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Analytics

Benchmarking 101 for Brokers

**A simple guide to
competing with
the big guys**

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Success isn't as simple as the bottom line

Revenue and profit are worthy of your focus, but they don't tell the full story. They can't explain how you fared against volatility, if you're over or underpaying on specific lanes, strengths you can lean into, weaknesses you can shore yourself against, or how you're performing against your competitors.

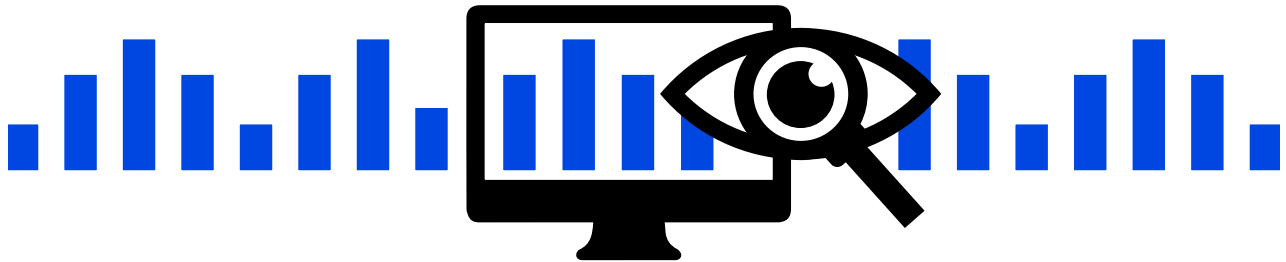
"How's business?" isn't so simple, is it? It depends on what metric, because each tells a story about a different part of your business. We decided to do the leg work and gather up, organize, and condense those metrics into a dashboard feature. It's DAT's newest broker supertool: DAT iQ Benchmark.

Competition is the name of the game. How would you change your business if you knew how the competition was faring? That's in DAT iQ Benchmark, too.

Benchmarking puts all this together in one spot: how you're really doing, where you're winning, where you have more work to do, how the competition is doing, and how you can adjust to win.

Let's set the table

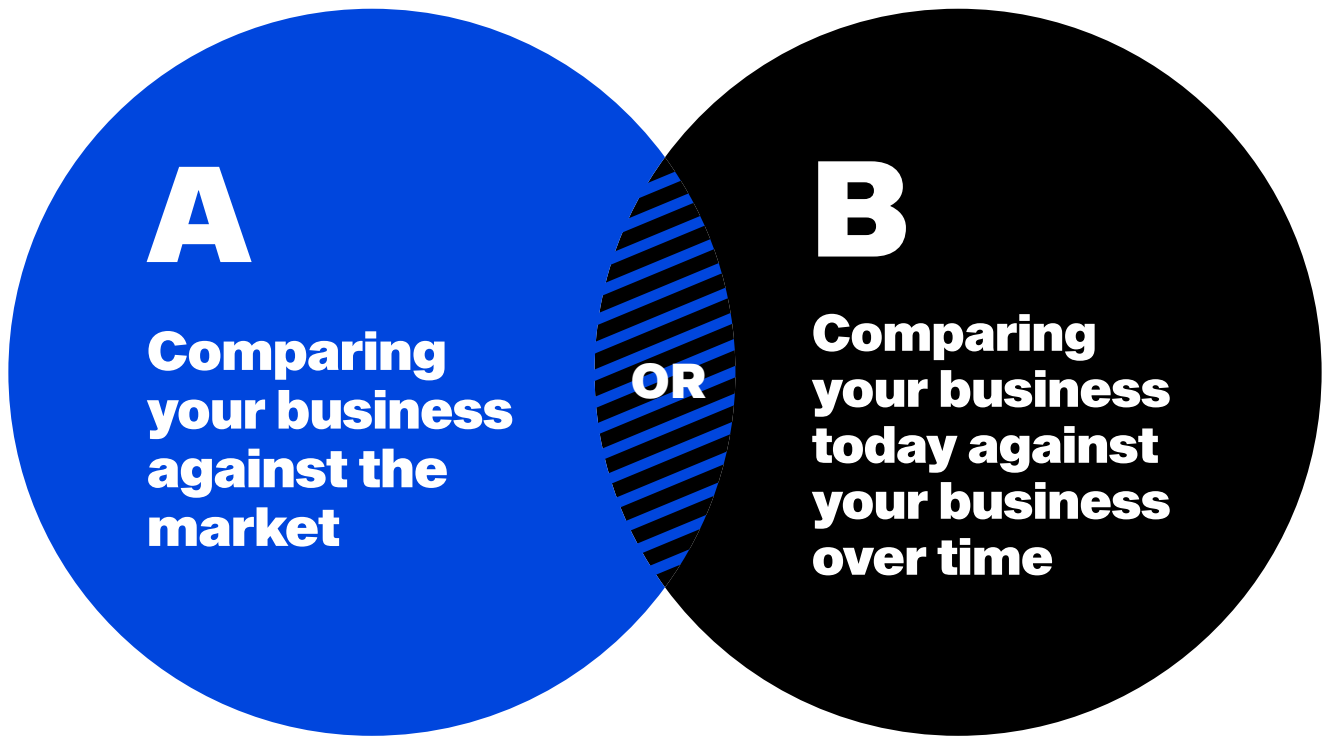
With fluctuating rates, operational inefficiencies, and the constant need for market positioning, brokers are up against it every day.



DAT iQ Benchmark equips brokers with insights to stay ahead of the curve, make informed decisions, and improve operations. You're in a dog-eat-dog sector or our industry, and every edge helps. Especially when that edge helps you understand the competition better.

Outside what you'll learn with proper benchmarking, it's a way to measure success that grows with your brokerage. Spreadsheets have an unseen ceiling on them – at some point, your business will eclipse them, and they'll have to be abandoned. DAT iQ Benchmark is a longterm approach that gets you out of rickety spreadsheets and modernizes your operations.

There's plenty of different ways to do it, but at the end of the day, benchmarking is as simple as either:



That's where DAT iQ comes in

DAT iQ Benchmark provides a valuable benchmark derived from aggregated data, allowing brokers to compare their rates with the broader market and pinpoint strengths and weaknesses.

But why benchmark at all?

Well, what would you change if you could get a look at the competition?

Benchmarking serves several key purposes, including the ability to scale operations, track performance relative to the market, and pinpoint areas for improvement. You can confidently adjust strategies, leading to optimized lane performance, actionable operational insights, and more profitable outcomes.

Effective benchmarking is no longer optional in today's competitive landscape — it is a necessity.

To simplify things just a smidge, we see two primary use cases for benchmarking as managerial reporting and tactical lane analysis.

You might benchmark to:

Achieve operational transparency

Create healthy internal competition between buying agents

Measure and target carrier or customer growth

Identify lane attributes like consistent lanes, hazmat lanes, or teams

Enhance decision-making through real-time insights.

Identify and resolve inefficiencies in underperforming lanes or with specific carriers

Management reporting: Insights for reporting up to management

Performance metrics

Provide leadership with a high-level overview of key performance indicators. This contextualizes company performance relative to market averages.

Trend analysis

Use historical data to show trends over time, helping management understand how performance has evolved and what factors have influenced changes.

Rate comparisons

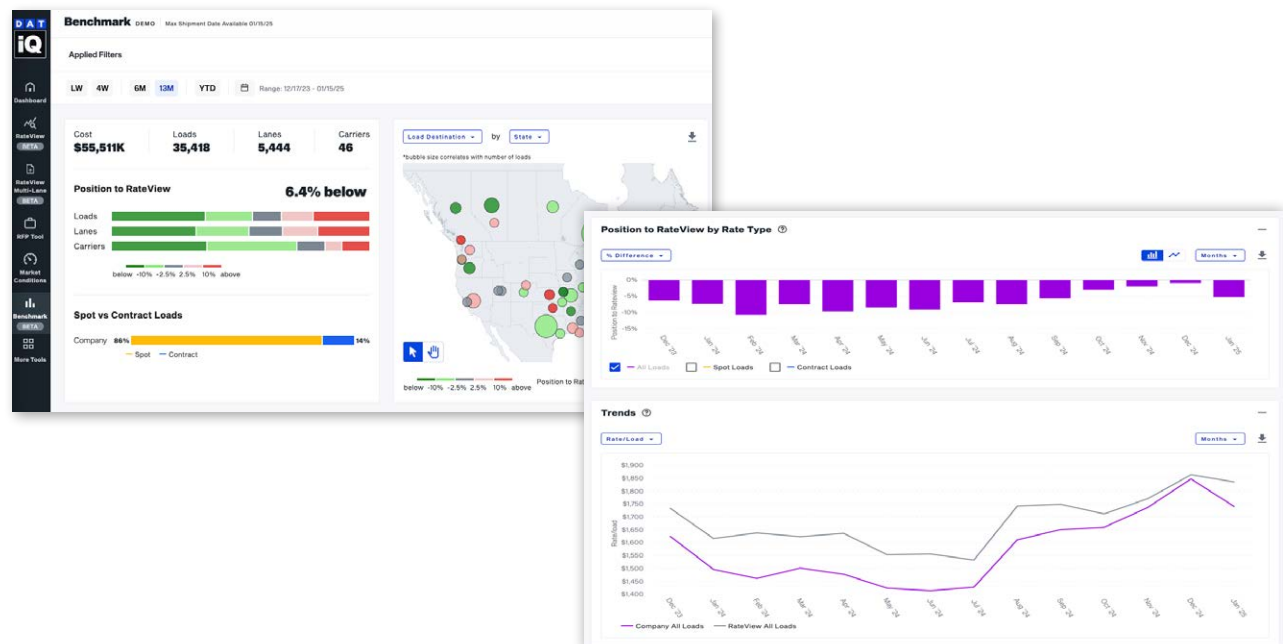
Compare your rates with RateView to highlight areas where the company is performing well or needs improvement.

Improvements

Identify underperforming lanes and carriers, and provide insights into areas for improvements.

Filtered reporting

Show executives rate trends, geographical reporting, and reporting by carrier.



Tactical lane analysis: Honing in on areas for improvement

Lane performance

Analyze specific lanes to identify those that are under-performing. Use metrics such as Position to Benchmark %, Delta Cost, and Buy Cost to pinpoint inefficiencies.

Root-cause analysis

Use detailed data to perform root-cause analysis on underperforming lanes, with metrics like lead times, specific carriers, or shipment characteristics that may be driving costs up.

Carrier performance

Evaluate carrier performance on specific lanes to determine which carriers are not meeting expectations and may need to be replaced or renegotiated with.

Real-time adjustments

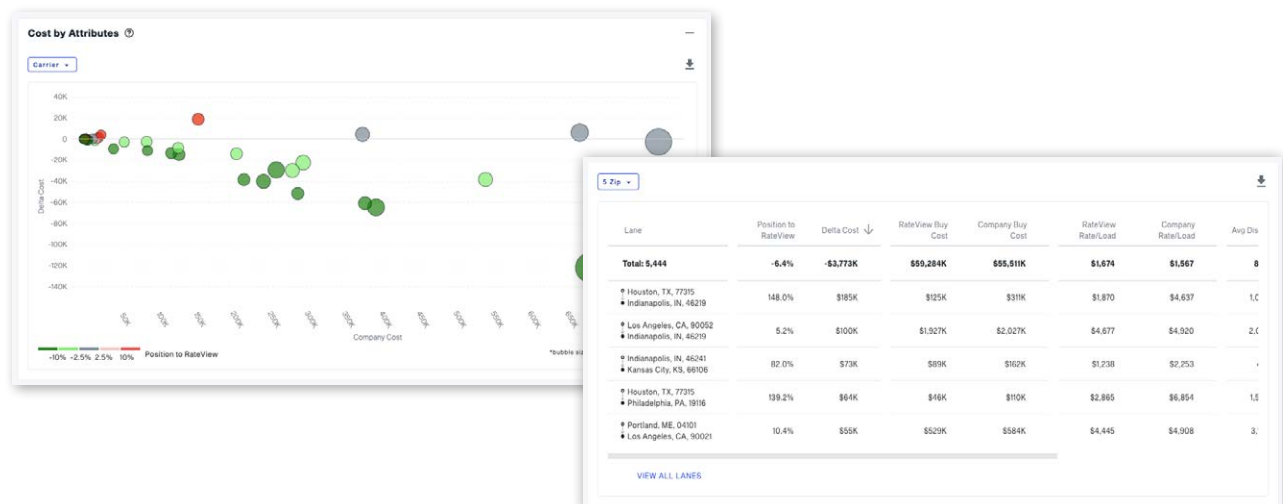
Make data-backed decisions to adjust strategies in real-time, ensuring you stay competitive expectations and may need to be replaced or renegotiated with.

Optimization opportunities

Leverage insights to optimize lane assignments, improve carrier selection, and reduce redundancies.

Volume trends

See load planner, carrier, or customer volume trends over time.



**Benchmarking
isn't a single
action.**

**It is a
continuous
practice.**

**When savvy brokers treat
benchmarking as a constant,
continuous process, they remain
competitive and responsive.**

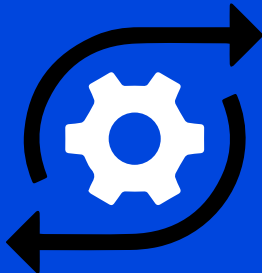
Before you begin

**Ready to put benchmarking to work for your company?
Here are the key considerations to keep in mind
as you start your journey.**

1

**Take inventory
of your current
infrastructure**

How ready is your
organization?



2

**Make a
strong case
for investment**

Prioritize business
intelligence tools



Take inventory of your current infrastructure

Freight analytics is exploding – which is a good thing. It’s a proven tool that empowers brokers to make informed operating decisions, compete, and rise above competitors. In a volatile market, real-time visibility into rate fluctuations is worth its weight in gold.

Leaders need to understand how to leverage freight analytics to ensure successful adoption and application. How ready is your organization?

Consider your organization’s current state of the following:

Current cross-functional workflows and processes

Company attitudes towards change

Budget and performance expectations

Existing tech stack data hygiene

Make a strong case for investment



It can be difficult to get buy-in on new investments – especially when budgets are tight and every dollar counts. This is why it’s critical to make a strong business case for business intelligence tools that demonstrates both qualitative and quantitative ROI/impact.

The problems: What you're up against

Before we discuss solutions, let's talk about the problems we're solving for with benchmarking.

Market volatility

With rate fluctuations driven by factors like supply chain disruptions, economic conditions, and seasonality, predicting market trends is a constant uphill battle. Brokers need benchmark data to both understand these shifts and act proactively.

Strategic planning

Long-term success is dependent on being able to predict trends and plan accordingly—tools that provide historical and real-time insights are integral to effective strategy development.

Operational inefficiency

Pinpointing underperforming lanes or carriers can be a cumbersome process, potentially leading to higher costs and lost opportunities.

Rate comparisons

To stay competitive, brokers need not only pricing transparency but also visibility into how their rates compare to market averages.

Data integration and analysis

Many brokers face challenges integrating and analyzing large volumes of data to gain actionable insights. DAT iQ Benchmark integrates a wide range of data, and offers advanced analytics tools to support various use cases such as managerial reporting and tactical analysis.

Market visibility

Gaining a comprehensive view of market conditions is often difficult for brokers. DAT iQ Benchmark offers enhanced market visibility, helping brokers understand current market conditions and trends, which is essential for making informed business decisions.

The solution: DAT iQ Benchmark

**You know what you're up against.
Here's where benchmarking comes in.**

Improves market visibility

DAT iQ Benchmark provides enhanced market visibility with real-time updates and historical data. The availability of spot rates and contract rates supports dynamic decision-making.

Empowers competitive positioning

Comprehensive rate comparisons allow brokers to see how they stack up against the competition and uncover areas of opportunity.

Enhances operational efficiency

Using metrics like Position to Benchmark %, brokers can identify underperforming areas and take necessary action.

Streamlines strategic planning

DAT iQ Benchmark equips brokers with insights crucial for setting clear goals and long-term planning in an evolving market.

Why DAT iQ Benchmark stands out



**Includes both
real-time insights
and historical
granularity**



**Provides an intuitive
user interface for
streamlined access
to key metrics**



**Supports operational
decisions across
everyday workflows
and strategic initiatives**

Subscribers to DAT iQ Benchmark enjoy several unique benefits designed to drive measurable value:



Simplified reporting tools for managerial transparency



Real-time and historical rate visibility for market comparison



Enhanced lane and carrier analysis for operational optimization



An intuitive platform tailored to minimize manual input and increase productivity

Benchmarking has gone from being a “nice-to-have” feature to a “must-have” operational tool for freight brokers in today’s competitive market. By leveraging tools like DAT iQ Benchmark, brokers can address market volatility, stay efficient, and gain the strategic insights necessary to compete effectively.



**Take the first step in
transforming your brokerage
with DAT iQ Benchmark.**

**Contact DAT today or visit
[DAT.com/benchmark-analytics](https://www.DAT.com/benchmark-analytics)
to learn more about our solutions.**



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