

# Transportation Profitability Analytics

TRANSPORTATION SOLUTION BRIEF



## Optimize Profits and Improve Customer Service with Teradata Value Analyzer

### Your Business Problem

#### Summarized and Averaged Profitability Models Do Not Enable Detailed Insights

Without a single view of the business with detailed, integrated information and visibility across the organization, transportation companies struggle to make better decisions faster. For far too long, transportation companies have depended on outdated averages and siloed information to understand their business.

Success today in transportation, distribution, and logistics means having fast access to integrated operational, customer, and financial information to understand the drivers of detailed profitability. In an industry where rising competitive price pressure is intense, a lack of insight can have serious consequences, and summarized and averaged profitability models do not enable detailed insights.

### A New Approach

#### Integrate Data from All Sources to Analyze and Optimize Profits

Access to actionable information allows transportation and logistics companies to deploy profitability analytics solutions. These solutions enable data to be integrated and analyzed from across the company to understand the profitability of each customer, shipment, facility, shipping lane, geography, and more. With a single view of information and the analytics to unlock answers, it's easier to drive operational improvements, inform pricing strategies, and guide strategic decisions.

Detailed, data-driven profitability analytics can provide the transparency needed to make more informed, timely business decisions that make effective use of assets, and retain and grow customer business—benefits that can't be achieved by relying on average-based models and

summary data. It enables a common definition of profitability metrics across the organization and delivers results that can be leveraged for more accurate and detailed forecasting, costing, revenue management, scorecarding, and financial and management reporting. Implementing a profitability analytics solution is an enterprise-level project, not just a finance project, which requires data from a number of systems, such as ERP, freight bill payment systems, transportation management, CRM, and business rule input from operations, marketing, supply chain, human resources, and others.

### Teradata Solution

#### Improved Profitability Analytics with Teradata Value Analyzer

Transportation, distribution, and logistics companies have been relying on Teradata for profitability analytics and other key business insights for more than three decades. Delivering far deeper insight than mere financial reports, a customized solution from Teradata enables precise profitability measurement, down to the most detailed level.

## What is the Teradata Difference?

### Industry Profitability Analytics Expertise

Transportation and logistics companies generate incredible amounts of valuable data every day. The challenge lies in the ability to integrate and correlate that data to gain deeper insights. Teradata helps you unify and analyze vast amounts of data, turning it into actionable, reliable insights through profitability analytics. Profitability analytics provide the transparency needed to make more informed, timely business decisions that make effective use of assets, and retain and grow customer business.

**TERADATA.**

At the center of Teradata's profitability analytics offerings is Teradata® Value Analyzer. Value Analyzer improves profitability analytics by calculating a behavioral-based, enterprise-wide multi-dimensional view of value by any dimension desired, such as by customer, product, sales channel, or organization. Instead of traditional value averages and summary information, Value Analyzer uses detailed activity data to create more accurate measurements of profitability at the granular level, which instills the confidence needed to make critical tactical and

## Reducing Costs and Improving Profitability at DHL Express

DHL Express called on Teradata to put its expertise to work in transforming an obsolete suite of costing and profitability tools, enabling managers to accurately understand costs. By doing so, strategic and tactical pricing decisions and cost management initiatives could be based upon accurate, up-to-date cost. Replacing an obsolete, labor intensive, fragmented costing system with a single, centralized solution allowed DHL Express to dramatically reduce infrastructure costs while improving profitability and pricing decisions worldwide. DHL Express now has accurate and automated visibility into actual costs. The company can accurately forecast near-term results, and costing information is reconciled with its Financial P&L.

strategic decisions across operations and finance. Value Analyzer provides a true understanding of the drivers behind customer or product/service revenue and costs. In addition to Value Analyzer, Teradata offers deep industry expertise and services, a suite of transportation-specific tools, and the technology to help deploy the right analytics solution.

### Increasing Transparency into Profitability

By measuring profitability on averages and without detailed insight about their business, many transportation companies have difficulty knowing which areas are profitable or unprofitable.

Profitability analytics using Teradata Value Analyzer provides a level of transparency that helps transportation companies understand which services and customers are the most profitable and why. With the detailed metrics made possible by Value Analyzer, companies can know where and when they can raise prices or know when customers are about to leave so they can take corrective action to protect the bottom line long before the end of monthly or quarterly reporting periods.

### For More Information

To learn more about uncovering the profitability drivers across your business, down to the most detailed level, contact us at [Teradata.com/contact-us](http://Teradata.com/contact-us). Or visit [Teradata.com/teradata-value-analyzer](http://Teradata.com/teradata-value-analyzer).

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