DYNAMIC PRICING ENGINE

Leading 3PL Automates Rate Calculations, Raises Efficiency and Reduces Costs with Logistic Studio's Logistics Studio Dynamic Pricing Engine

Snapshot:

Successful freight broker and third-party logistics provider leverages Logistic's Logistics Studio Dynamic Pricing Engine to:

- Simplify employee workflows
- Increase employee productivity
- Reduce operating costs
- Automate manual rate calculation
- Price more than 575,000 lanes to date

Company Overview:

This non-asset based North American third-party logistics provider (3PL) powers one of the world's largest managed transportation and logistics network. The Texas-based 3PL provides transportation management, capacity management, logistics, freight brokerage, cross-border freight and intermodal transportation services to shippers of all sizes.

Logistics
Studio

Challenges Faced:

Prior to implementing the Dynamic Pricing Engine, the 3PL sought to improve the efficiency of its internal lane pricing process. At the time, the company's internal pricing team, customer sales representatives, carrier sales managers and others within the organization were manually sourcing lane-based rate data from multiple trusted sources. This manual process proved time-consuming and didn't allow the company's internal pricing team to suggest rate boundaries for negotiations. The business sought a single, accurate, real-time lane level pricing technology capable of aggregating real-time rate intelligence from multiple trusted sources delivered digitally, automatically and dynamically. Organizational leadership hoped that a single rate pricing tool would help team members calculate spot rates quickly, boost efficiency and reduce costs through time saved.

Process:

Seeking to address this challenge through technology, the 3PL engaged the transportation and logistics industry experts at Logistics Studio. Over the course of multiple collaborative discovery sessions, the team refined the problem statement and identified the proposed solution. Logistics Studio produced an implementation road map and supported the 3PL in introducing the solution in three, three-month stages.

Solution:

The resulting Dynamic Pricing Engine draws real-time rate data from multiple sources, including both internal data and popular national rate indexes, load boards and intelligence platforms. The technology also aggregates data on peak season trends, equipment availability, geographic differences and accessorials to automate spot rate negotiations. To facilitate even greater efficiency, the 3PL has integrated the Dynamic Pricing Engine with its existing transportation management system, business intelligence software and RFP processes.

Impact:

With a single source of aggregated data on real-time rates available in the company's TMS, carrier sales teams and others in the business can calculate freight rates faster and with greater accuracy. Since implementing the Dynamic Pricing Engine in June of 2020, the 3PL has used the solution to price more than 575,000 orders. The Dynamic Pricing Engine has eliminated the manual process of calculating rates by sourcing and suggesting rates based on the company's customized business goals. The efficiency and accuracy gained by the implementation of Logistics Studio's Dynamic Pricing Engine has provided financial savings for the business, while empowering team members to negotiate rates more effectively and with greater confidence. With the Dynamic Pricing Engine integrated with its other software platforms, this 3PL is ensuring that all carrier sales teams have immediate access to rate information. Access to real-time rate intelligence also allows managers to quickly identify pricing outliers, while stored rate data can be analyzed for additional business intelligence.
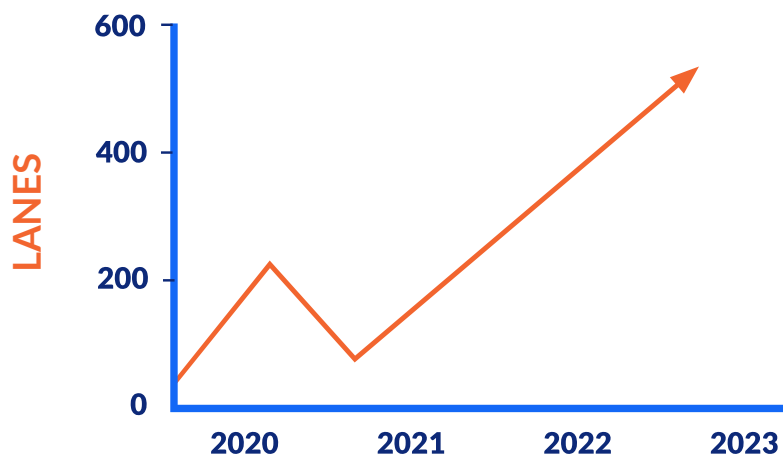
Contact the Logistics Studio by Imaginnovate team today to learn more about our Dynamic Pricing Engine solution. Book a free Discovery Session to learn how this technology can transform your transportation business.