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# *Improving Customer Service Through Freight Spend Visibility*



How Jaeckle Distributors Used RateLinx to  
Make Better Freight Management Decisions

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**–Shawn Gagg**  
Chief Information  
Officer

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

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 in Madison, Wisconsin.

Jaeckle has earned a sterling reputation in the flooring industry for its commitment to customer service. The company quantifies customer service in an internal metric the company created called the Distributor Service Index. The DSI is an ongoing initiative where Jaeckle calculates 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.

## ***Lack of Real-Time Insights Hinders Cost Initiatives***

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 insights 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 costs at an order level. We wanted to analyze freight and profitability by customer and order, so we needed a tool and a model to capture detailed data.”

Gagg knew that to truly analyze Jaeckle's freight spend and 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.

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 fleet. And as you would expect, invoicing happens in its business system. The management team at Jaeckle knew 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. "Freight is added onto the invoice in our base business system. We knew it would be important for us to integrate these data sources to be able to do the analysis we wanted to do."

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### ***Better Decisions for Better Customer Service***

The motivation to find the real 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 would be able to analyze the information and make better decisions to optimize our shipments and carrier usage."

"That certainly includes cost savings," Gagg continues.



## **No Freight Insights:**

“We did not have a solution that was giving us the itemized freight cost information we needed.”

“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.”

As it stood, itemized freight costs couldn’t be attached to specific orders. Freight management could only be conducted at a macro level, relying on summary data from large amounts of freight transactions.

“We would review what we spent on freight and what our delivery fees were over a given period so we would know how much of the freight cost we were recovering,” Gagg said.

For Jaeckle, a more efficient and cost-effective freight invoicing system would mean winning for both the company and its customers.

## **Connecting Costs to Orders**

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. A former business associate, RateLinx founder Shannon Vaillancourt, had helped install a small parcel manifesting system at Gagg’s previous employer. He heard Vaillancourt had a new company specializing in transportation and freight management solutions, recalling his expertise and attention to detail.

In conversations with Vaillancourt, it was clear RateLinx had both the 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 we do.’”

With RateLinx’s PayLinx Intelligent Invoice Management, ShipLinx TMS, and an analytics 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 data and analyzing it, ShipLinx 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.

RateLinx representatives had Jaeckle up and running within a few weeks, and Gagg was quickly impressed by the system's capabilities. "At Jaeckle, we did not have a system to capture this data. We did not have a solution that was giving us the itemized freight cost information we needed. We were positive about the change, but knew we had to start from scratch."

Gagg says, "The one thing that comes across in every interaction that we have with RateLinx is they know the industry. They're very responsive."

Gagg and the team at Jaeckle quickly saw the benefits of RateLinx's freight management capabilities. After implementing the system, they finally had a true picture of freight costs tied to individual orders. The added granularity enabled them to effectively analyze decisions and performance in real-time with insight into any errors or exceptions that needed attention.

*"When we started looking at the freight cost data, we learned that the customer's margin was actually negative."*

## Improving Customer Relationships and Profitability

"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.

Getting detailed information through the RateLinx solution was an essential part of this "customer profitability model." After connecting the freight invoice



*“Using the shipping intelligence provided by RateLinx, we created a better outcome for all parties.”*

data to orders, Jaeckle was able to start making more reliable and confident decisions relative to freight costs and profitability.

“We had one customer,” Gagg recalls, “that ordered a particular product from us and ordered it in small quantities, which resulted in multiple deliveries. Previously, 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 learned that the 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 freight cost savings, Jaeckle evaluated lowering the price on the product—a real win for both Jaeckle and the customer.

In alignment with their Distributor Service Index initiative and their commitment to long-term relationships, fairness in the product price and customer service are the types of arrangements that Jaeckle aims to create in all of its customer interactions. While increasing profits is vital 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.

## ***A Collaborative Partner***

While the power of RateLinx analytics and data-driven freight management software has helped Jaeckle analyze their freight spend, the provider has also proven to be a trusted partner. RateLinx expertly integrated its shipping and logistics management solution into Jaeckle’s existing IT and business

information systems. In addition, the support the RateLinx team provided after the launch and implementation stage established RateLinx as a trusted—a responsive and collaborative—partner.

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

Gagg also praises RateLinx’s no-nonsense approach, knowledge, and high internal expectations of staff as reasons to recommend RateLinx to any company looking for better invoice management or a TMS solution.

“I would recommend RateLinx. They understand the industry, have a responsive staff, and are eager to enhance their product. For us, the real strength of RateLinx has been the ability to itemize freight costs, providing us insights to make better decisions—all with software that fits into our existing architecture.”

Gagg concludes, “RateLinx’s solution continues to help us accomplish our goal of better data leading to better decisions.”



### ***Informing Decisions:***

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# *RateLinx*

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