



How Jaeckle Distributors Used RateLinx to Make Better Freight Management Decisions



The Challenge

Founded by Harvey Jaeckle in 1958, Jaeckle Distributors is a respected flooring and surfacing product distributor that supplies retail chains and surfacing fabricators with products and materials in an eight-state region in the upper Midwest.

Jaeckle has earned a sterling reputation in the flooring industry for its commitment to customer service, something it quantifies in an internal metric the company created called the Distributor Service Index. The DSI is calculated by the company's performance in five

areas: Warehouse Accuracy (percentage of orders filled correctly), Customer Service Accuracy, Days to Resolve Claims, Inventory Fill Rate (the percentage of stocking items that are on hand and available at the time of order), and Invoicing Accuracy.

Jaeckle maintains an impressive record in all these areas, but knew – that despite the accuracy of its invoicing for customers – it didn't have the real-time and detailed shipping data it needed to analyze and optimize its freight spend.

Shawn Gagg, Jaeckle's Chief Information Officer, says, "[We were] managing things on a very macro level. We did not have a way to capture cost at an order level. We wanted to analyze freight and profitability by customer and order so it was really important for us to have a tool and a model to capture detailed data.

"Prior to our work with RateLinx, we would review what we spent on freight and what our delivery fees were over a given period of time so we would know how much of the freight cost we were recovering."

“The management team at Jaeckle knew that there had to be a better way to track and analyze the company’s detailed freight cost data.”

Analyzing a Complex Freight Operation

Gagg knew that to truly analyze Jaeckle’s freight spend and be able to analyze each customer’s freight transactions with the company, they needed a tool that would allow them to itemize freight on a per-order basis. For a company as large as Jaeckle, that was no easy task.

Jaeckle ships thousands of products each day, delivering top-quality brands like Alloc, Florida Tile and Mannington to over 3,000 active customers in its eight-state area of operations. It employs around 115 people at three branch warehouse locations in Bridgeton, Missouri; Eagan, Minnesota; Elk Grove Village, Illinois; and at its 150,000 square foot headquarters facility in Madison, Wisconsin.

To make matters even more complex, Jaeckle ships multiple ways

– LTL (less than truckload), small parcel, Jaeckle company trucks and a third-party trucking provider it uses to supplement its own fleet. And as you would expect, invoicing happens in its business system. The management team at Jaeckle knew that there had to be a better way to track and analyze the company’s detailed freight cost data.

“We knew it would be a challenge,” observes Gagg. “Since freight is added on to the invoice in our base business

“We knew it would be important for us to integrate these two data sources to be able to do the analysis we wanted to do.”

system and we hoped to get detailed data from ShipLinx, we knew it would be important for us to integrate these two data sources to be able to do the analysis we wanted to do.”

“We wanted to make better decisions for our customers”

Finding Out the True Cost of Freight

The motivation to find the true cost of freight, however, was not primarily cost savings. By implementing a solution that gave Jaeckle more accurate, real-time information about its freight operations, they knew the company could create strategic advantages for both itself and its customers.

Gagg recalls, “We never said, ‘If we do this, we will save a certain amount of money.’ Or, ‘If we do this, we will save this person’s time.’ We thought that if we could itemize these freight costs, we will be able to analyze the data and make better decisions to optimize our shipments and carrier usage.”

“That certainly includes cost savings,” Gagg continues. “However, for us, we wanted to make better decisions for our customers with this information – and better decisions about the freight carriers we were using.”

For Jaeckle, a more efficient and cost-effective freight invoicing system would mean a “win-win” for both the company and its customers. That’s where RateLinx comes into the story.

The RateLinx Solution

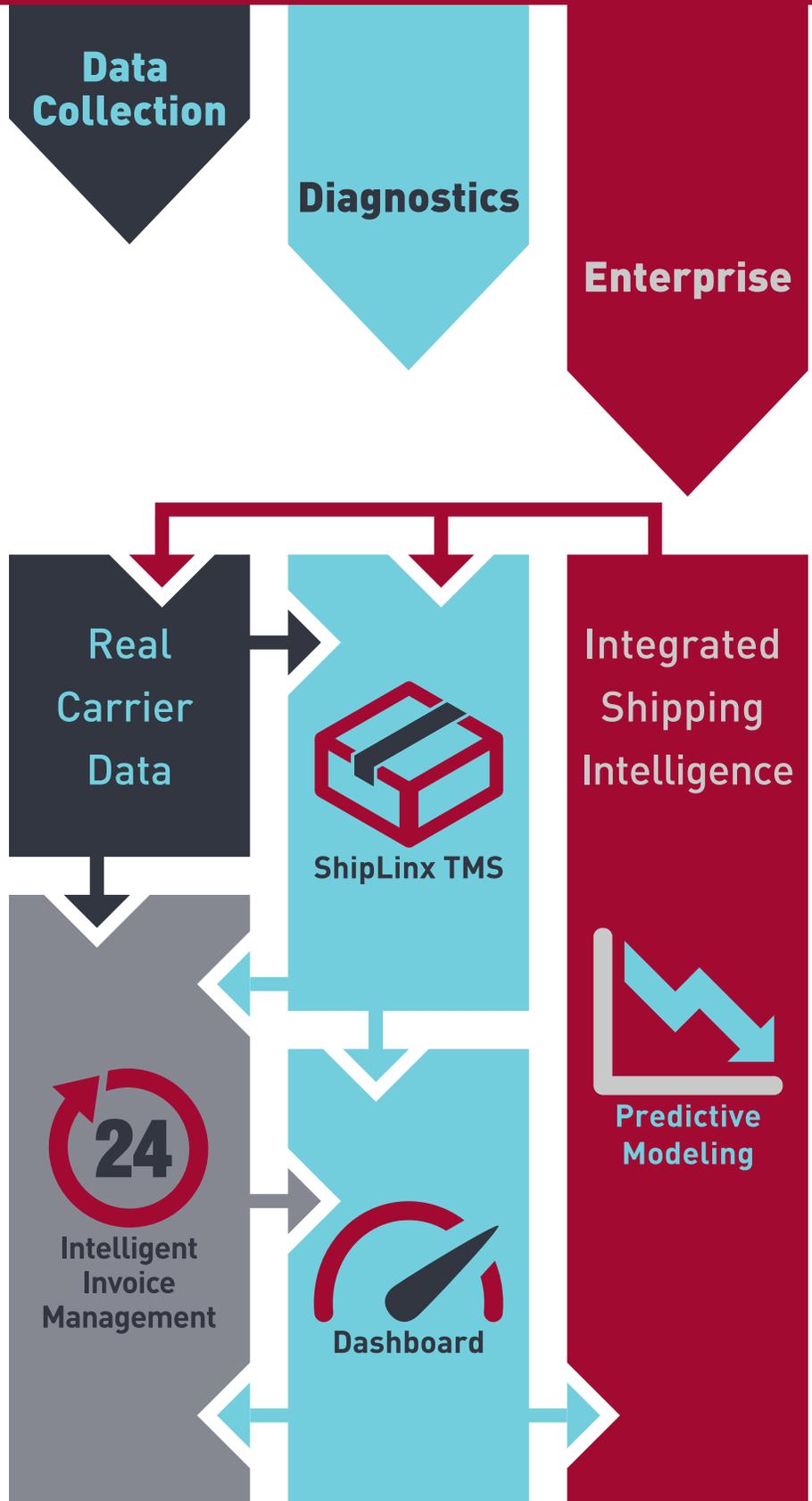
Gagg and the team at Jaeckle needed a freight invoice management solution that would give them unprecedented accuracy in data collection and analytics with the flexibility to fit into their existing IT system. As fate would have it, that solution would come courtesy of a former business associate, RateLinx founder Shannon Vaillancourt, who had helped install a small parcel manifesting system at a business Gagg had worked for in the past. Gagg heard Vaillancourt had a new company specializing in transportation and freight management and remembered his expertise and attention to detail.

Gagg says, "The one thing that comes across in every interaction that we have with Shannon is he knows the industry. He's also very responsive."

In conversations with Vaillancourt, it was clear that the RateLinx Enterprise Suite had both capabilities and the flexibility Jaeckle needed. Gagg recalls, "In my first conversation with Shannon, I said, 'Here's really what our dilemma is' and Shannon said, 'We can help...here's what our software does.'"

With **RateLinx Intelligent Invoice Management, ShipLinx TMS and Dashboard**, Jaeckle would be able to quickly see the best options for shipping a particular order with detailed information that ties each freight invoice to an order number. By drilling into the information and analyzing it, RateLinx would allow the company to identify lost savings and move beyond the older methods that most companies still use to price freight. Even better, the software was flexible enough to integrate with Jaeckle's existing SQL and business IT systems.

Starting in November, 2014, RateLinx representatives had Jaeckle up and running within a few weeks, and Gagg was quickly impressed by the

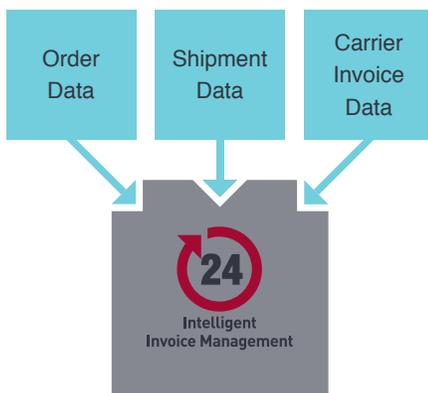


system's capabilities. "At Jaeckle, we simply did not have a system to capture this data. We did not have a solution that was giving us that

itemized freight cost information. We were positive about the change but knew we really had to start from scratch."

Using the Power of RateLinx to Save Money

Gagg and the team at Jaeckle quickly saw the benefits of **RateLinx Intelligent Invoice Management** and freight management capabilities. After the work to implement the system and customize it for their needs, they had a true picture of freight costs tied to individual orders – and that picture was very helpful in analyzing their performance.



“We had one customer,” Gagg recalls, “that ordered a particular product from us and ordered it in small quantities which resulted in multiple deliveries. [Prior to using RateLinx] it looked like they were an account where the margin was at an acceptable level relative to our business. When we started looking at the freight cost data, we found that was not the situation. When we evaluated freight costs through RateLinx, we learned this customer’s margin was actually negative. We were not making any money on these orders.”

Intent on creating a mutually beneficial situation for Jaeckle and the customer, the Sales Manager and the customer’s territory manager suggested consolidating the numerous small orders into larger, less frequent shipments to meet the customer’s product needs. Given the savings on freight costs, moving forward with a strategy like this may even enable Jaeckle to lower the price on the product – a true “win-win” for both Jaeckle and its customer.

“Using the shipping intelligence gained by using RateLinx created a better outcome for all parties.”

With its commitment to long-term relationships, fairness in product price and customer service, these are the type of arrangements that Jaeckle aims to create in all of its customer interactions. While increasing profits is important to any company, Jaeckle is using the shipping intelligence gained by using RateLinx to both increase efficiency and create a better outcome for all parties. “The point of using a customer profitability model is to say, ‘We want to create these positive business relationships with all of our customers where the customer is satisfied with our products, price and service and we are a profitable business as well,’” says Gagg.

“RateLinx’s software solutions introduced cost savings that quickly impacted the company’s bottom line.”

Getting detailed data through the RateLinx solution was a very important part of this “customer profitability model.” Prior to that, itemized freight costs couldn’t be attached to specific orders which meant freight management could

only be conducted at a macro level, relying on summary data from large amounts of freight transactions. After connecting the freight invoice data to orders, Jaeckle was able to start making more precise, efficient decisions relative to freight costs and profitability.

RateLinx: Responsible and Responsive

While the power of RateLinx analytics and data-driven freight management software has helped Jaeckle analyze their freight spend, the company has also proven to be a trusted partner. This trust has been built not only through the way the company expertly integrated RateLinx customized shipping and logistics management software into Jaeckle’s existing IT and business information systems, but by the support the RateLinx team provided after the launch and implementation stage.

“Shannon is very responsive. There are times when we communicate to them that there’s an enhancement that we want to pursue and their team has made themselves available.”

Gagg also praises Vaillancourt’s no-nonsense approach, knowledge and high expectations of his staff as reasons to suggest RateLinx to any company looking for a better invoice management or TMS solution. “I would recommend them. Shannon understands the industry, is always available to discuss moving forward with enhancements and demands responsive service from his staff. When you get into this, you are going to learn about your own data. For us, the real strength of RateLinx has been the ability to itemize freight costs, providing us insight to make better decisions – all with software that fit into our existing architecture. Those were all very good things for us. RateLinx’s solution continues to help us accomplish our goal of better data leading to better decisions.”