



**TRANSPORTATION
IMPACT** *Ship smarter.
Spend less.*

3 REASONS

your **Freight** and **Small Parcel** spend
is **Higher** than It should be.



**It can be hard to finish your negotiations
for freight or small parcel rates and not feel
like you've left some money on the table.**

Carriers do their best to keep shippers off balance with details and extra things that make it almost impossible to know if you are ever really able to get the best possible rates from them.

However, this is not an excuse for you not to try. The carriers are not in the business of giving away their best rates without some resistance. Like any successful company (yours included) they live and die by their margins.

Here are **3 reasons** you could be spending more than you should be on freight, and some tips for what to do about it.

1

You don't understand your own business well enough

Carriers cannot provide the best price if you can't clearly articulate your needs. If you are not tracking and measuring shipment volumes by lane it's impossible to paint a clear picture of your business for carriers. Details like your specific product types and handling requirements go into pricing as well. It's these details that shape the pricing carriers will offer you, and the more specific the better.

It's also important to communicate how your business may be changing in the future. Shipping patterns and locations change pricing – sometimes for the better, and sometimes for the worse. Again, what matters is that it starts with a clear understanding of your own business.

2

You didn't properly prepare for contract negotiations

Leading into a contract negotiation requires a lot of planning. Not being organized with your data makes it impossible for you to do a true apples to apples comparison between different rate proposals. This is very important for you to control because it's a common tactic for carriers to make comparing their rates with their competitors' rates difficult. They do this by providing different rate matrices and accessorials/surcharge tables.

Navigating through this can be messy. It's a mistake to not have a partner.

3

You are not optimizing your routing

Higher costs don't just happen because of bad rate negotiation; they are also the result of poor choices. When mode and carrier choices are made based on bad assumptions, costs go up.

For example, there can be a fine line between what's the better choice for many shipments when choosing between small parcel vs. LTL. Many times this decision is made on general assumptions like "all shipments over 200 lbs. go LTL." The structure of carriers' pricing and your own contracts may change the math behind this type of decision with each new contract you sign.

Similarly, many shippers are paying for service levels they do not need, like 2 Day Express when Ground will get it there just as soon.

As a logistics professional, optimizing your company's shipping spend is a big part of what you do. And, it's probably something you take a lot of pride in. Focusing on these 3 areas is a fast way to take control over your contract rate negotiations with your carriers and optimize your logistics spend.

(252) 764-2885
(252) 354-3647 fax
info@transportationimpact.com
8921 Crew Drive / PO Box 4758
Emerald Isle, North Carolina 28594
transportationimpact.com

Transportation Impact is a leading provider of freight negotiation, freight bill audit and pay and transportation management system solutions. We negotiate the industry's lowest freight rates with whichever carriers our customers choose. We negotiate the rates in our customers' names, so they can take their rates with them if they ever decide to leave. Our Command Center TMS is built from a user's perspective and uses API connectivity, making it the most up-to-date and agile freight technology available. Best of all, it's free. Call one of our friendly in-house experts to schedule a web demo today at (252) 764-2885. Or, if you have two minutes to spare.