Spot Rate Pricing Tool

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Gaining lucrative business through tactical pricing

A leading international delivery company lost lucrative, heavyweight business due to their lengthy pricing approval process and a rigid price discount structure – which made these shipments prohibitively expensive. The process used to create special prices was highly manual, lacked coherent business rules and was unable to cope with the growing demand for spot rate pricing.

Requirement

An online system to standardise the request capture, margin calculation and administration of spot rate pricing for ad hoc heavy weight shipments.

Solution and results

Our solution ensures that spot rates are based on total delivery cost, include an appropriate margin and are specific to shipment profile, sales channel and customer contract. We also improved the efficiency of the approval process by providing full visibility on how spot rates are used globally and devised a standardised workflow for rate calculation.

The dynamic pricing tool generated over $45M in the first 12 months of use, has 6,000 users worldwide and calculates over 1,000 prices each day.

- **Hardware: VMWare Virtual Server**
- **Operating System: Red Hat Enterprise Linux**
- **Database: Oracle**
- **Middleware: Apache Tomcat, Java**
- **Frontend: Angular**