

The Shipper iQ

Delivering cost
transparency
to the CFO

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Budget scrutiny is even tighter for shippers amid tight economic conditions and high fuel prices. Leveraging freight analytics amplifies your executive reports with data-driven cost transparency that helps justify logistics costs to financial leaders.

U.S. logistics costs grew by 20% to a total of \$1.937 trillion.

[CSCMP 2023 State of Logistics Report, The Great Reset](#)

Nearly 60% of CFOs rank cost optimization as their top challenge in 2023.

[Oracle CFO Insights](#)

The art of the executive report

Supply chain resilience is essential in transportation and logistics. It's the main ingredient to a great customer experience. The gold standard to revenue growth and sustained success. The key differentiator that elevates organizations above competitors.

That makes it a frequent topic of discussion between shipping leaders and their C-suite superiors. What digital transformation technologies will improve our operational resilience? How do we design a resilient transportation network? Did you see the latest hurricane forecast? Is our severe weather contingency plan resilient enough to prevent major delays?

These questions are nothing new to shippers, but they usually come from Chief Operating Officers (COOs) or Chief Risk Management Officers (CRMOs). Amid post-COVID economic constraints and inflationary pressures, Chief Financial Officers (CFOs) have officially entered the conversation.

Take this [April 2023 Wall Street Journal Report](#):

“Even as businesses have seen some relief as congestion eases and shipping costs plummet, CFOs expect their focus on supply-chain resilience to stick. That entails everything from coordinating

and communicating with supply chain and logistics officers more frequently to allocating funds to improve inventory tracking, boost automation and diversify supply lines to ensure that companies aren't over-reliant on any single source of production.”

The heightened urgency makes perfect sense. Organizations lost millions due to a lack of resilience during COVID-19, leading to 2021's [412% increase](#) in mentions of the “supply chain” during Fortune 500 earnings calls.

According to [Ernst & Young](#), supply chains influence up to 75% of the overall cost of doing business (CoDB). With every spending decision under the microscope of the CFO, the motivation for shippers to develop another type of resilience — against budget scrutiny — is rising.

The role of freight analytics

Shippers cannot become resilient to budget scrutiny with internal data alone. They must combine internal metrics with third-party freight market intelligence to add data-driven cost transparency to executive reports.

Fusing high-level and granular analytics generates a 360-degree view of your supply chain network by benchmarking its performance against real-time rates from the wider market.

These accurate and verifiable insights help tell a complete and cohesive story that fosters confidence with your CFO regarding:

■ **Procurement performance.**

Utilize market data to compare incumbent rates with carriers servicing organizations of a similar size and industry. You can show executive leaders where moves were made to drive cost savings within your carrier base — whether it was through the spot market, less-than-container loads, private fleets, alternate modes, etc.

■ **Increased costs.**

Utilize market data to correlate your increased logistics costs to rising fuel prices, inflation, seasonal weather, infrastructure obstacles, demand swings, and more. This shows how your supply chain is at the mercy of a lot of factors, and that your organization isn't the only one paying more.

When communicating with CFOs, it's important to remember that:

1. CFOs are not supply chain experts.

Executive reports filled with industry jargon and technical SCM terms won't land with them. Make your position clear and back it up in a way that enables smart decision-making.

2. Their position has become increasingly

reliant on data science amid the rise of enterprise digital transformation. Linking logistics costs to value delivery through advanced analytics is an effective way to ensure your message resonates.

Keeping these two things in mind can help you simplify the complexities of your supply chain ecosystem in a way that appeals to someone who already deals with numbers all day.

Defend your budget with DAT iQ

With a new year just around the corner, now is the time to start building resilience for future budget scrutiny. You don't need to navigate challenging C-suite conversations alone. DAT iQ's [full range of freight market intelligence tools](#) empower shippers with impactful insights that drive data-driven cost transparency.

By unlocking real-time visibility into network performance, capacity, rates, forecasts and more, we help elevate executive reports to new heights and take the uncertainty out of freight.

[Contact us today](#) or [visit our website](#) to learn **more about how we can help you maintain cost transparency with organizational leaders.**

To start doing more with your executive reports, reach out to one of our experts today.

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