BatchMark® XL

Optimizing LTL Transportation Spend with Pricing Analytics Technology: A Data-Driven Approach

July 2024

Situation

**The Need for Streamlined Data Analysis To Make Direct Cost Optimized Transportation Decisions With Confidence**

Illinois Tool Works' (ITW) thriving $16 billion global, multi-industry manufacturing enterprise based in Glenview, Illinois, has an annual domestic less-than-truckload (LTL) spend of approximately $80 million. The Fortune 200 company seeks to drive solid growth with best-in-class margins and returns in the seven business segments it supplies. Finding ways to optimize LTL transportation and reduce LTL spending where feasible is a priority for this performance-driven company.

As a key partner to ITW's domestic business units, Senior Business Analyst Enriqueta Polonus is dedicated to uncovering savings opportunities with carriers. Rather than rely on manual data collection from carriers, Enriqueta leverages technology to save time and accelerate pricing analysis.

Solution

BatchMark XL LTL Technology Facilitates Data-Driven Decisions, Uncovers Hidden Opportunities and Drives Growth

BatchMark XL from SMC³, has become a trusted technology solution with proven value for ITW, illuminating the way to spend reduction and opportunity discovery. BatchMark XL quickly, easily and accurately manages the pricing data by lane and carrier so she can evaluate each carrier and facilitate informed LTL spend decisions.
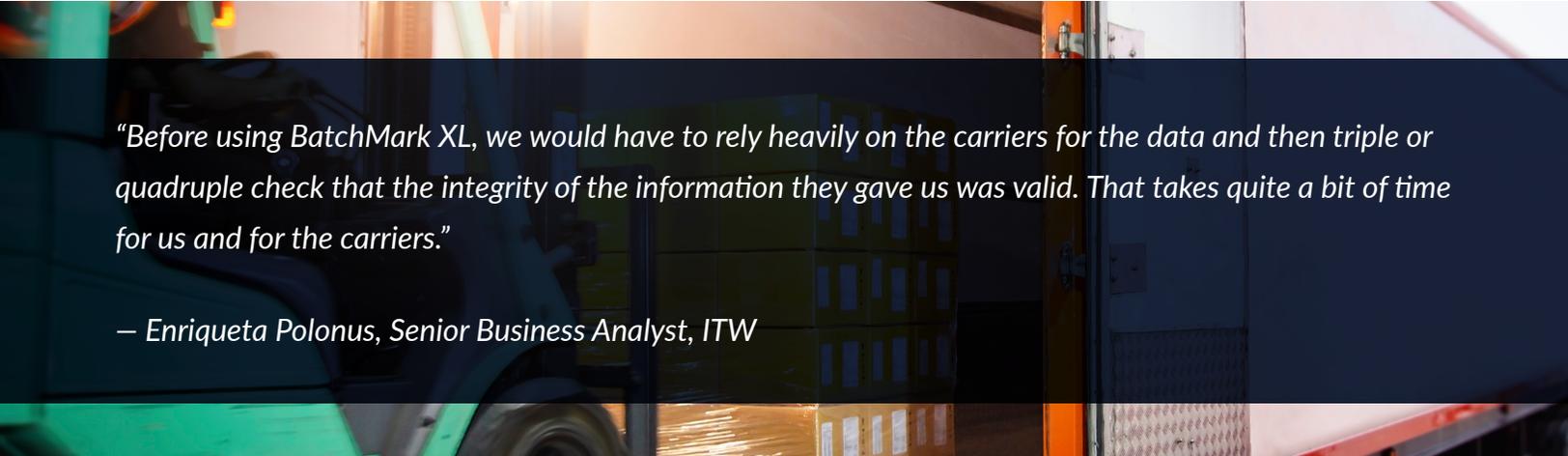
"Before using BatchMark XL, we would have to rely heavily on the carriers for the data and then triple or quadruple check that the integrity of the information they gave us was valid. That takes quite a bit of time for us and for the carriers."

— Enriqueta Polonus, Senior Business Analyst, ITW

ITW has been using BatchMark consistently for years to evaluate carrier data, provide analytic insights to the various business units, and show potential opportunities for cost savings and carrier base refinement. Sometimes the business units seek out ITW business analysts' expertise to validate an idea to improve freight costs. Other times, analysts notice inflated costs, run the data through BatchMark, and then bring suggestions for savings to the strategic business units.

BatchMark is a high—speed, powerful batch rating tool that expedites LTL analyses of current and historical freight spend. It enables quick and accurate rating or re-rating of LTL freight bills and uncovers insights into freight pricing scenarios like location changes, FAK, base rate changes and other factors.
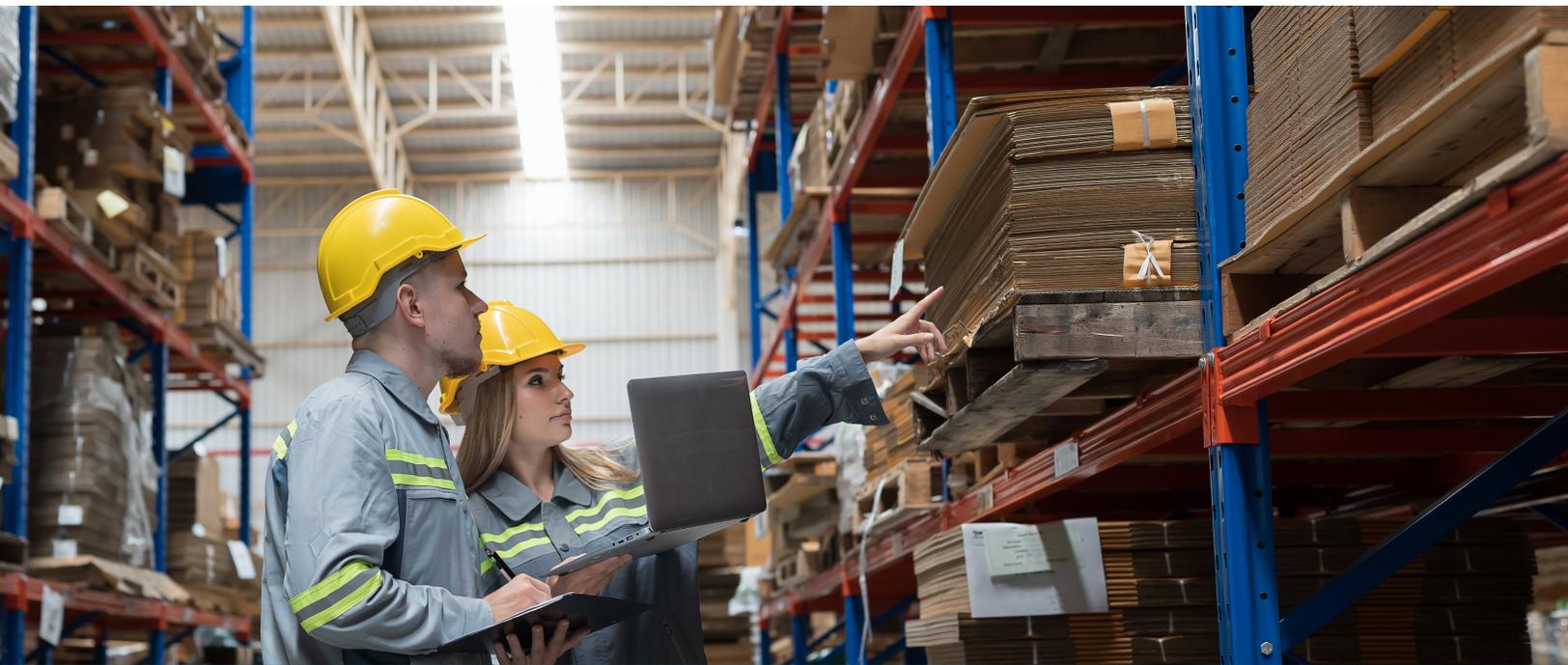
"When we are working with our business units, we want to ensure integrity in the data. When we run things through BatchMark, it helps our quality control process and ensures that the data we provide to them is correct."

— Enriqueta Polonus, Senior Business Analyst, ITW

Results

Actionable Analyses Led to Significant Savings LTL Optimization and Streamlined Operations

Recently, an ITW business unit wanted to see if there was a savings opportunity through interlining. Polonus ran the data through BatchMark and quickly determined that the unit could save **five percent** annually on specific interline lanes. Now, the business unit is shifting lanes to interline and receiving partner pricing.

Another recent success with BatchMark involved a new carrier with very selective lane acceptance criteria. ITW analysts thought the carrier would be a good fit for one business unit with specific volume in a particular lane. After performing analysis on the single lane, they discovered a **24% savings opportunity** for the business unit.

Without BatchMark XL, Polonus said her team wouldn't be able to analyze as many potential freight savings opportunities and optimize LTL operations for the ITW business units.

"Because we have BatchMark XL, we're able to go through the analysis process more smoothly. We're able to do more, taking on more projects than if we didn't have it."

— Enriqueta Polonus, Senior Business Analyst, ITW

"BatchMark XL is a big time-saver for us, and it really allows us to fully scope out projects."

— Enriqueta Polonus, Senior Business Analyst, ITW