Trax Cost-Allocation Process Automation Helps Global Athletic Retailer Discover Savings

The Client & the Challenge:
A global athletic retailer reviewed its cost allocation process, looking to enhance accuracy, reduce labor costs and provide the information needed to monitor freight spend. The client’s internal team agreed that properly assigning costs and effectively monitoring spending would require a complex cost-allocation structure based on multiple product lines, divisions, groups and departments.

Trax suggested the following steps:
- Map and document the current process
- Identify labor-reducing automation opportunities
- Design a methodology that could assign costs with greater precision, guarantee accuracy and provide necessary controls

The Trax Solution:
- Identified enhancements required to ensure a new automated process that correctly assigned cost-allocation codes to millions of shipments with an exception/error rate of less than 2%.
- Built a dynamic, customized, rules-based, table-driven coding engine designed to accommodate even the most complex updates quickly and easily.
- Allowed the client to quickly and easily update business rules through a secure portal; a thorough annual review enabled continual process optimization.

The Results:
Trax was able to quickly deliver a new automated process that:
- Easily handles high shipment volumes from multiple modes and carriers.
- Guarantees greater than 98% accuracy in automated cost allocation.
- Automatically assigns correct codes at the shipment level.
- Ensures that vendors are paid on-time and in accordance with contracted terms.