The Shipper iQ

Streamlining and optimizing RFPs

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Master the RFP process with freight market intelligence

In the past, the bulk of shipper procurement decisions relied on intuition, anecdotal experience, and a little bit of luck. However, data-driven RFP planning takes the guesswork out of this annual initiative to streamline procurement and optimize freight spending.

Organizations that focus on supply chain optimization have 15% lower distribution costs and 3x faster cash-to-cash cycles than industry competitors.

The Logistics Bureau

Shippers can save up to 20% on their transportation costs by conducting a competitive RFP.

McKinsey

Metrics that move the needle

The annual request for proposal (RFP) period is a constant across transportation and logistics. This undertaking sets the tone for the upcoming fiscal year, defining how shippers will deploy their carrier networks to keep goods moving through the last mile. The results of RFPs have a direct impact on budgetary constraints, business objectives, service quality, brand awareness, and more. There's a lot of pressure on procurement teams to execute.

Traditional RFP decision-making often stemmed from educated guesses, intuition, luck, and manual work. But now thanks to supply chain digitalization, shippers have access to innovative freight market intelligence tools and data-driven insights that streamline RFP management In order to capitalize on the power of market intelligence, procurement teams first need a solid understanding of what metrics they track and how they drive improvements:

■ Rate analytics

use metrics like year-over-year and seasonal cost adjustments, inflationary patterns, spot and contract rate histories, lane-by-lane comparisons, and more to predict optimal rates for contract periods. Shippers can leverage these insights to design RFPs around accurate forecasting and optimized budgets.

■ Network analytics

use metrics like average warehouse and truckload capacity utilization, spot market use, mini-bid histories, volume totals, shipment tracking, total mileage capacity, and others to help teams fine-tune the capacity requirements they outline in their RFPs. As contracts are awarded and executed, shippers can evaluate average miles per driver, idle time, deadhead miles, dwell time, average ship times, on-time averages, and others to evaluate network performance, ensure adherence to RFP terms, and identify and address opportunities for improvement.

It's important to remember that internal data alone cannot optimize RFP development. Internal data is often skewed, unorganized, and siloed. Poor data hygiene and disparate metrics fail to form a cohesive view of the supply chain. Shippers also need access to accurate, unbiased third-party freight data and analytics for context into how their distribution network is performing in comparison to the broader market. Based on those insights, RFPs can be structured to mitigate financial risk by prioritizing high-value lanes and allocating capacity spending to areas of need.

Diving deeper to drive results

Understanding the intricacies of various analytics is crucial to developing RFP terms that support longevity and stability. However, that is just the first value proposition of RFP optimization. The next comes from the interpretation, integration, and analysis of datasets with advanced technology. This allows shippers to cross-reference and correlate siloed freight data into an integrated framework.

DAT iQ's [freight market intelligence offerings](#) contextualize performance, capacity, and rate metrics to help shippers take their RFP processes to the next level. With market insights spanning over 68,000 lanes, DAT delivers more data than any other platform on the market, helping you:

Optimize your network

For network optimization ahead of an upcoming RFP period, accurate insights into past, present, and future freight rates from DAT iQ RateView Analytics Solutions give shippers a strong starting point for outlining lane needs and budget expectations.. Within this solution suite, Benchmark Analytics iQ can offer a high-level overview of lane origins, destinations, and rate performance to visualize network performance relative to the market. A range of filters enable users to adjust their view to incorporate their unique attributes, allowing more granular root cause analysis. These insights uncover optimization opportunities, helping shippers aggregate lanes more efficiently, engage more advantageous carrier contracts, and approach procurement more strategically.

Plan with confidence

For optimal planning, Benchmark Analytics iQ integrates rate and performance metrics to help procurement teams effectively outline their budgetary expectations. By allowing users to filter datasets by duration (months, quarters, years), it helps account for seasonal variations in RFPs and negotiate rates with high-value periods in mind. In addition, the high fidelity rate index aggregates carrier performance and sorts results by market segments to reveal different carrier strengths and weaknesses.

Streamline data management

Shippers using DAT iQ spend less time on data management and more time on RFP strategy. Automating analytical reporting ensures that procurement teams and other departments have the data they need to get the job done. A single, centralized database promotes RFP success by fostering transparency within the enterprise. Having records of forecasts, decisions, and results on hand helps teams build trust with the C-suite by showing where corporate dollars were spent, why those decisions were made, and what results they produced.

Rethinking the RFP

Despite shippers' growing reliance on ongoing procurement throughout the year via mini-bids and spot market use, the annual RFP period remains a fixture in the industry. It's critical that procurement teams strike the right balance between cost, access, and reliability. Engaging with a trusted third-party data provider can supercharge the process, allowing shippers to leverage industry-wide data to ensure that negotiated terms align with the market today and are likely to hold up for the entirety of the contract.

Due to its ability to make or break a shipper's fiscal year, RFP optimization requires significant preparation and deep insight into market trends. Comparing your network against hundreds of leading North American shippers with more than $150 billion in annual spend, DAT iQ's products give users a 360-degree view of the freight marketplace to take the uncertainty out of transportation.

Contact us today or visit our website to learn more about how DAT iQ's dynamic freight market intelligence data can help shippers amplify their RFP processes.

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Analytics

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