

Top 15 LTL Savings Tips

ONE THROUGH FIVE

1. **Make sure all packaging materials meet the requirements set forth in the NMFC. Proper packaging can minimize freight damage.**

- › Hone your packaging process. Evaluate strategies to increase density to provide better ROI on packaging dollars.
- › Ensure that all merchandise is packed securely with protection on all sides to minimize cargo claims potential.
- › Pack all freight with minimal empty space to avoid having your freight reclassified at a higher class because of lower density. Maximize space on the pallet.
- › Reuse your packing materials. It's easy to save and reuse bubble wrap, packing peanuts, air pillows and other packing materials and avoid repurchase.

2. **Stack freight securely, ensuring cartons do not hang over the pallet's edge.**

- › Create pallets that have flat tops. Pack to the pallet edge and to the height requirement.
- › Never use freight cones on top of pallets to prevent stacking on top. Don't pyramid boxes to prevent stacking on top. This interferes with trailer volume efficiency and most often leads to charges for unusable space.
- › Attach freight to the pallet with shrink wrap, otherwise it may slide and be damaged. This delays delivery and costs money in claims.

3. **Freight trailers can accommodate pallets 96 inches tall. If the freight is non-stackable, fully utilize the space from floor-to-ceiling where possible.**

- › If stackable, keep pallets to 48-50 in. maximum height. Pallets can then be loaded alongside others more easily, and the carrier can optimize trailer space.

4. **Avoid sticker shock. Make sure the destination of your freight is a direct service point for your carrier (or confirm your pricing applies on interline points). It is the payer's responsibility to know the pickup requirements of the shipper or the delivery requirements of the consignee.**

- › If a liftgate or limited access delivery will be required at destination, this should be confirmed at the time the quote is given to avoid invoicing surprises.
- › With the increase of handheld driver devices and third-party SaaS applications, these shipments should be located.

5. **Use the right shipping mode. If shipping a single 30 lb. piece, the cost of shipping with LTL carrier will usually exceed package carrier costs.**

- › Truckload is always cheaper than LTL, assuming you can fill load.
- › Volume LTL/Spot Rates: YRC Freight provides spot volume rates for shipments occupying as few as three pallet spots (eight linear feet on the trailer) and up. The spot rate may be lower than an LTL rate, particularly if it is a backhaul.



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SIX THROUGH TEN

6.

Don't estimate shipment weight. Enter the correct weight for the freight, including the pallet weight. Rounding to broad numbers (like 1000) will guarantee the shipment will be re-weighed by the carrier.

- › If a shipper underestimates weight, costs may be higher than expected. The carrier can send the shipment through a Dimensioner to calculate the cubic volume.
- › If the weight is understated, the density will be lower. This could move the freight to a higher, more expensive, shipping class.

7.

List the correct NMFC Item Number on the BOL, including the proper sub. Include the actual class (not FAK class) and the correct NMFC description. Omitting this information will send the freight through a Dimensioner and/or a W&I Supervisor.

- › Understanding freight classes is critical. Incorrect classification may be costly.
- › Triple-check the bill of lading before signing, as it is a legal document.

8.

Single bill pickups are costly for carriers. If possible, arrange for a pickup with two or more shipments. This will eliminate Single Shipment charges.

- › Ship more product less often. Shipping six pallets is more cost effective than sending two pallets every two days.
- › Shipping on off-peak days can yield measurable savings. This is an option for shippers of non-consumer type products.
- › When scheduling pickups, indicate the number of pallets to be picked up. If more orders are received during the day, inform the carrier so they send a trailer that can accommodate your freight.
- › Ship early to avoid holiday crunches. Avoid delays and expedited costs by shipping at least a week early. Carriers slow down as employees take time off work for the holidays. Don't wait to send your shipments.

9.

Be sure freight is prepared before scheduling the pickup. This minimizes waiting and loading time and allows the driver to keep moving. Time lost when freight is not ready is money wasted.

- › Develop a reputation for loading quickly. This will affect the price and encourage a good working relationship between the carrier and shipper.

10.

Look for carriers based near your ship-to points. Your load will more likely become a backhaul with a lower rate. Factor distance into your shipping decisions.

- › Cross-docking velocity: Is there a need to forward store products to closer locations to your customers to support same day/next day buyers?



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ELEVEN THROUGH FIFTEEN

11. Understand carrier liability. This allows reductions in losses due to limitations in liability.

12. **COMPLIANCE MATTERS:** Are you monitoring internal freight decision-makers to ensure they are optimizing freight decisions (versus playing favorites)? Have you converted your inbound shipment from “Prepaid” to “Collect”?

- › This can help you avoid paying supplier markups and taxes on your inbound freight.
- › Once you have converted your POs to instruct “Inbound Collect,” monitor supplier compliance to ensure approved carriers are utilized.

13. Forging a more “vested partnership” with a transportation management provider often leads to cost-savings opportunities.

- › Share your data and allow them freight optimization opportunities. Volume commitments can often lead to better savings than running frequent RFPs and spreading your volume across too many freight suppliers.
- › Perhaps this partner can offer you a free TMS portal for your internal stakeholders to use and better manage shipment activity.

14. **Customer-Partner Reviews:** Have the right stakeholders involved and meet frequently. These collaborative meetings are critical for resolving issues and finding new opportunities for mutual optimization.

- › Use your reviews to educate your partners as to what is happening in your industry.
- › Your partner should use this education to offer new ideas and strategies leading to more market competitive advantages.

15. Look for carriers based near your ship-to points. Your load will more likely become a backhaul with a lower rate. Factor distance into your shipping decisions.

- › Discuss System Integration with your carrier. Are you striving for a paperless freight program such as electronic proof of deliveries and invoices?

