Europe Context: ‘Magic Quadrant for Transportation Management Systems’

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Initiatives: Supply Chain Technology Strategy and Selection

The European TMS market offers a diverse range of solutions with new local vendors emerging and existing U.S.-based TMS vendors increasing their focus in this market. Supply chain technology leaders can use this research to expedite and enrich their selection of TMS technology relevant to Europe.

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This content is part of a larger body of research on this topic.
Magic Quadrant for Transportation Management Systems

Market Differentiators

This research highlights the European subsegment of the transportation management system (TMS) market and those vendors that are relevant in this region but did not meet the inclusion criteria for the Magic Quadrant for Transportation Management Systems. For this research, references to the European region encompass Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom. These are the most representative from the TMS technology perspective.

The European region is the second largest TMS market, following North America. The latest Gartner forecast on worldwide TMS revenue estimates market growth from $1.32 billion to $2.11 billion (from 2019 through 2024), with the European TMS market accounting for around one-third of the revenue.

Europe is a challenging region for transportation operations for many different reasons, as it is culturally and operationally very different from other regions like North America. The number of countries within the region (44 countries in Europe, of which only 27 are part of the European Union) and the different languages, currencies and regulations are some examples of this. Another key difference is how transportation is rated within Europe, as shipments can span through multiple countries and use multiple carriers. The lack of standardization within European countries and carriers requires TMS solutions to handle different postal code and address formats, rate zones, rate units (imperial versus metric) and other rate elements, such as cargo volumetric factors not common in other regions. Additionally, the existing fragmentation of its carrier networks and the preference of TMS buyers for a
solution that can provide local support make this region very complex for TMS vendors to succeed outside their local country.

These cultural and operational differences make the TMS European market a localized market. Vendors often succeed in their home countries or closely related ones (subregions like Germany, Austria and Switzerland [DACH] or Belgium, the Netherlands and Luxembourg [Benelux]) but find it difficult to expand to other countries. The same happens with vendors that are not based in Europe. Even large TMS software providers with excellent track records of sales in the North American TMS market struggle to penetrate the European market. TMS vendors are required to extend their capabilities by adding multiple languages to their software and customer support teams, increasing the number of transportation documents to comply with multiple local regulations, and providing more data elements and configuration options.

The European TMS market is divided into Western Europe and Eastern Europe, due to differences in the maturity and TMS technology adoption levels in both sides of Europe. The TMS market is more mature, and the adoption of applications is still considerably higher in Western Europe, representing the bulk of the overall TMS European market. However, new TMS adoption in Eastern European countries such as Poland, the Czech Republic and Hungary is growing at a slightly faster pace.

The main reasons for acquiring TMS solutions by organizations with transportation operations in Europe are:

- Improving business process outcomes
- Managing cost
- Creating internal/operational efficiencies

More recently, organizations have been digitizing their transportation operations in order to improve collaboration with carriers and suppliers to increase the visibility in transportation operations across the different business units and stakeholders involved in transportation. In recent years, European TMS vendors have focused on building large carrier networks, onboarding, and connecting their TMS solutions to regional and local carriers. End users can connect to these carriers through the TMS to book shipments, provide dock appointments and schedules, or track shipments.

European TMS vendors have considerably increased their focus on building broader carrier networks, providing capabilities to onboard carriers in their platforms with relatively low effort through web portals and EDI/API connections. Additionally, these TMS vendors are bringing more planning and integration capabilities into their systems, because vendor optimization shows larger opportunities for productivity gains.

During 2020, the European TMS market has been rather quiet in terms of consolidation and acquisitions, with very few acquisitions being executed by European vendors. Some notable acquisitions include:
Supply chain and IT leaders in European companies or global organizations with significant transportation operations located in Europe should consider the vendors in this research alongside those in the *Magic Quadrant for Transportation Management Systems*.

**Considerations for Technology and Service Selection**

Gartner defines a “TMS” as a technology 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*). The holistic TMS market has five broad types of TMS vendors:

- **Application megasuite vendors** offer broad portfolios of applications across most application categories (for example, back-office financials, supply chain management [SCM], logistics, CRM and product life cycle management [PLM]). Sample vendors include Oracle and SAP.

- **SCM suite vendors** offer a portfolio of applications focused primarily on supply chain management, 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). Sample vendors include Blue Yonder, E2open and Manhattan Associates.

- **Logistics suite 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. Sample vendors include Alpega Group, BluJay Solutions, RateLinx, Transporeon and Trimble.

- **Specialist TMS vendors** are independent software vendors (ISVs) that focus primarily or exclusively on holistic TMS, although they might offer some additional capabilities. Sample vendors include 3T Logistics & Technology Group, BlueRock Logistics, MercuryGate and Shipwell.
The TMS market size indicated earlier in this research does not include those vendors that, although relevant to the European TMS market, are already featured in the Magic Quadrant for Transportation Management Systems research. However, only SCM suite vendors, logistics suite vendors, specialist TMS vendors and TMS service vendors are covered in this research.

**Notable Vendors**

**4flow**

4flow is an SCM suite and TMS service vendor based in Germany that also offers logistics management and consulting. Its TMS, 4flow iTMS, offers capabilities to manage complex logistics operations, including network design, multimodal transportation planning, sourcing, route management or 3D load building, and it is offered as a stand-alone product or embedded into 4flow's fourth-party logistics (4PL) service. 4flow's customer base is mainly located in Europe, ranging from medium to very large organizations in the automotive, manufacturing and consumer packaged goods industries. 4flow has its focus on providing more capabilities in the area of connectivity, analytics and transportation optimization.

**DDS Logistics**

DDS Logistics is a TMS specialist software provider based in France. The vendor has different TMS offers in both cloud and on-premises deployments. DDS Shipper is for shippers, DDS Import is for purchase order management and management of import operations, and DDS Freight is for freight forwarders. DDS Logistics’ customer base is mainly medium to large organizations located in Europe in the retail, consumer products, automotive, luxury, 3PL and freight-forwarding industries. DDS Logistics continues to focus on transportation collaboration and connectivity through its platform Join2ship, where shippers can connect to more than 5,000 carriers to consolidate orders and share information.

**Generix Group**

Generix Group (Generix) is an SCM suite vendor based in France. Its TMS, Generix TMS, forms part of the core application set in its Supply Chain Hub offering, together with its WMS and yard management system (YMS) and other solutions. Generix TMS offers multiple capabilities for B2B operations, including multileg shipping, routing optimization, creation of transportation plans, fleet management and 3D load building. Generix's customer base is mostly large organizations located in France, Portugal and Spain, and focus on the retail, manufacturing and 3PL/logistics service provider industries. Generix is working on enhancing its user interface (UI) and strengthening its position in North America through partnerships.
Pagero

Pagero is an SCM suite vendor headquartered in Sweden. Its TMS, Pagero TMS, is composed of multiple different services divided into core apps (transactional-based) and extended apps (data-related) available through Pagero's Freight Applications. Pagero targets non-asset-based organizations operating in a multimodal international environment. Pagero's customer base is mainly medium to large organizations with global operations and headquarters in Northern Europe in the discrete manufacturing, mining and construction, automotive, and food and beverage industries. Pagero TMS leverages its cloud-based Pagero network, providing an open, many-to-many business network of connected business partners, including carriers and suppliers.

SupplyStack

SupplyStack is a Belgium-based specialist TMS vendor that started with an offering focused on providing transportation visibility and has evolved into a full TMS solution on a cloud-based platform. The SupplyStack TMS enables collaborative logistics, supporting transportation workflows and enabling shippers to book freight from carriers, schedule dock appointments, 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 mostly located in Western Europe, in industries like 3PL and logistics service providers, consumer products, automotive, high tech, and industrial verticals.

TESISQUARE

TESISQUARE is an Italy-based SCM suite vendor. TESI TMS offers capabilities to manage inbound and outbound operations such as order tracking, shipment execution, transportation planning, route optimization, rate simulation and preinvoicing, among others. TESISQUARE's customer base ranges from small to large organizations mainly located in Europe with the bulk of those customers located in Italy. The customer base also includes those that are active in industries such as retail, food and beverage consumer products, and fashion and luxury. TESISQUARE connects stakeholders through its TESISQUARE collaborative platform, providing a common data hub for transportation management that integrates in a multienterprise business network. It has recently partnered with Shippeo.

Transporeon

Transporeon is a Germany-based logistics suite vendor with one of the largest carrier networks. Its TMS offers capabilities such as strategic transport sourcing, benchmarking, spot tendering, rate management, transport assignment, dock scheduling, electronic proof of delivery, freight audit and payment invoice control, 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 Freight Audit and Payment (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.

Unifaun

Unifaun is a Sweden-based specialist TMS vendor that also offers delivery management (DM) software and e-commerce solutions through the product Unifaun Online. Its TMS, Unifaun TMS, is a very
configurable system that can be used by shippers and carriers and offers capabilities to manage inbound and outbound logistics operations, connecting to more than 5,000 carriers, including courier carriers. Unifaun's customer base ranges from small to midsize organizations located in the European Nordic region and the manufacturing, retail and contract logistics industries. Unifaun recently merged with Norway-based Consignor, a multicarrier parcel management software provider.