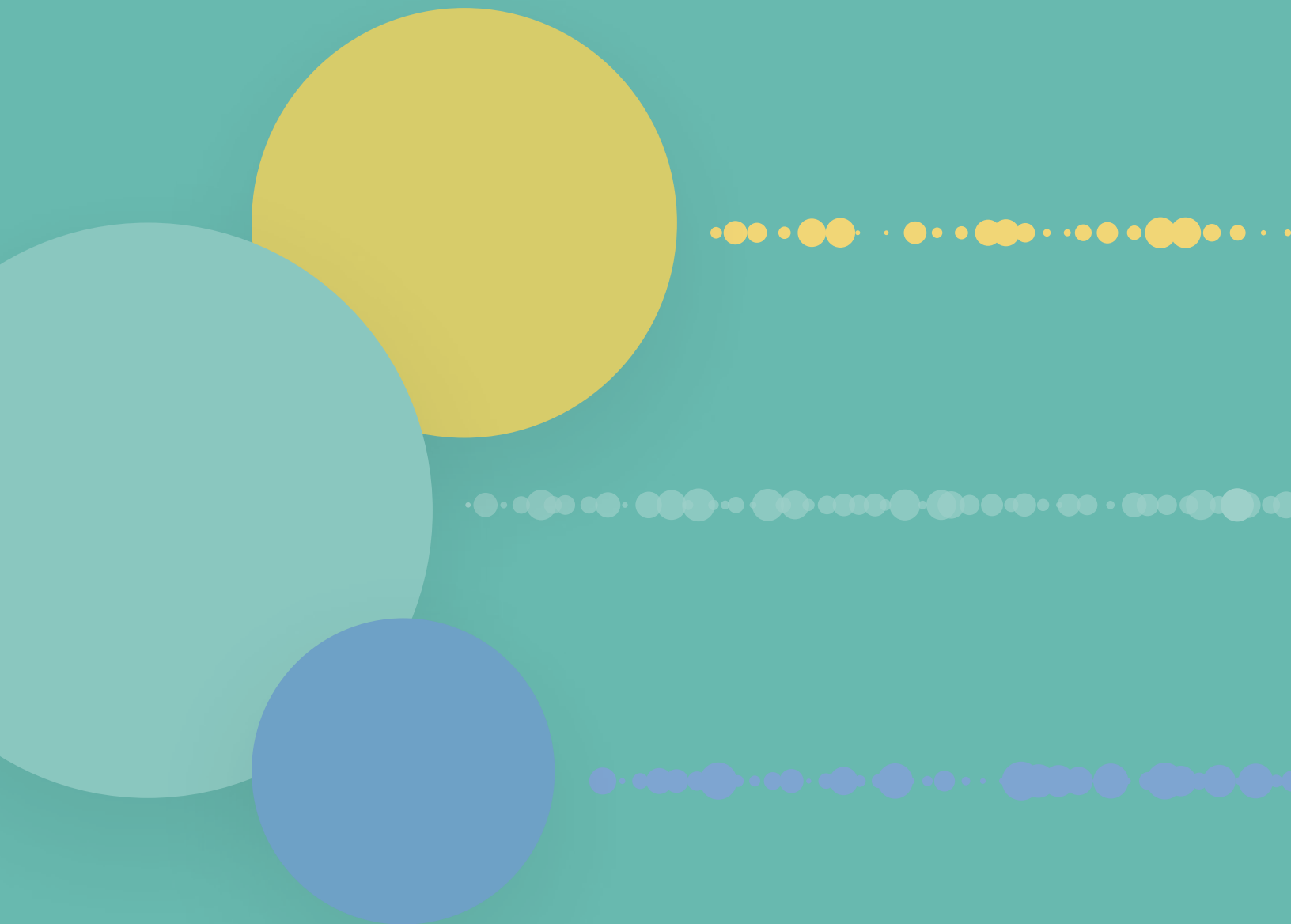# TRAX

SEIZING OPPORTUNITIES: 5 REASONS LOGISTICS DATA IS YOUR TICKET TO VALUE

INTRODUCTION

No one heads out on a road trip without a map. Pilots don't fly without air traffic control. Coaches don't head off to the championship without a playbook. Why? Because we know that we stand the best chances of achieving our objectives when we leverage data.

Unfortunately, that's not how many organizations coordinate their logistics and supply chain operations. On their quest to cut costs and improve their margins, they often ignore the very data that could point them toward greater efficiency. And while they know it's counterintuitive, the logistics data just seems too overwhelming, too messy, and too unreliable. They're not sure how to extract the right details from the data they have, so they opt not to deal with it at all. Or—perhaps worse—they settle for using data that is inaccurate or incomplete.

If this head-in-the-sand approach sounds familiar, isn't it time you asked yourself: How many opportunities are we missing? And how much is it costing us to avoid leveraging data the right way?

In this eBook, we'll outline five critical reasons to make a simple shift in the way you manage your logistics data right now—so you can capture every opportunity and shorten your pathway to value

FIRST THINGS FIRST: IT ALL STARTS WITH THE DATA

In the world of logistics, data is unavoidable. It comes at you in high volume, from many parties—including consignors, consignees, 3PLs, freight forwarders, performing carriers of record, actual performing carriers, and so on. To further complicate matters, each party uses multiple information systems, ranging from the completely manual to the fully automated, to accept and pass on data for a transaction. And they communicate across multiple media and formats, with varying degrees of timeliness.

As you might expect, this dynamic diversity often takes a quiet but detrimental toll on the data you're receiving. Each party, for example, may unknowingly introduce errors, omissions, or inconsistencies in data due to the requirements or limitations of its own operational systems—and this bad data is then unintentionally passed downstream through the supply chain, over and over again. In other words, what begins as a seemingly inconsequential error, like a misspelled city name, can wind up negatively affecting rating, cost allocation, and supply-chain network analysis.

BOTTOM LINE:

Everything about logistics data is ridiculously complex in nature. And as a result, businesses don't really know what their data contains. They can't rely on its accuracy—and they certainly can't extract its inherent value. Even when they try to leverage their data, they're only perpetuating problems if that data contains errors or is missing key pieces of information.

SO HOW CAN COMPANIES COMBAT THESE CHALLENGES?

The answer is data normalization. In a nutshell, this is the process of converting all the messy, disparate data generated by supply chain parties into a common, standard structure that's readable. In addition, data normalization applies correlation and Big Data techniques to clean and enhance data—by using known tables, for example, to identify an address with a mistyped zip code, or by using established patterns of behavior to recognize and correct an inaccurate tax rate.

In other words, when companies add a data normalizing solution to their efforts to optimize logistics performance, they essentially unlock the value of their data—and open themselves to new potential. Instead of having to deal with a massive and diverse volume of unreliable and unreadable information, they now have an organized, comprehensible, and trustworthy data set. And—most importantly—they can now establish a single version of the truth across the whole supply chain ecosystem.

It is vital that companies begin their efforts at improving efficiency and cutting costs by normalizing their logistics data. If they don't, they risk losing serious opportunities to save money and seize value.

LET'S LOOK AT FIVE REASONS YOU'LL WANT TO GET ON BOARD NOW.

REASON #1:
EVEN THE MOST COMPLEX SUPPLY CHAINS HAVE ONLY ONE VERSION OF THE TRUTH.

THE MISCONCEPTION:

Many companies believe they can't fully take advantage of their logistics data because their particular supply chain is too complex. They have too many moving pieces, too many geographies, too many data formats. So much of their data appears out of their control, so it seems impossible to establish a mechanism by which everyone can be on the same page.

At the same time, these companies are plagued by lack of visibility and an inability to effectively collaborate with other players in their supply chain ecosystem. They need everyone to work off the same playbook in order to make progress and drive value.

WHAT ACCURATE, CLEAN DATA CAN DO:

The reality is that—no matter how many players are involved—there is still only one, single version of the truth. By first cleaning, normalizing, and structuring your logistics data, you eliminate the inaccuracies and differing "fact bases" that create complexity and confusion, so that everyone throughout the supply chain sees, shares, and bases analytics off of the same trusted information.

KEY BENEFITS

Clean data helps ensure that:

- Everyone is on the same page, bypassing complexity and clearing the path for better collaboration, more cost-effective partnerships, and greater business growth.

- Every level of the organization, even beyond the logistics arena, can leverage this information to create additional opportunities for growth.

REASON #2:
YOU CANNOT MAKE INSIGHTFUL BUSINESS DECISIONS WITHOUT ACCURATE DATA AND INFORMATION.

THE MISCONCEPTION:

Too often, companies attempt to use logistics data to justify or influence extremely critical business decisions—about who to partner with for the best rates, where products are best distributed, which transportation mode or region costs more than others, and so on. The problem, however, is that much of the data being used to make these decisions is either incomplete, incorrect, or incoherent. And that means the choices might not be optimal for the business—and, in fact, could even be detrimental.

KEY BENEFITS:

Clean data helps ensure that:

- Decisions are not distorted by inaccurate information.
- Optimization efforts start with a foundation of accuracy and trust, making them more likely to succeed and drive value.

WHAT ACCURATE, CLEAN DATA CAN DO:

Data-driven decisions are only insightful when the data has first been cleaned and made reliable. Data cleaning, structuring, and normalizing helps companies trust that their decisions are based on accurate data, and assists companies in understanding where information might be missing—so they always know where they stand.

REASON #3:
YOU CAN'T FIX IT IF YOU DON'T KNOW IT'S BROKEN.

THE MISCONCEPTION:

Many companies are desperate to improve overall logistics performance in order to remain competitive in an increasingly global economy. Part of that process involves identifying areas where the supply chain isn't working optimally, or where the ecosystem at large faces repeated obstacles that must be cleared. That's often why companies turn to freight audit & payment in the first place.

The problem, however, is that a lack of visibility and a foundation of unreliable and incomplete data can often prevent businesses from ever knowing what their biggest challenges really are. As a result, they take measures to improve efficiency—but they're focusing on the wrong areas altogether.

WHAT ACCURATE, CLEAN DATA CAN DO:

When data is cleaned, structured, and normalized at the outset of any optimization efforts, or as part of a freight audit solution, you can be certain that you're always moving in the right direction. More importantly, you're equipped to pinpoint real inefficiencies instead of making conjectures about where you're spending or losing money.

KEY BENEFITS:

Clean data helps ensure that:

- You have targeted the correct areas for improvement—making it easier and faster to take action towards greater efficiency.

- You have a better understanding of trends over time, so you can spot potential revenue leakage or sudden spikes in costs.

REASON #4:
WHEN YOU CAN'T SEE WHAT'S COMING, IT COSTS YOU.

THE MISCONCEPTION:

Businesses on the hunt for greater value look to improve supply chain efficiency, often through freight audit & payment and supply chain business intelligence solutions, as a way to save money and resources over time. The problem, however, is that data errors and inconsistencies can make planning for the future nearly impossible, no matter how rigorous your audit processes might be. You simply can't base expectations of what's to come on data that isn't reliable or accurate.

And when you can't make solid predictions about what's ahead of you, you put your business at risk. If you can't accurately tell how your costs are being allocated, how can you budget for future needs? How can you set goals related to cutting expenses? How can you ensure you'll remain in compliance throughout the supply chain?

KEY BENEFITS:

Clean data helps ensure that:

- You can confidently implement predictive analytics—based on proven data and trends—so you can plan an optimal path for efficiency.

- You gain the forward-looking visibility you need to stay ahead of competitors and provide world-class service.

- You have the knowledge and insight you need to avoid unnecessary risks and costs.

WHAT ACCURATE, CLEAN DATA CAN DO:

By first cleaning, normalizing, and structuring logistics data, companies set in motion a more reliable mechanism for predicting future needs and behaviors along the supply chain. They can put together pictures of actual trends over time, spot patterns, and understand where and why and how resources are expended. These pictures help drive more accurate forecasts and prepare companies to recognize and seize opportunities for greater value.

REASON #5:
FEWER WASTED RESOURCES MEANS MORE STRATEGIC INNOVATION.

THE MISCONCEPTION:

Organizations attempt to innovate in the midst of inefficiency all the time, because they believe they are working to remedy their issues. The reality, however, is that they will constantly be forced to go back and correct the problems that arise due to faulty logistics data.

Imagine trying to win a race with a very old and worn-out car. If you're regularly pulling over to change tires and repair the engine, it's extremely difficult to focus on a forward-moving strategy—and you'll have few resources left over to drive new value.

WHAT ACCURATE, CLEAN DATA CAN DO:

Armed with accurate, more complete logistics data, companies can establish the kind of continuous fact base they need for ongoing, more effortless, efficiency. Not only do accessible analytics and reports provide the concrete evidence necessary to justify new strategic initiatives, but they also help maintain an optimal course long-term—one that doesn't require constant intervention and correction.

KEY BENEFITS:

Clean data helps ensure that:

- Less time and fewer resources are wasted—both now and in the future.

- All eyes are looking forward for opportunities to create new value, instead of looking back to make corrections.

- Companies can refocus budget, time, and energy on more strategic efforts that improve competitive standing.

CONCLUSION

Logistics data is definitely messy—no question there. But opting to live with the mess, with the unreliability, with the knowledge that information is missing? That's just not wise. You risk wasting resources on inefficient processes, and on other efforts to correct inefficiencies, because you don't have a clear picture of what's really happening throughout the supply chain. And more importantly, you miss opportunities to create growth, to become more competitive, to better serve your customers, and to build value.

Trax understands the challenges you're facing. We believe that the only way to truly improve performance, properly manage financial risk, prevent incorrect business intelligence conclusions, and best optimize margins is by first ensuring the completeness, cleanliness and accuracy of your logistics data.

When you start out by cleaning, structuring, and normalizing data, and when you are clear on cost/benefit trade-offs in risk management, you gain a wealth of value—including a more precise logistics billing and financial picture, a window into new operational efficiencies, and a broader and more accurate perspective of your whole logistics ecosystem. The best part? You can use this new insight to craft more predictable roadmaps, highlight ever-emerging opportunities, and make smarter decisions down the line.

LEARN MORE ABOUT HOW TRAX CAN HELP YOUR COMPANY SEIZE VALUE AT WWW.TRAXTECH.COM.