



# LOGISTICS STRATEGIES

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YOU DON'T KNOW  
WHAT YOU DON'T  
KNOW

TRANSPORTATION  
AND LOGISTICS  
ANALYTICS - DO YOU  
NEED THEM?

HEAR YE, HEAR  
YE...READ ALL ABOUT  
IT:

## ***YOU DON'T KNOW WHAT YOU DON'T KNOW***

Now there's a thought to ponder. But think about it... How true is this statement? For years now the landscape in the world of transportation and logistics has changed drastically. This is especially true with small and medium sized businesses. The reason is the responsibility for management of transportation and logistics costs usually rests with the financial group. Who better to control costs! While we could not agree more with this statement, we are intrigued by the lack of knowledge in some companies when it comes to understanding freight carrier costs. If the party responsible for controlling these costs is not familiar with how the carriers' determine these rates how can they be successful in their mission to control these costs.

You would be surprised at how many companies just do not have a clue. On the other hand, you would be amazed at how successful some companies are in this area even though they are not transportation experts. What separates the have's from the have not's? Very often it's the basic skill of asking questions so the executive can educate themselves on the freight carriers costing structures. Once the corporate executive shows his knowledge to the carrier sales representatives, you would be surprised at how far they can drive costs down. It's a simple point of "Knowledge is Power".

Here are a list of questions every corporate executive in charge of controlling transportation costs should ask their carrier sales reps. And don't be bashful, ask the same question of ALL of the carriers the company does business with:

- Are your base rates the same as your competition?
- If not, how do they compare to your top three competitors?
- Who are your top three competitors?
- What is the margin of profit your company receives from our account? (NOTE: They may stutter on this one!)
- How does your company determine the discount you have offered us?

· What can we do as a business partner to help you reduce costs so that we can share in that savings?

· As our business partner for the past \_\_\_\_ years, what advice would you give us to help us reduce costs?

The real challenge is to let the carrier know that you care. That you have a corporate fiduciary responsibility to make sure your company receives the most competitive rates for the services being provided. Remember we said "MOST COMPETITIVE", not the cheapest rate. There is a huge difference. The cheapest rate may wind up being the most costly rate if the shipment is lost or damaged or if you lose a customer because of poor service. By the way, do you know what your customer's wants and needs are? You don't know what you don't know. It may be time to find out.

## **TRANSPORTATION AND LOGISTICS ANALYTICS - DO YOU NEED THEM?**

In today's fast moving, (well it's a little slow right now) economy, more and more companies are looking to receive information about their transportation and logistics costs in a timely fashion to help them better manage their business. The real question for these companies is "why do I need this data?" The answer is pretty clear to us.

Many companies have invested a significant amount of money to obtain the benefits this data will provide. If the data is mined and reported properly, the company will get everything they ever wanted to know about their transportation and logistics expenses. The best way for a company to look at this data is to analyze what happened in the past, what is happening now and what is most likely to happen in the future. It should provide a good sanity check of what's really going on.

The main benefit of this data is to give the company the necessary tools to manage their business going forward and not to look backward. It should also have the ability to provide this data, error free and in real time. The end result is to ensure the company's competitive advantage to help the company out perform its competitors.

There are also strategic by-products the company can gain from this data. This would include discovering opportunities and threats that might not be evident otherwise. It will help companies to reduce their exposure to fraud by matching the data to specific business rules. By maintaining strict controls over the data flow a company can see their assumptions in action, allow them to make data driven decisions based on facts and build customer loyalty in the future, a combination that cannot be beat. Is your company looking into transportation and logistics analytics to enhance your company's competitive position? If not look around the corner... Here comes your competitor.



## ***HEAR YE, HEAR YE...READ ALL ABOUT IT:***

The Transportation and Logistics Council will be holding their 35th Annual Conference entitled "Education for Transportation Professionals" on March 23rd through the 25th at the Sheraton Westport Lakeside Chalet in St. Louis, MO. The conference is chock full of General Learning Sessions and Workshops designed to meet every attendee's needs. Leading industry representatives will impart their wisdom and knowledge so that each and every attendee comes away with the tools they will need to assist their company to survive in these very trying times.

Our Editor and Publisher, Tony Nuzio will be a panelist in the session entitled "Saving Transportation \$\$\$"... a subject he is very well qualified to speak on. So if you have not already made your reservation do so immediately by going to [www.TLCouncil.org](http://www.TLCouncil.org) and sign up for this very informative event. If you think you cannot afford to attend this conference, we believe you cannot afford NOT to attend this conference. Meet us in St. Louis!