

10 Ways to Reduce Freight Costs

Manufacturers and distributors across industries have experienced supply chain challenges impacting their goods and services. Driver and container shortages, port congestion, missed pickups or deliveries, and inflation have taken a toll on profit margins and customer satisfaction. To combat these challenges, business leaders are looking at ways to optimize freight costs and streamline suppliers.

In today's seller's market, it can seem like options are limited, and accepting the status quo is the answer. However, years of benchmarking and in-depth analytics, coupled with market intelligence from our freight specialists, have proven there are always paths for improvement. We've compiled a list of our top recommendations for reducing freight costs during inflationary periods.

10 Ways to Reduce Freight Costs:

1. Renegotiating contracts with current suppliers or via negotiations with new suppliers
2. Operational improvements, like warehouse and freight consolidation, reduced production times, and packaging changes to minimize dimensional weight surcharge
3. Use the most cost-effective class code, without compromising on protection from damage or loss
4. Contract directly with freight providers vs. through a third-party logistics provider
5. Utilizing distribution centers located near to key customers
6. Use contracted rates vs. daily spot quotes
7. Auditing of shipment delivery times to earn credit for late shipments
8. Minimizing damage through packaging changes, pallet wrapping, vehicle equipment selection, loading and unloading requirements
9. Improving transit times lane-by-lane by playing to individual carrier's lane strengths
10. Optimizing the use of individual freight modes based on shipment weight, required transit times, and consolidation of services with a single provider

Need help taking the first step? ERA's freight specialists can help flip the status quo against a seller's market by utilizing market intelligence and in-depth analytics garnered from more than thirty years of cost savings projects. Our specialists can achieve savings beyond rate negotiation – putting dollars back to your bottom line – while keeping your staff focused on your business's key objectives.

Contact ERA to learn more about how our specialists can reduce freight costs and streamline your supplier base.