



Solving Supply Chain Problems Outside the TMS.

How Rockwell Automation uses RateLinx's Data-as-a-Service to improve its freight management operations without a traditional TMS.

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–Jeff Dudzik,
Global
Transportation
Manager

Performance a TMS Couldn’t Deliver

Transportation management systems (TMS) have long been the solution to making continuous improvements in a company’s freight management operations. Yet many companies say they struggle to justify a return on the investment.

That may be changing. Rockwell Automation, a Milwaukee-based industrial automation products manufacturer, said it has found a way to reap the benefits of a TMS without a full-blown investment in the software. Through a partnership with logistics software provider RateLinx, Rockwell is using a Data-as-a-Service (DaaS) solution to better manage domestic less-than-truckload (LTL) freight, a program that has helped the company improve visibility across its shipping network, reduce costs, and streamline operations, according to Jeffrey Dudzik, Rockwell Automation’s global transportation manager.

“This is a dynamic way of doing something without taking on the heavy investment [of a TMS],” said Dudzik, noting that Rockwell Automation’s monthly DaaS fee is a fraction of the cost of the hardware, software, and related services associated with a TMS. “It was a minimal risk for Rockwell Automation as an organization—a somewhat small investment to create better visibility and control over my freight network.”

Rockwell Automation faced all the challenges that a TMS is designed to resolve. It struggled to improve transport performance because of a lack of visibility and access to clean data. The company’s analysts and technicians had to pore through multiple carrier

websites for tracking information, as well as rate quotes. Carrier performance reports—which can produce valuable information about quality, cost, and service levels—were often outdated because they were received weeks after the fact.

Still, Rockwell Automation could not justify a TMS investment because its freight profile—mostly lightweight and smaller-sized shipments—did not align with a TMS’s core mission, which is to generate efficiencies by consolidating heavy, dense shipments into truckloads, Dudzik said. Rockwell needed the data that a TMS would provide, without the enterprise software required to produce it.

A Data-First Approach

Enter RateLinx, which offers an à la carte approach with its DaaS software. The software captures, integrates, and analyzes data from multiple streams, and then delivers information in the form of reports and dashboards that companies can use to make better decisions on carriers and shipping methods. Rockwell Automation began using RateLinx’s Intelligent Invoice Management (IIM) DaaS, which captures freight data from a company’s invoices and runs it through a modeling environment that produces information that analysts and technicians can use to make more precise shipping decisions—all in real time and without a traditional TMS.

“Once we gathered all that information, we were able to help Rockwell,” said RateLinx Founder and President Shannon Vaillancourt. “They were trying to see if there is a better way to buy their freight. We have a modeling environment where we can put in all of that history, with all the details, and it tells you, ‘Here are the discounts that you need to have while still adhering to your business rules.’”

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Normalizing Data Delivers Real Insights

One of those details is the base rate used for calculating shipping costs, and this is where Rockwell Automation and RateLinx made a big change by going from using a common base rate for all carriers to using individual carriers’ base rates for shipping quotes.

RateLinx built a tool that allows it to normalize carrier base rates, which is difficult for shippers to do on their own because it involves analyzing detailed information such as ZIP code, freight class, and similar factors and matching it against individual carriers’ strengths and service capabilities. Doing so allows the shipper to get accurate pricing from a carrier, and also enables the carrier to be more strategic in its operations, they said.

“By having all this detailed data and each carrier’s base rate, we merge all that together so that out of your six carriers, for example, you can see which one should be used,” explained Vaillancourt. “Rockwell saves money, and Rockwell’s carriers make more money—because they haul in the lanes they are more efficient in.”

Dudzik added, “This has allowed us to ... gain better insight into our rating and freight profile with the carriers, allowing both sides to be more strategic.”

He used a regional example to illustrate the point. Using its common base rate model, Rockwell Automation would get the same quote to ship anywhere in New York, including New York City, where rates are often considerably higher than in other parts of the state. With its DaaS model, Rockwell Automation can provide the carrier with more detailed routing information—down to the five-digit ZIP code—allowing the carrier to provide more accurate quotes for the areas it serves and potentially reducing shipping costs.

“Now, I can drill down to every region of the state,

Automated Freight Payment



Benefits

Power visibility across the logistics lifecycle.

Decrease transportation costs.

Get analytics, intelligence, and reporting.

Logistics In 3DSM

Solve your complex supply chain challenges with our consultative data-first approach.



Diagnose Problems In Real-Time

Utilize your validated and reliable new strategies to create a competitive advantage, reduce costs, and increase efficiencies.



Develop Real Cost Saving Strategies

We collaborate with you to develop strategies to solve your most complex Supply Chain problems.



Deploy Real Cost Savings

Using a data-first approach, we help you discover and solve complex supply chain problems.

Our *Logistics In 3DSM* process leverages advanced data analysis tools to solve challenging supply chain problems. Our knowledgeable and confident staff partner with you and empower your organization to create effective new supply chain strategies.

Measure & Monitor

Leverage customized predictive analytics to measure and monitor in real-time. Define KPIs and get prescriptive actions and adjust to changing conditions.

Active Support

We actively engage you in strategic development and tactical deployment, helping you maximize your supply chain improvements.

Save Time with Active Collaboration

With the knowledge from the Diagnose stage, we work with you and your carriers to eliminate issues.

Validate Cost-Saving Initiatives

Minimize risk and build confidence by validating new cost-saving initiatives before you deploy.

Identify Root-Cause Issues

We'll clean large volumes of data to determine patterns, enabling you to identify the root-cause.

Discover Efficiencies

Our innovative technology helps you discover savings in modes, lanes, carriers, and more.

so they will price it down to the correct ZIP code,” Dudzik said. “It allows any carrier to get much more strategically priced in the markets where they want to provide service while avoiding the markets they do not want to [serve].”

Reaping The Rewards

Rockwell Automation won't disclose the savings from its implementation. However, Dudzik said the project has yielded considerable benefits in the company's transportation execution. He pointed to inbound freight as a key example: Real-time access to cleaner, more precise data has produced more accurate monthly reports of missed savings opportunities and routing guide violations, which Dudzik said allows his team to make more strategic long-term decisions and work more collaboratively with its suppliers.

A smoother workflow has made a difference in employees' lives as well: RateLinx's DaaS provides a single interface for research and quoting activities, compared with the multiple screens and websites the team formerly had to navigate to produce a single quote.

Rockwell plans to leverage the DaaS platform to move into other modes beyond LTL, Dudzik said. Rockwell uses truckload (TL), parcel, and heavy air for domestic shipments, and heavy air, ocean, and parcel for international shipments.

Dudzik remains a strong advocate of TMS and says he has not given up on his hope for using the software at Rockwell Automation. For now, however, the RateLinx software serves as a more-than-adequate bridge along the journey.

“It allows me to get post-TMS data without the heavy burden and investment,” he said. “Will I want a TMS in the future? Yes. But this allows me to do something that fits within my freight profile now.”

“We've gained better insight into our rating and freight profile with our carriers.”

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