Driving LTL Freight Savings:
5 Simple Ways To Drive LTL Freight Savings Within Your Business
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In today’s economy, every business is looking for an edge. A savings of 10% or more in transportation costs could have a significant impact on your bottom line and could give your company an important competitive advantage. Many companies are working in an environment of fierce competition and razor sharp profit margins. What separates the top performing companies from the rest of the pack is how well they are able to adhere to standard operating procedures and continue to improve upon those processes.

One example of this is how companies control the carrier selection decisions that are made by their suppliers and how these suppliers are being utilized. When there are hundreds or even thousands of vendors to reign in, this can be a daunting task for many companies to manage.

So, how can companies ensure they are optimizing savings opportunities without experiencing a reduction in service levels?

5 SIMPLE WAYS TO DRIVE LTL FREIGHT SAVINGS WITHIN YOUR BUSINESS:

1. UNDERSTAND YOUR SUPPLIER NETWORK:

Determine where your key suppliers are located and how often are they shipping product to your facilities.

INCREASED QUANTITY

Could shipment order quantities be increased to reduce the frequency of LTL shipments?

FREQUENCY OF SHIPMENTS

Reducing the frequency of shipments will reduce the occurrence of minimum charges and ultimately yield larger freight savings and lower cost per pound over the course of the year.
CREATE VISIBILITY INTO YOUR FREIGHT EXPENDITURES:

By developing reporting that captures where you are spending your LTL transportation dollars at the vendor level, a company can better understand where there may be opportunities to reduce cost. Which shipments do you pay the freight for and have control of today and are there opportunities to convert pay terms to maximize savings? A reputable third party logistics provider can capture this critical information with the use of a transportation management system (TMS).

CONVERT OPPORTUNITIES?
Are there opportunities to convert pay terms to maximize savings?

PAY IT FORWARD
Which shipments do you pay the freight for?

TRANSPORTATION MANAGEMENT SYSTEM (TMS)
Worth the investment to capture the critical information.
3. **CONSOLIDATE YOUR SUPPLIER BASE**

Are there opportunities to buy more products from regional suppliers to reduce transportation expense? Companies do need to have redundant sources of supply as contingency and for leverage in negotiations, but key regional vendors can be established in many cases. Reducing the length of haul can enable you to use more regional LTL carriers and in turn, potentially reduce your transportation expense while simultaneously improving your average transit times. Generally speaking, regional LTL carriers’ networks are better positioned to provide more reliable and faster transit times than their national LTL carrier counterparts.

4. **COMPLIANCE: MONITORED AND ENFORCED**

Are your vendors sticking to the plan?

- **UNDERSTANDING**
  Vendors need to understand and be held accountable for their carrier selection decision. If vendors are not selecting the least cost carrier, have they been given the authorization to do so?

- **ENFORCEMENT**
  If a vendor violates the rules for carrier selection, hold them accountable by enforcing chargeback penalties. Having a single point of contact for your vendors will help to reduce the chances of incurring unnecessary expenses.

- **OUTSOURCING**
  Consider outsourcing the vendor compliance and carrier selection process to a third party LTL provider that has a robust LTL TMS. This will remove the expense and burden from the shoulders of in-house staffing as these third parties can provide flexible resource levels to handle surges in incoming requests.
Incorporating these behaviors into your vendor assessments will enable your company to monitor your vendor network, leverage opportunities for shipment consolidation, maximize vendor compliance to preferred carrier routing, and ensure vendors are aware of your standard operating procedures.
PLS Logistics Services was founded in 1991 and since that time has become one of the country’s leading logistics management services providers. Based outside of Pittsburgh, PA, PLS provides dependable outsourced logistics solutions as well as freight brokerage services.

We ship over one million loads annually across all major freight modes: flatbed, van, LTL, rail & barge, air & ocean. Our customers benefit from our broad PLS Transportation network of over 150,000 trucks representing 15,000+ active carrier partners, along with Class-1 railroads and major barge companies.

With one of the fastest growing staffs of logistics professionals in the industry, we deliver best-in-class service to each of our customers. PLS’ proprietary web-based transportation management system – PLS PROSM – ensures that every freight move is optimized and tendered at the lowest cost, meeting service requirements while providing increased visibility through tracking, administration and reporting. We provide the right solution for your business, adapting to your specific needs and requirements.

Experience. Capacity. Flexibility. PLS Logistics Services provides everything your business needs to gain a competitive edge in today's rapidly changing transportation environment.

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PLS Logistics Services handles the shipping needs for companies across a wide range of industries.

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90,000 Shipments a Month
1 Million+ Shipments a Year