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Domestic Freight Management 101

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Agenda



- Common Shipping Definitions
- TL & LTL Rates – How are they determined?
- Control Your Routing / Inbound & Drop Shipping
- Questions

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Common Shipping Definitions



- **Accessorial Charges**
 - Charges made for performing freight services beyond normal pickup and delivery such as inside delivery, waiting time, fuel surcharges, storage surcharges, etc.
- **Bill of Lading (B/L)**
 - The legal and binding document that contractually links the carrier to the shipper and consignee for the shipment described. The bill of lading is tendered to the carrier by the shipper at the time of pickup. Always include the total piece count, not just the number of pallets. Have drivers count and sign for pieces.
- **Freight Terms**
 - **Freight Prepaid:** the shipper pays all freight costs. This must be specified on the bill of lading.
 - **Freight Collect:** the consignee / receiver pays the carrier directly for freight costs. This must be specified on the bill of lading (Signing section # 7 on the bill of lading offers some protection to the shipper if the consignee does not pay the carrier for a collect shipment).


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How LTL Rates Are Determined




LTL rate determination

- Distance (origin & destination)
- Piece count, weight and dimensions of product (determines density)
- Freight Class (using NMFC listing)



How does the Carrier see your freight?

- Profitability
- Revenue
- Claims
- Profile – Desirable or Non Desirable


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Freight Carriers Like To See...

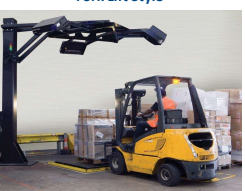



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Dimensioner Measures Freight





Conveyor Style 

Fork Lift Style 


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How TL Rates Are Determined




TL rate determination

- Distance (origin & destination)
- Mode (Flatbed, Dry Van, Reefer, etc.)
- Capacity (where are the trucks?)



How does the Carrier see your freight?

- Profitability
- Revenue
- Claims
- Destination capacity

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Controlling Inbound And Drop Shipping Freight Costs



Clearly understand shipping instructions and payment responsibility prior to submitting a purchase order with a vendor.


The party responsible for freight charges has control of routings.

Avoid using "BEST WAY" as a shipping instruction.


Remember: Place shipments with your vendor with plenty of lead time. The beginning or middle of the month is ideal for best rates.


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Industry Trends



- LTL Carriers increased investment in technology to automate processes and increase revenue and profitability.
- Carriers applying more aggressive over dimensional fees for shipments that require more trailer space.
- Industry driver shortage.
- Electronic Log Device (ELD) implementation and compliance and the impact on truck capacity.
- LTL and Truckload capacity very tight as a result of strong shipping environment and economy.

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Questions? Thank You.

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