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Best Practices:

10 Ways to Save on LTL Shipments

1. LTL carriers give the deepest shipping discounts to companies with the largest volume. If your shipping volume is smaller, and less predictable, you can still gain access to discount rates by working with a third party logistics company like SSI Logistics. Our volume gives us access to the most competitive rates; and our industry expertise enables us find you the best value, without compromising quality of service.

2. Classifying your shipment correctly can save you money. There are 18 different classifications, ranging from 50 to 500, accord-

ing to the National Motor Freight Classification (NMFC) book. Lower numbered classes tend to be more dense, easy to handle and difficult to damage, so the lower the classification number, the lower the cost. But don't just assign a lower classification number if you aren't sure. Freight class is determined by more than just weight, dimensions and density. Other factors include stow-ability, value, handling and liability, to mention a few. If you need help determining the proper freight class for your shipment, contact SSI Logistics for advice. We ship a wide array of products on a daily

basis and can help you avoid costly freight adjustments down the road.

3. Avoid freight adjustments by getting all the documentation correct from the start. Make sure the Bill of Lading has the correct number of items, size, weight, dimensions, requested service and shipping address. The extra costs of freight adjustments amounts to more than just the adjustment itself. The extra time and trouble associated with auditing bills is significant and can bloat hidden administrative costs. Be sure to measure the dimensions of your packages correctly. Account for any overhangs

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or protrusions. Weigh everything as it is packaged ready to ship. Assign the proper freight class. If you encounter frequent freight adjustments, consult with SSI Logistics for ways to document shipments properly and streamline operations.

4. Package shipments to maximize density. The more densely something is packaged, the lower the overall freight cost is. Density is calculated by dividing the total cubic feet of the package by the weight. If the shipment is palletized, be sure to include the pallet's weight and dimensions in the calculation.

5. Negotiate a FAK (Freight All Kinds) arrangement with the carrier if you are shipping multiple products in a range of freight classes. For example, if you ship a variety of products that range from 50 to 100 in freight class, an FAK arrangement may be possible allowing you to classify everything in a freight class of 70. This arrangement can streamline operations and save considerable money.

6. Match the shipment with the right carrier. If a carrier services a certain area regularly, their base rates will be formulated on servicing that area. If your delivery goes outside that area, they will need to transfer the shipment to another

LTL carrier, driving the cost up. By working with a reputable third party logistics company, you will have access to a wider array of carriers to best suit your needs, and avoid unnecessary upcharges.

7. Don't overlook accessorial charges. These are for extra services the carrier provides beyond typical pickup and delivery. Examples include lift gate service, residential pickup and delivery, limited access location and inside deliveries. Fuel surcharges vary widely from carrier to carrier, but discounts and flat rates can be negotiated. Consult with SSI Logistics if accessorial charges are an issue for you. We may be able to negotiate discounts or flat rates on your behalf, depending on circumstances.

8. You may be able to negotiate rate tariffs with LTL carriers for different lanes of shipping if you have a good handle on your freight activity. The goal is to get different tariffs for different lanes, based on the amount of shipments you run through each lane. Let SSI Logistics analyze your freight data and help negotiate a tariff rate plan tailored to your shipping needs.

9. For inbound freight, consider changing your shipping terms from "prepaid and add" to "collect," using your recommended

carrier. By doing this, you eliminate handling charges that can add up. It also limits the number of carriers who deliver, which streamlines operations by limiting the number of entities your receiving dock personnel and accounting department has to work with. This does not mean you have to pay the driver at the time of delivery. It simply means you will be invoiced by the carrier of your choice.

10. Consolidate shipments whenever possible. Planning is the key. Look at your workflow, production rates, inventory levels and, of course, the customers' need for timely delivery. It's an exercise in logistics, and a good place to start is by consulting with SSI Logistics. Our team of experts can bring a wide array of shipping solutions to the strategic conversation.



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