

## Getting Off the Bench and Into Benchmarking

By **Niko Michas**

While watching the Cubs battle the White Sox last summer at Wrigley Field, I realized that baseball players and supply chain professionals have a few things in common.

For instance, veteran ballplayers might try to get through a game by relying on experience and talent. But, by studying strategies, statistics, and individual players, they can better size up the competition and develop a strategy that increases their chances of winning the game.

Supply chain and logistics professionals also might be tempted to rely on industry knowledge and current technology when negotiating shipping rates with carriers. If you are willing to do research and explore new solutions, however, you increase the odds of obtaining better rates, achieving greater savings, and beating the competition.

Before you enter into rate negotiations, make sure you have a high-level understanding not only of your competitors, but of where your company ranks in comparison. In today's market, it is no longer acceptable to count on carriers to assess your company's shipping characteristics; shippers have to rely on their own research and data to know for certain that they are obtaining all the incentives they deserve. You have to know which shipments are being sent by ground, air, or ocean; the volume and weight of each shipment; the time each shipment spends in transit; and most importantly, the cost of every shipment in your supply chain.

Imagine if a baseball player relied only on people outside his team for advice on how to hit when a certain pitcher was on the mound. Wouldn't he be better off doing his own research and counting on his own team for advice? The same is true for supply chain professionals. If you obtain electronic shipment-level detail from your carriers, then benchmark your company's shipping characteristics against those of other companies, you will create more leverage you can use during rate negotiations.

Implementing a new benchmarking initiative could be your chance to be a valuable player in your company's quest to achieve better shipping rates.

Benchmarking allows shippers to achieve savings in several ways. It helps determine best practices, but it also empowers you to take action by improving operations and leveraging shipping data to obtain better shipping rates.

These three steps can help ensure that your benchmarking program really works:

1. **Hold a team meeting.** Make sure every team member shares the vision of what they are benchmarking, and why.
2. **Hire a qualified coach.** If you don't have the ability or resources to benchmark your company against the right number or types of companies, consider hiring a data analytics specialist. The right third parties can clean up your data, benchmark it against their own database, then interpret the results.
3. **Keep your eye on the ball.** Benchmarking initiatives commonly fail due to an inability to remain focused and unprejudiced when interpreting and acting on the final data. To avoid these pitfalls, use a proven benchmarking method to come up with findings that can be reproduced.

A good benchmarking initiative allows you to apply your knowledge of best practices to the real world. It provides you with the data to develop your company's complete shipping profile, and it enables you to back up your claims regarding your company's shipping characteristics. Benchmarking improves your overall game.

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