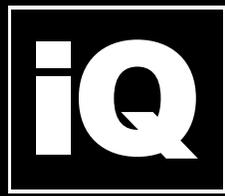


D A T



Analytics

Benchmarking 101 for Shippers

**How do you
compare?**

It's as simple as this:

Understanding benchmarking is essential for optimizing transportation performance.

We want you to succeed – that is our job, after all. If you're an analyst in the trenches, we've got you. Maybe you're an executive taking a 30,000 ft. view of your shipping operation and need to assess your costs on OPEX. Either way, this guide is for you.

So we've provided a comprehensive understanding of benchmarking in the context of shipping operations, enabling stakeholders to leverage benchmarking effectively to evaluate and enhance transportation performance.

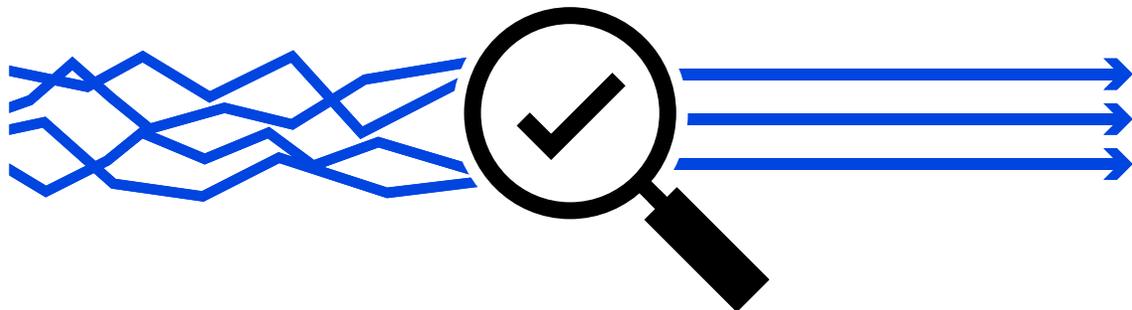


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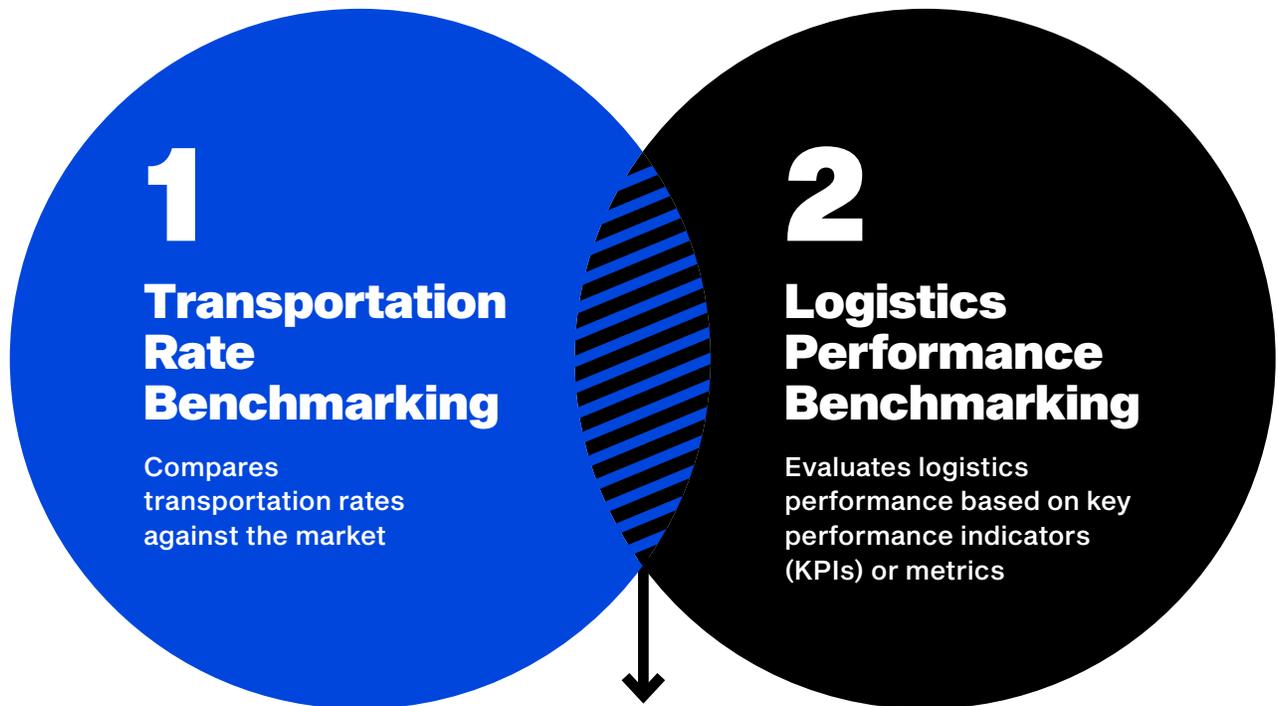
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But first of all, what are we talking about?

A benchmark serves as a standard or reference point against which performance can be measured.

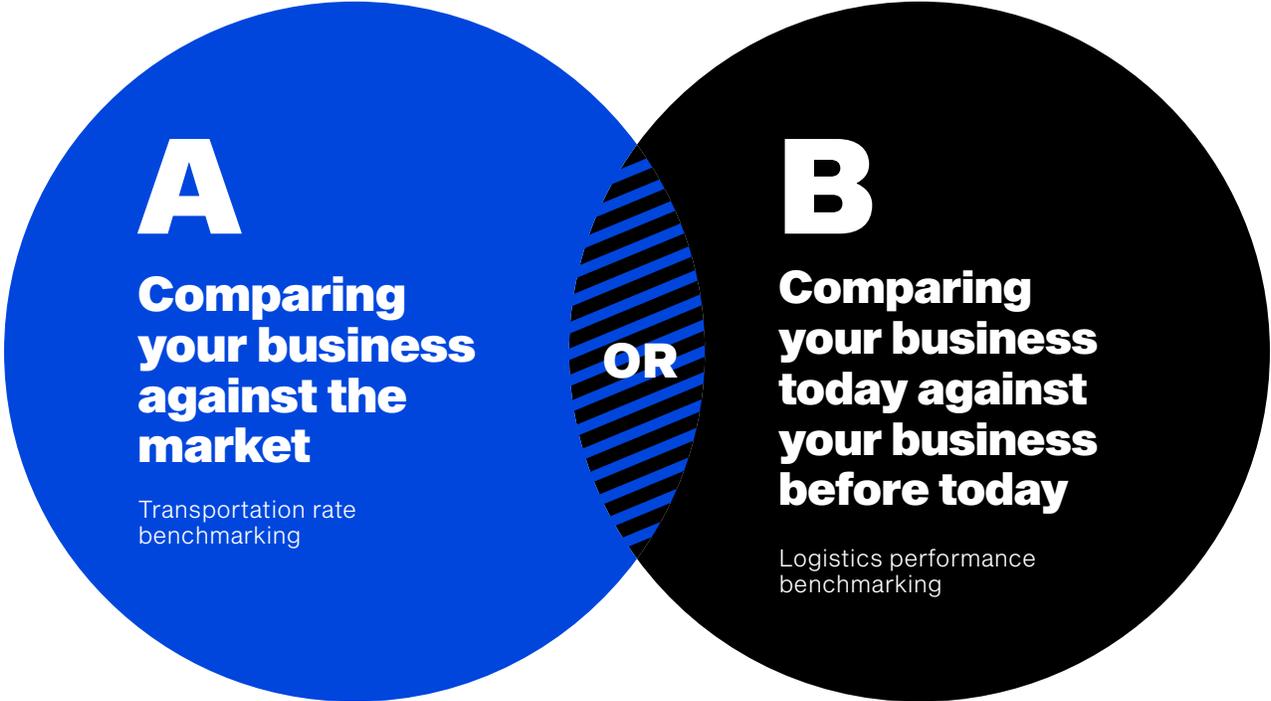
For shippers, benchmarking is crucial for evaluating transportation procurement and contextualizing performance effectively. Without benchmarking, it's challenging to gauge performance accurately or identify areas for improvement.

Transportation benchmarking encompasses two primary categories: **transportation rate benchmarking** and **logistics performance benchmarking**.



Both types offer valuable insights for shippers to enhance their operations and competitiveness.

For shippers, at the end of the day, benchmarking is as simple as either:



That's where DAT iQ comes in

DAT iQ Benchmark provides a valuable benchmark derived from aggregated data, allowing shippers to compare their transportation rates with the broader market and drive enhancements in efficiency and cost-effectiveness.



So why and how do shippers rely on benchmarking?

While shippers use benchmarking in countless ways, we typically find this practice most impactful for a few key use cases:

Rate comparison and communication

Communicate performance and rate competitiveness to senior management and executives with a compelling, confident rationale.

Operational efficiency and optimization

Find insights that make your day-to-day operations smooth and simple. Identify new opportunities at the lane or carrier level.

Strategic planning and procurement

Set your team up for success with accurate budget expectations months ahead of time. You can use this same data to proactively handle RFPs and carrier reviews.

Performance evaluation and monitoring

Monitor your performance over time, in relation to your benchmarks and target budgets so you're never caught off guard. When things need fixing, use benchmarking data for root cause analysis.

**Benchmarking
isn't a single
action.**

**It is a
continuous
practice.**

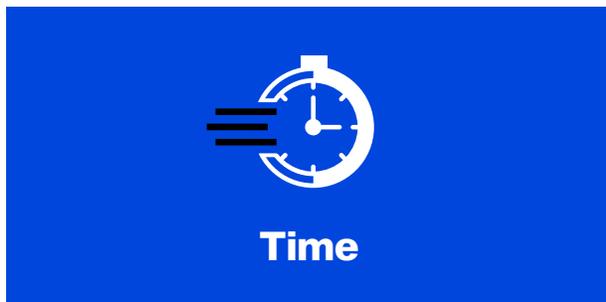
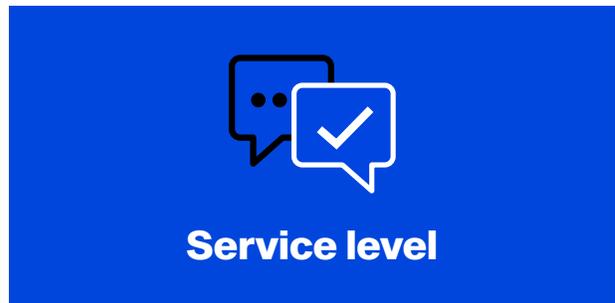
**When savvy shippers treat
benchmarking as a constant,
continuous process, they remain
competitive and responsive.**

How should shippers approach benchmarking?

It starts with the right metrics

Effective benchmarking begins with identifying relevant metrics and KPIs aligned with organizational objectives. If you haven't done so already, get aligned internally on the metrics you'll use to measure performance and the target KPIs you're aiming towards.

Here's what the top shippers keep eyes on:



Transportation costs

These are measured in multiple dimensions – over time, in aggregate, per mile, and more (total cost, rate per mile, etc).

Benchmarking gives these costs context – costs aren't always going down or up. In a down market you're driving savings and in an up market you're mitigating overages. The context benchmarking provides adds layers of insights to these numbers.

Time

We know the adage 'time is money,' and that rings true here. Aggregating and manually analyzing all the data isn't necessary anymore. Benchmarking makes this work faster, more accurate, and simpler, giving you shorter pathways to decision-making.

Service level

You're only as good as your carrier relationships. Benchmarking helps you provide on-time, intact goods, keeping those relationships strong and dependable.

Costs are often the primary focus when we're talking about benchmarking – it's what most transportation managers are on the hook for at their organizations. But it's important to keep in mind that costs should be balanced with service levels, which are just as, if not more so, important when transporting goods.

Human resources/personnel

Every dollar counts, and a one-time software investment is cheaper than increasing headcount.

Bad data = bad decisions



If you're not using third-party data, how can you determine the integrity of your internal data? Without unbiased data, you may lean too hard on intuition, habits, or "the way we've always done it." It doesn't have to be that way.

Shippers must prioritize reliable data sources and consider factors such as transportation costs over time and service levels.

Unbiased, neutral data gives you the scale and accuracy required to identify patterns and opportunities. Collaboration with reliable data providers, like DAT, ensures access to accurate and unbiased benchmarking data. DAT's data is powered by billions of dollars in real customer transaction data. It's democratized, unbiased data, built by customers like you.

We have a couple of guides about this topic if you're looking for more information:

- [5 Questions to Ask When Choosing a Transportation Data Provider](#)
- [Digital Supply Chain Series: Partnering with the right freight analytics provider](#)

Benchmarking in action

**It's hard to sift through business intelligence options.
As you shop, look for these features.**

Dedicated support teams

Data and customer success teams to support day-to-day needs, onboarding, and data management (e.g. aggregating, cleaning, and verifying/validating data).

High-level snapshots

Ability to get a pulse on performance for a quick gut-check or reporting to executives and cross-functional teams.

Interactive and customizable visualization

One size doesn't fit all, so it's important to consider how much you're able to specify views to fit your business needs.

Time-to-value

Typically when transportation professionals are ready to put this kind of solution in place, it's a pressing need. Get clear on your internal capacity to implement and adopt new technology, and look for a partner that will fit as seamlessly as possible into your operations and add value quickly.

D A T



That's where DAT iQ comes in

DAT iQ Benchmark provides a valuable benchmark derived from aggregated data, allowing shippers to compare their transportation rates with the broader market and drive enhancements in efficiency and cost-effectiveness.

Navigating DAT iQ Benchmark

DAT iQ Benchmark is a powerful Business Intelligence tool that contextualizes performance relative to the market.

It helps shippers validate and analyze transportation procurement metrics, enabling them to identify key business drivers and optimization opportunities within their supply chain network.

Shippers can easily stay on the pulse of market trends, analyze real-time insights, and optimize their operations. With iQ Benchmark, businesses can mitigate risk, control costs, and confidently and efficiently make informed decisions using features and functionality that support a range of needs and use cases:

Executive-level reporting

Deep-dive root cause analysis

Proactive planning

Procurement process management

Tactical day-to-day operations

A key function of iQ Benchmark's interface is that all data visualizations are presented in a single pane application (SPA) to streamline a user's workflow. No menu-diving or searching for the info you need.

The screenshot displays the iQ Benchmark Analytics interface. At the top, there are applied filters for Equipment (V.R.), Temp control (F), and Business Unit (315). The main dashboard is divided into several sections:

- 1. Preferences:** A sidebar on the right containing settings for Calculations (Rate Definition: DAT, Benchmark Rate: Combined, Benchmark Equipment: WDL, Cost: Linehaul+Fuel, Rate: Per Load), Settings (Data Validation: Valid, Trip Type: One way), and Filters (General: Equipment: V.R., Temperature Control: F, Business Unit: 315, Customer: all; Loads: Rate Type (Algorithmic): all, Rate Type (Company): all, Position to Benchmark: all, Hazard/Non-hazard: all, Service Level: all).
- 2. Filters:** A section below preferences, currently showing the same filter settings as above.
- 3. Overview:** A top-left section showing Company Cost (\$140,499K) and Loads (359,765). It includes a bar chart for Company Cost and a line chart for Loads. A 'Position to Benchmark' indicator shows '7% above'.
- 4. Position to Benchmark Details:** A section with a bar chart showing '% Difference' over time, a map of the United States with colored dots representing data points, and a 'Lane Details' section below it.
- 5. Carrier details:** A table at the bottom showing carrier performance metrics.

Lane	Position to Benchmark	Delta Cost ↓	Benchmark Cost	Company Cost	Benchmark Rate/load	Company Rate/load	Avg Distance	Loads	Spot Loads
Total: 10,000	1.2%	\$1,661K	\$138,838K	\$140,499K	\$931	\$918	438mi	172,408	95%
• HOWARD, OH, 43028	24.4%	\$236K	\$968K	\$1,204K	\$1,425	\$1,215	346mi	1,898	70%
• Union Grove, NC, 28689	47.5%	\$192K	\$405K	\$588K	\$3,991	\$3,215	278mi	303	28%
• Gila Bend, AZ, 85337	56.7%	\$181K	\$319K	\$499K	\$70	\$503	350mi	1,130	11%
• Calhan, CO, 80808	66.5%	\$108K	\$103K	\$321K	\$6,103K	\$4,771	426mi	143	2%
• Jonesville, NC, 28842	23.4%	\$107K	\$480K	\$592K	\$458	\$258	456mi	739	3%
• Springville, CA, 93202									

Carrier	Position to Benchmark	Delta Cost ↓	Benchmark Cost	Company Cost	Benchmark Rate/load	Company Rate/load	Avg Distance	Loads	Spot Loads
Total: 24	1.2%	\$1,661K	\$138,838K	\$140,499K	\$931	\$918	438mi	172,408	95%
GWFR - Good Will Freight	24.4%	\$236K	\$968K	\$1,204K	\$1,425	\$1,215	346mi	1,898	70%
MART - Marty Trucking	47.5%	\$192K	\$405K	\$588K	\$3,991	\$3,215	278mi	303	28%
PULO - Pulp Logistics	56.7%	\$181K	\$319K	\$499K	\$70	\$503	350mi	1,130	11%
WOTR - Wholph Transport	66.5%	\$108K	\$103K	\$321K	\$6,103K	\$4,771	426mi	143	2%
MATT - Matrix Trans	23.4%	\$107K	\$480K	\$592K	\$458	\$258	456mi	739	3%

To give you an idea of how you and your team might use this tool day-to-day, let's use the images to walk through the UI (user interface) step-by-step:

1-2. Customizable preferences and filters

Users have 26 different dimensions to customize their view. Toggling preferences and applying filters can help you narrow down into specific scenarios or analyses.

3. High-level overview

Your day-to-day is easier when you can get information quickly to share with executive or cross-functional teams. This section provides a high-level view of company-specific KPIs to contextualize the following sections. Shippers use this for quick performance check-ins and high-level reporting.

4-5. Dive deeper into your carriers and lanes

Manual processes are time-consuming. The data visualizations beyond the initial overview and high-level views allow for quick deep dives into business drivers, specifically for root cause analysis, and more efficient strategic analysis.

How to start benchmarking

Ready to put benchmarking to work for your company? Here are the key considerations to keep in mind as you start your journey.

1

Take inventory of your current infrastructure

How ready is your organization?



2

Make a strong case for investment

Prioritize business intelligence tools



3

Consult with experts

Get industry insight and guidance



Take inventory of your current infrastructure

Freight analytics is exploding – which is a good thing. It’s a proven tool that empowers shippers to make informed operating decisions, reduce costs, and rise above competitors. In a volatile market, real-time visibility into rate fluctuations is worth its weight in gold.

Transportation and logistics leaders need to understand how to leverage freight analytics to ensure successful adoption and application. How ready is your organization? Assess your readiness for different levels of analysis (read [A Practical Framework for Leveraging Freight Market Intelligence](#) for more information) to ensure successful implementation and adoption of new analytics technology.

Consider your organization’s current state of the following:

Current cross-functional workflows and processes

Company attitudes towards change

Budget and performance expectations

Existing tech stack and data hygiene



Keep in mind that data contribution is the key component that makes benchmarking work – user data contributions are critical for ensuring an accurate snapshot of the market. For example, this is a requirement for using DAT iQ Benchmark, but rest assured that a dedicated team will help get you set up successfully.

Make a strong case for investment

Transportation management teams are often operating a business function that represents a cost center, making it extra difficult to get buy-in on new investments – especially when budgets are tight and every dollar counts. This is why it's critical to make a strong business case for business intelligence tools that demonstrates both qualitative and quantitative ROI/impact.

Here's our top tips:

- [The Shipper IQ Guide: Building Better Business Cases](#)
- [6 Tips to Debunk Truckload Myths in the C-Suite](#)

Consult with experts

The DAT team is proud to have a robust group of tenured transportation industry experts on the team. Customers get access to regular roundtable discussions, market updates and insights, industry guidance, and more. Our customer success team is dedicated to the success of our shipper customers.

Get in touch with our team to learn more about how DAT IQ Benchmark can help you drive success for your organization.



Get in touch with our team to learn more about how DAT iQ can help you drive success for your organization.

[DAT.com/benchmark-analytics](https://www.DAT.com/benchmark-analytics)



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