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# Benefit case study: DAT drives up to 10% cost savings for Colgate

## ANALYST

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## The Bottom Line

Colgate-Palmolive, a global consumer goods manufacturer with a North American distribution network supplying major retailers, deployed DAT Freight & Analytics to gain external visibility into transportation market pricing and improve freight procurement decisions. Before DAT, Colgate lacked reliable benchmarking data, which made budgeting, supplier negotiations, and cost validation dependent on assumptions and historical performance rather than market intelligence. By leveraging DAT's benchmarking, rate intelligence, and customer-pickup discount data, Colgate aligned internal and supplier-embedded freight costs with market expectations, securing up to 10 percent savings on long-term supplier agreements. DAT has since become Colgate's standard for freight pricing intelligence, strengthening cross-functional collaboration and reducing internal disputes by grounding sourcing decisions in objective data. Colgate now incorporates DAT into its annual budget preparation and forecasting process, pairing projected rate ranges with internal market knowledge to set more accurate spending expectations. For Colgate, DAT delivers measurable financial ROI, supports an informed procurement strategy, and provides a decision framework that enhances long-term planning.

## The company

Colgate-Palmolive is a global consumer goods manufacturer with a significant North American logistics footprint supporting brands sold through major retailers and distribution partners. The company manages the movement of finished goods from manufacturing plants to strategically positioned distribution centers across the United States and Canada, ensuring continuity of service for retail replenishment and promotional activities. Given the scale of its operations and the diversity of its network, Colgate's transportation and procurement teams rely heavily on external freight market intelligence to validate pricing structures, assess competitiveness across carriers, and ensure freight spend aligns with budget expectations.

Colgate manages large-scale finished goods distribution across North America and uses DAT as its authoritative source of freight market intelligence.

## The challenges

Before expanding its use of DAT, Colgate faced increasing pressure to validate freight rates and justify sourcing decisions with objective, externally sourced market data. The company had previously relied on Chainalytics for freight visibility; however, as its transportation landscape grew more complex, particularly across U.S. truckload and intermodal lanes, the existing toolset lacked the analytical depth required for budgeting, negotiation support, and lane-level benchmarking.

Internal stakeholders struggled to compare embedded supplier freight costs against market norms, making it difficult to determine whether inbound freight rates reflected actual market conditions or supplier leverage. Budgeting also relied heavily on historical performance, limiting the procurement team's ability to proactively navigate market volatility, align contracts with current trends, or rebut carrier-proposed increases with credible data. This created friction between logistics, procurement, and finance teams and increased the risk of overspending during volatile market cycles.

Colgate struggled to validate transportation rates and lacked external market visibility, which limited budgeting accuracy and weakened negotiation positions with suppliers and carriers.

## The strategy

Colgate adopted DAT at a corporate level following DAT's acquisition of Chainalytics' Freight Market Intelligence Consortium, which positioned DAT as the logical successor to the company's existing freight benchmarking system. While other analytics platforms were periodically reviewed as part of due diligence, DAT was retained based on its broader market participation, historical depth, and established credibility with shippers, brokers, and carriers.

Rather than treating DAT as a rate-lookup tool, Colgate embedded the platform into its sourcing, negotiation, and budgeting workflows. Procurement teams utilize DAT's benchmarking and customer pick-up discount data to validate whether supplier-embedded freight costs are aligned with competitive norms, enabling them to achieve double-digit savings on long-term supplier agreements. DAT's analytics now serve as the standard reference point for transportation pricing across the organization, reducing internal disputes and enabling transparent discussions with external stakeholders.

Colgate selected DAT because of its depth of historical market data, trusted benchmarking capabilities, and long-standing credibility with shippers, brokers, and carriers.

## Benefits realized

Through end-user conversations, Nucleus identified the main benefits Colgate realized when utilizing DAT:

### Reduced freight costs

DAT became the organization's unified reference point for external transportation pricing, giving procurement teams objective market intelligence they previously lacked. Instead of relying on supplier-provided rate sheets or historical averages, the team now benchmarks embedded freight costs against lane-level and aggregate market data from DAT. This visibility enabled the organization to validate and quantify customer pick-up (CPU) discounts during negotiations, helping procurement secure financial terms that delivered up to 10 percent savings on long-term supplier agreements. By grounding pricing discussions in verifiable market benchmarks, the manufacturer reduced disputes with partners and established a more defensible sourcing position.

Colgate leveraged DAT rate and customer pick-up discount benchmarks to secure up to 10 percent savings on long-term supplier agreements.

### Increased inbound visibility for freight cost

DAT's analytics provided Colgate with new insights into inbound freight that had previously been obscured or accepted as a fixed cost. By comparing supplier-managed transportation charges against DAT's rate benchmarks, procurement teams can identify where inbound freight costs exceed market norms and correct those discrepancies before they cascade into overall product margins. This was particularly valuable for intermodal and truckload lanes, where rate fluctuations had historically been largely invisible at the corporate level. The organization now treats inbound freight spend with the same scrutiny applied to outbound networks, helping reduce total landed cost and improving financial accountability across categories.

## Enhanced cross-departmental collaboration

Before adopting DAT's analytics-driven platform, regional teams operated with varying assumptions and inconsistent transportation data sources. DAT centralized these reference points, ensuring every logistics and procurement stakeholder used the same market benchmarks to justify decisions. This consistency eliminated subjective rate interpretations and created a common language for planning, budgeting, and supplier reviews. The result was a smoother internal alignment process, faster cycle times during budget planning, and fewer escalations between logistics and finance teams, as decisions are now grounded in third-party validated data rather than internal spreadsheets or legacy heuristics.

DAT established a neutral, data-driven reference point that reduced pricing disputes and aligned internal and external stakeholders on true transportation costs.

## Lessons learned

Colgate found that applying DAT's market benchmarks within its annual budgeting and forecasting cycles provided an external reference point for transportation assumptions that previously relied on internal estimates. As usage expanded, leaders recognized the importance of educating downstream teams on how to understand shifting rate environments and incorporate market movements into year-over-year planning. Treating DAT as a strategic input to guide planning discussions, rather than a single definitive number, helped the organization strengthen alignment between logistics and finance. The experience reinforced a key lesson for shippers. The value of DAT lies in using its market-based intelligence to pressure-test assumptions, validate expectations, and mitigate the risk of budget surprises when conditions change, rather than assuming the future will unfold exactly as a model predicts.