors are becoming more aware of the importance of the user experience in their TMS as they are now investing more in enhancing their user interfaces (UI) to make their solutions more intuitive and user-friendly. Although a good UI is important to all strata of the transportation environment, it is critical in the midmarket because these operations rightfully favor ease of use over depth of functionality.

### **Return on Investment and Total Cost of Ownership**

The key to getting a project or initiative approved lies in the business case and the ROI that can be shown based on the investment. Consequently, most midmarket TMS vendors focus on mechanisms to accelerate time to value – in some cases, dramatically reducing implementation time, effort and cost. This often delivers a quicker ROI for TMS customers, because they do not need to go through lengthy implementation projects that recurrently involve part of their operations staff.

The pricing of midmarket solutions can vary widely, from a cost based on FUM to a per-user license, and in some cases, a free or “freemium” offering. See [Key Considerations for Supply Chain Leaders Evaluating Transportation Management Systems](#) for an in-depth explanation of the different pricing models.

Productivity gained by implementing a TMS is just as important as the price of acquiring and maintaining the solution.

## **Notable Vendors**

### **CTSI-Global**

CTSI-Global offers a SaaS TMS solution, Honeybee TMS, that allows companies to manage all aspects of its inbound and outbound transportation network. The TMS gives users the ability to manage and control inbound/outbound orders; optimize loads; select the best carriers; tender shipments; manifest parcel, less than truckload (LTL) and truckload; track progress; and manage claims. CTSI-Global has customers in a variety of industries but has a focus on retail, life science, logistics service providers and

3PLs. In addition to its TMS solution, CTSI-Global also offers freight audit and payment (FAP) and managed services.

## InMotion Global

InMotion Global is a TMS specialist software vendor provider. InMotion Global's TMS, AscendTMS, is a cloud-based solution application that targets small and midsize shippers, 3PLs, carriers, fleets, or freight brokers. AscendTMS is offered through two different subscription plans: (1) free of charge for a small number of users with basic TMS capabilities; and (2) a premium subscription, including additional capabilities. AscendTMS remains active in creating partnerships, like insurance coverage partner UPS Capital or others like Scientific Logistics, C.H. Robinson, Truckstop.com, DAT and TriumphPay.

## nVision Global

nVision Global is a global freight audit, payment, claims processing, and logistics management service and technology provider. nVision Global's TMS, Impact TMS, is a cloud-based TMS solution that targets shippers and 3PLs. It supports all modes of transportation, offering multiple procurement capabilities, together with order management, shipment planning, shipment execution, automation, spot bidding, freight approval, and freight audit and pay capabilities. nVision Global has a broad customer base – mainly small and midsize organizations located in North America, but some are in other regions like Europe, South America and Asia. Impact TMS is mainly in the oil and gas, fast-moving consumer goods, high-tech, and automotive industries.

## Princeton TMX

Princeton TMX offers a cloud-based modular TMS for shippers and 3PLs. It has capabilities such as dedicated fleet management, load planning optimization, integrated RFQ, integrated appointment scheduling and carrier integration. It has different tendering methods that users can configure, automate and optimize freight procurement. Princeton TMX has partnerships with several visibility providers and digital freight models, allowing easier access for customers. Its customer base is located in North America. The vendor focuses mainly in large and midsize organizations, and mainly in the construction, building materials, agriculture, and paper and packaging industries.

## SupplyStack

SupplyStack began in the automotive industry as a visibility solution and, from there, developed its TMS by combining the TMS capabilities to serve complex shippers with a visibility solution, on a single cloud-based platform. The SupplyStack TMS enables collaborative logistics, supporting transportation workflows and enabling shippers to book freight from carriers, communicate with suppliers and extend visibility toward customers. It offers end-to-end transportation management on a single platform for all modes. Its customer base is mainly in Western Europe, with some customers in North America and Asia, and it is mainly active in 3PL, consumer products, automotive, high-tech and industrial verticals.

## TMSfirst

TMSfirst is a cloud web-based logistics platform that links industrial and commercial companies with their logistics service providers. It includes capabilities for shippers, 3PLs, brokers, private fleets and carriers. It allows transparent online handling of all workflows related to the transportation management process. Order allocation, rate shopping, visibility, invoicing and freight audit are some of the available functionality. TMSfirst has small and large shipper customers across a variety of industries, including logistics service providers, consumer products, petrochemical, industrial construction and machinery, e-commerce and retail, and wholesale distribution.

## Transporeon

Transporeon is a Europe-based TMS with a large carrier network along with digital freight model partners integrated in its transportation cloud. It offers capabilities such as strategic transport sourcing, benchmarking, spot tendering, rate management, transport assignment, dock scheduling, electronic proof of delivery, freight audit and payment, and analytics. In 2020, Transporeon and Sixfold merged to integrate Sixfold's Real-Time Visibility solution to offer visibility to all Transporeon customers. It also acquired ControlPay, a leading European FAP provider. Transporeon serves customers in many industries, with its main focus in the food and beverage, fast-moving consumer goods, construction, chemical, and metal/steel industries.

## TranzAct

TranzAct has extensive expertise in freight audit and pay, rating, tariffs, and costing. It also provides a variety of other supply chain services and technologies. TranzAct's Constellation TMS is a cloud-based application for shippers that offers the core TMS capabilities together with dock scheduling, load consolidation and optimization capabilities. Constellation TMS is integrated with TranzAct's freight audit and payment system, StarPay FAP. Constellation TMS supports most modes of transportation and targets small and midsize organizations mostly located in North America and in the food and beverage, packaging, and pharmaceutical industries.

## UltraShipTMS

UltraShipTMS is a cloud-based, modular TMS solution that integrates fleet management together with yard management in a single solution. It is a modular solution that supports different modes of transportation and provides capabilities for the planning and execution of inbound and outbound operations, providing visibility and resource management capabilities. It offers routing optimization capabilities for companies with private fleet. The solution also includes online portals as well as a driver mobile app. Most customers are small and midsize enterprise organizations operating mainly in the food and beverage, packaging manufacturer, retailer, and consumer products industries.

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