

## GLOBAL ATHLETIC RETAILER SUCCESS STORY



*Global Athletic Retailer effectively reduces costs by automating their allocation process with the help of Iron Data.*

In a continued effort to focus on spend management a global athletic retailer decided to review their existing allocation process because they suspected they could gain efficiencies that would enhance accuracy, reduce labor costs and provide them with the information they needed to monitor their freight spend. Everyone on their team agreed that in order to assign costs properly and monitor their spend effectively they required a cost allocation structure that was very complex and assigned costs based on multiple product lines, divisions, groups and departments within their organization.

In order to successfully meet the project goals the following steps were necessary:

- Map and document the current process
- Identify opportunities to reduce labor costs through automation
- Design a methodology that could assign costs with more precision, guarantee accuracy and provide them with necessary controls.

### The Challenge:

Based on the complexity of the proposed coding there was some initial concern that a 3rd party would be able to deliver an accurate, automated solution. However, Iron Data had helped them design their initial process and as a result of this trusted relationship they asked Iron Data to develop an automated process that will:

- Process high shipment volumes from multiple modes & carriers.
- Guarantee 98% - 99% accuracy.
- Provide a custom “rules based” engine, capable of analyzing a broad spectrum of data elements.
- Automatically assign correct codes at the shipment level.
- Provide a platform that would easily accommodate future changes.
- Guarantee that vendors would be paid on-time and in accordance with their contracted terms.

We were confident we could deliver the solution they were looking for and were ready to accept the challenge.

## The Solution:

### 1. Create a User's Requirement Document

Iron Data consultants met with the athletic retailer's transportation team to document the work flow for the current coding process and identify the necessary enhancements required to ensure a new automated process that would correctly assign codes, to millions of shipments, with an exception/ error rate of less than 2%.

### 2. Design Custom Logic Rules

Iron Data developers used the Users Requirement Document to develop a dynamic, customized, rules based, table driven coding engine. Understanding that financial identifiers change and evolve, the application was designed to accommodate updates quickly and easily; regardless of complexity. When completed, the update included over 27 individual code types that are assigned using over 100 logic rules.

## The Result:

By providing an automated cost allocation process that correctly codes over 98% of all weekly shipments, Iron Data helped this customer reduce labor costs by 60%. The visibility to detailed information continues to help them manage their freight costs.

