

# Cost Visibility INFORMATION IS KING



Many times, shippers are either unable to properly identify their true costs or it's a hassle to apply them to the proper GL codes. Traditional accounting methods and spreadsheets prove insufficient for breaking down logistics costs to the product or item level. When access to details about your freight costs is limited, it's incredibly challenging to manage costs. This often falls under the radar when business is good, but when freight costs increase or there's a cost-cutting initiative, it's critical to produce cost reports that have the right level of detail and actual intelligence. With freight costs on the rise, is your business able to not only see your shipping costs, but effectively manage those costs?

Let's examine a few examples of the common challenges around accessing details about shipping costs and the real solutions being implemented. A Fortune 500 company used a popular enterprise resource planning (ERP) system but discovered the system did not capture the origin or destination zip codes of its shipments. Without that critical information, the business simply could not manage its freight costs. The ERP system, in effect, was simply an accounting program without any logistics component at all. This complicated the organization's ability to negotiate better shipping rates with its carriers because the business didn't have any historical data to share.



Another client also used an ERP system and spent millions of dollars on a transportation module that plugged into its ERP system. However, the organization couldn't get all the information to flow correctly. Rather than fix the ERP system, it was easier for them to pull information from the ERP system and send that information to Broussard Logistics, where the data was put into a useable format. The client continues to pay for and use the ERP system's transportation module but relies on Broussard Logistics to make the data actionable.

Another common issue with mid-sized companies is that they don't have the technological expertise internally and can't afford millions of dollars to develop their own freight management system. Unfortunately, these businesses are also too small for the popular ERP systems to be a good fit. In fact, many of the canned ERP programs aren't scalable. However, the right logistics partner can scale the solution to appropriately address the business' problems.

The right solution for so many mid-sized companies is to outsource freight management to a logistics expert like Broussard Logistics. In many cases, Broussard Logistics experts can plug into the existing ERP system so businesses don't lose any of the ERP investment, yet they gain tremendous value in measuring and managing freight costs.

"We can integrate with your current ERP system," Keith Buford of Broussard Logistics said. "Many times, there's no need to redesign your process."

While technology is an important aspect to these solutions, it's only one part. Even if the accounting team can produce reports rich with shipping information, can the organization drill down to the line item detail where the information becomes useable and actionable?

"Step one is getting the information," Mike Broussard, vice president of Broussard Logistics, said. "Then, you've got to get into the details so you can really identify what's effecting your costs and then lower and control your freight costs."

As freight costs continue to climb, the time is ripe for manufacturers, distributors and ecommerce businesses to gain visibility into their shipping costs and peel back the detail of all that contributes to those costs. Companies with this detailed information are better armed to negotiate lower shipping rates and reduce transportation costs. If you know your numbers, you can effectively control your costs.

### **Is your business positioned to tackle these challenges?**

Contact Broussard Logistics at **713-921-2480** and our freight experts can help.

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## About Broussard Logistics

Broussard Logistics is the leader in the logistics management industry. The organization has revolutionized its services into a proactive outsourcing tool with sophisticated technology instruments to continue its original mission: Assist companies manage, control and lower freight cost by improving their supply chain. Learn how Broussard Logistics' knowledge and buying leverage can help move your business forward. Visit us at <https://broussardlogistics.com/>.