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For more than 20 years, this section has engaged and enlightened with expertise and insight from industry insiders and leading contributors. Tackling the challenges confronting shippers today, from leveraging data to weathering peak seasons, Logistics Knowledge Base provides impactful to-do's and actionable takeaways. Get the information you need to drive transformative change at your enterprise today.

LOGISTICS KNOWLEDGE BASE©

Let Data Lead the Way to Optimization

Chris Hoffmeister
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Using intelligent, actionable information, we work alongside our customers to proactively meet their own customers' needs.

We're in an era where supply chain information is critical, and it's far more than letting consumers know when their packages will arrive. It's about having comprehensive insights into what's occurring throughout your supply chain 24/7/365, as well as the ability and flexibility to make both proactive and on-the-fly plan adjustments.

This is enabled by technology that offers up-to-the-minute data and end-to-end visibility. Advanced technology brings these benefits and more:

• The ability to track products throughout the lifecycle of the supply chain

Visibility at multiple touchpoints on freight–all the way from a manufacturer to a retail store or a consumer's home–is vital for making supply chain decisions and adjustments.

There's no more, "Hey, we need to do this over the next 18 months." It's now, "What can we do over the next two weeks (or sooner) to adjust to this change?"

Even as the volume of e-commerce purchases continues to grow, buyers are getting a much narrower delivery window than they were just five years ago. The only way to provide more accurate ETAs is by using technology, data, and touchpoints to track product throughout its entire lifecycle. These insights allow for better planning and flexibility when circumstances change.

• Operational efficiencies

Our continuous improvement team is always coming up with new ways to drive costs and inefficiencies out of our customers' networks and enhance how we conduct business. Technology ranging from our paperless cab, which reduces the amount of paperwork a driver has to interact with, to integrated systems that simultaneously improve order visibility and processing time, helps our customers, our suppliers, and our own business.

Additionally, our investments in in-cab technology and GPS units in containers have improved equipment utilization. This advantage was apparent in 2018 when capacity was tight: We were able to turn our equipment faster, which was a big win for our customers.

• Improved decision-making

Manufacturers and retailers are no longer satisfied with only knowing "Did my load arrive on time?" By constantly fine-tuning our data collection processes and feeding analytical data into advanced forecasting models, we can provide much more.

Using intelligent, actionable information from these models, we work alongside our customers to proactively meet their own customers' needs today, and in the future. Fully optimized supply chain intelligence is critical for anticipating and responding to demands as quickly and efficiently as possible.

Knowledge Translates to Efficiency

Understanding our customers' needs allows us to create optimal solutions to meet those demands. Better insights into what our customers need, combined with the wider picture we're capturing from thousands of data points, enable us to work even more effectively.

The more we know, the better we are positioned to pull the right levers to avoid delays, help customers keep inventories at the right levels, position assets where needed, and more.

Keeping Your Eye on the Prize: What Formula One Can Teach Us About the RFP Process

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Bid management software is like a team boss, acting as the face–or rather, interface–of the complex data streams racing through your network.

Formula One (F1) is arguably the most data-driven sport that exists. Cars are equipped with approximately 150 sensors that generate 2,000 data points/minute–including tire performance, track temperatures, steering and braking patterns, and more. That amounts to roughly 4 terabytes of data per car per race. All this data is used to drive fast decisions on the track, where every second counts.

Fast decision-making is also vital in business, so what can we learn from F1 teams about carrier procurement? In both racing and bid management, steering toward a successful outcome takes more than a skilled driver or purchasing manager. It takes a reliable network, powerful technology, and rapid-fire data exchange.

Data-Driven Decision-Making

Before data analytics became a key component to F1 races, winning or losing depended on the driver's split-second decisions on the track. Now, decision-making is largely driven by technology, allowing drivers to focus on their core competency–driving.

Imagine if an F1 driver had to plot fuel management mid-race. How would that extra work impact their performance?

The driver at your organization is the person making procurement decisions. Selecting the right carriers for the right rates while covering commitments can be a challenge. It often involves massive lane spreadsheets, manual data entry, and mismanaged carrier relationships. Procurement decision-makers can lose focus–getting caught up in organizing Excel files instead of making decisions that lead to ROI. Like F1, technology can do most of the work for you.

Watch any F1 race, and you'll see team bosses staring at monitor banks while issuing instructions to the drivers. What may not be immediately clear is that those bosses act as the face of robust data streams flowing in from mission control centers full of race engineers.

Bid management software is like a team boss, acting as the face–or rather, interface–of the complex data streams flowing through your network. You collect massive amounts of data every day, but if you don't have the right tool for analyzing that data to drive decision-making, you may be wasting valuable time.

An Empowered Network

F1 pit crews are notoriously efficient, and the best can change a car's tires in under two seconds. Something else that should take seconds? Adding carrier rates to your master response list.

Too often, shippers will send out RFPs, collect responses one by one, and manually add those responses to a master Excel document. This workflow is like a driver pulling into a pitstop and changing the tires himself.

When sending RFPs, if you are spending time re-entering the rates that carriers send back, your time isn't being used wisely. Bid management software can collect responses automatically within seconds of the carrier submitting them, which allows you to focus on strategic initiatives with the time saved.

In racing and business, efficiency is key. When managing your next RFP, make sure you have the right tools in place that eliminate inefficiencies and allow you to keep your eye on the prize–finalizing and executing the routing guide.

You Have a Data Problem. Here's What to Do About It.

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To make 2020 better than years past, shippers must make this New Year's resolution: Get the data right before the product leaves the dock.

From time to time, logistics managers may disagree on the path to take to get from Point A to Point B. But the fact of the matter is that there is just one *best* choice. And the key to determining that best choice is data.

Sounds simple enough, but–as in so many things in business and in life–the devil is in the details.

Questions Before Answers

Data professionals that are worth their weight in, well, data, begin with more questions than answers:

1. What are the significant data issues plaguing logistics companies?
2. What are the long-term implications of not solving data problems?
3. How are companies currently handling these data issues?
4. What are common internal hurdles that keep shippers from solving their data problems?
5. Why have technology providers struggled to solve data problems for shippers?
6. What should shippers look for in a data partner?

Individualizing the Answers

Each company faces unique challenges, of course, but individual solutions are found only against the broad backdrop of industry best practices. The goal of your data partner must be to create an integrated data platform that connects shipping, track and trace, and payment data to create one unified framework in order to give you insights into your company's complete logistics and supply-chain lifecycle.

Advanced analytics help you transform your logistics and payment data into powerful, actionable insights in real time so you can make the right choices to improve your supply chain.

Money Matters

Time is money, of course, but for shippers there is considerably more to the equation. The first step in reducing shipping costs is to understand what influences the cost. Shipping costs are always determined by the same four characteristics:

- Distance
- Density
- Shipment size
- Speed

When shippers have a clear picture of these four components, they now have a way to understand their costs. This is when they can see that there are some profit leaks, most generally due to outdated rules and the use of the incorrect carrier on some lanes.

Using a system with artificial intelligence and machine learning to determine data errors and fix them, allows you to diagnose process problems, and develop the right strategies that when deployed will prevent the profit leaks. Additionally, the cleansed data creates more accurate and powerful analytics and alerts.

The next step is to connect your order and tracking data to your financial data to get real-time access to your global freight spend. Reduce cost and optimize transportation strategies by automating your freight audit process and using financial-driven key performance indicators (KPIs). In this way, you have created an intelligent freight audit and payment solution tailored to your company's highly specific needs.

Partners in Progress

In the pursuit of these goals, the smart shipper knows that being in the driver's seat does not mean going it alone. Your data partner leverages advanced data analysis tools to solve even the most challenging supply chain problems.

Let 2020 be the year you harness the power of data to empower your organization with effective new supply-chain strategies. In doing so, getting from Point A to Point B will be more effective and profitable than it ever has been before.

Technology Can Cure the Parcel Crisis at the Border

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The growth of e-commerce has driven global parcel shipping volume to an all-time high. Consumers are more comfortable than ever buying from e-commerce vendors located overseas, while at the same time, retailers have adopted an omnichannel shipping strategy that has broadened the storage and shipment of inventory from centralized distribution centers to brick-and-mortar stores and manufacturers, wherever they may be.

This has resulted in a flood of inbound packages that has taxed the resources of U.S. Customs and Border Protection (CBP), which has traditionally processed larger containers.

As e-commerce continues to increase globally, shippers have to streamline customs compliance to support their omnichannel strategy.

Putting a Strain on Customs

Today, 66% of businesses that sell online are already selling cross-border. These sales account for close to 31% of those businesses' revenue, according to the *Visa Global Merchant E-commerce Study*. Additionally, cross-border e-commerce is not about to slow down, with 66% of the businesses not currently selling internationally planning to do so soon.

This is bound to put a strain on the CBP, adding costs and time to international parcel deliveries, especially as more shipments are delivered from foreign manufacturers direct to consumers.

"You do ultimately have a lot more direct shipper-to-manufacturer relationships. And there's a lot of middleman distribution that's being compressed out of that supply chain component," says Spencer Askew, CEO of multimodal TMS company Teknowlogi. "Today's shippers will use drop ship-to-home from manufacturers in America or overseas, where the shippers historically would have to be responsible for some kind of a distribution or hire a 3PL to sit in the middle."

To lessen the burden on CBP resources, the Trade Facilitation and Trade Enforcement Act of 2015 raised the de minimis value (the limit under which so-called "Section 321" shipments–aka parcels–are exempt from duties, taxes, and more detailed filing requirements) from $200 to $800. By raising the de minimis threshold, the impact has been anything but trivial and may have added momentum to the parcel volume surge.

The CBP is searching for a way to speed up the processes considering this growth of international parcels, and late last year, it took its first step toward that end.

Turning to Electronic Filing

Parcel customs clearance processes have been completely paper-based and manual to this point, except for a few global parcel carriers who can file electronically because they have customs brokerage service operations.

In Q4 2019, the CBP began testing an electronic filing process it believes will streamline clearance processes, while improving data collection, visibility, and border protection. When the piloting phase is complete, the process will enable global logistics companies to electronically file more detailed Section 321 information, eliminating manual and duplicate data entry and freeing up the flow of parcels through customs.

It is unclear what impact electronic filing will have on speed and costs for parcels having to clear customs daily. However, as e-commerce continues to increase globally, shippers will have to continue to navigate customs both in their home country and a growing number of others so their omnichannel strategy can deliver from the endless aisle. Having the right technology partner will be key in staying compliant and reducing costs.

The Three Things You Can Teach Your Third-Party Logistics Provider

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Just because your logistics provider is the subject-matter expert, it doesn't mean there isn't anything they can learn from you.

Subject-matter experts. It's a phrase that you'll often hear mentioned by third-party logistics providers, and rightfully so. A quality logistics provider should be able to guide you through industry best practices and help you operate your business.

However, just because your logistics provider is the subject-matter expert, it doesn't mean there isn't anything they can learn from you. That's one of the reasons Port Jersey Logistics sends out a Client Satisfaction Survey every year–to see what we're missing and to see how we can improve. Through this process, we consistently receive valuable feedback that helps us continue to be a preferred service provider to our customers.

Based on the results from our survey, here are the three things that you can teach your logistics provider:

1. What you truly enjoy about your logistics provider.

Sometimes the basics matter most. Companies get caught up in KPIs, statistics, and reporting, but what's truly important for successful business relationships is much simpler than that–enjoying who you work with.

While this may seem obvious, it's also easy to forget when you're focusing on the bigger picture. Your logistics provider may not know what sets them apart from the pack, and they won't be able to further develop those qualities unless you tell them.

For example, the most commonly indicated positive aspect of Port Jersey Logistics and our operating companies is that our customers enjoy working with their primary contacts on a daily basis, so we launched an internal survey to build upon our company culture and ensure that our employees are delighted, just like our customers.

2. How you expect your logistics provider to grow.

Logistics companies should always be looking to evolve, and one of the best ways to determine the direction they should take is by asking their customers. Their customers will likely have insight about trends in their specific industries that may require the logistics provider to enhance their service offerings.

Overall, one of the common goals across the logistics industry is to improve turnaround time. Many refer to it as the "Amazon Effect," where consumers, and now businesses, expect to receive products quicker, which will only increase over time.

3. What you need help understanding from your logistics provider.

Even though logistics providers are the subject-matter experts, certain processes that occur behind the scenes may not be well communicated to customers.

This is a fast-moving industry with many steps throughout the process that impact your business in various ways. If there's something that you don't understand, your logistics provider is the perfect resource for answers to your questions. We do our best to continually communicate industry information and dive deeper in logistics processes through regular conference calls, quarterly business reviews, and informative emails.

Do you already express these points to your logistics provider? Do they listen? If not, here are some suggestions that may encourage them to listen:

- Schedule quarterly business reviews
- Grade them with an annual scorecard
- Coordinate strategic planning sessions
- Research other providers for comparison

If your logistics provider is not receptive to your feedback, you may need to consider finding someone who's a better fit for your business and who will take your feedback and look to partner with you.

Scale to Meet Your Needs

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Now more than ever before, shippers should consider working with an experienced managed transportation service provider that has a large, dedicated network of carrier partners.

As the New Year's Eve ball drops, so do the stresses, frustrations, and worries weighing down on us throughout the year. Shortly after the kisses and hugs, we excitedly declare, "This year will be better than last year." Next we make our New Year's resolutions, to be healthier, to not take the small things for granted, to save more money, etc. But as February rolls around, it's evident we are merely creatures of habit.

If you're in logistics, you're already familiar with this cycle–the highs and lows of supply and demand. At the beginning of 2019 and with a solid 2018 in the rearview mirror, many trucking companies made "resolutions" to increase growth and profit. They bought more real estate for expansion, more trucks, and hired more drivers.

Yet, as one article in *Business Insider* stated, "Thousands of truck drivers lost their jobs in the 2019 trucking 'bloodbath.'" The article goes on to state, "It's not just small businesses that struggled. Major trucking companies consistently missed and revised their earnings targets this year." More than 600 trucking companies filed for bankruptcy.

Breaking the Cycle

So how do shippers and carriers protect themselves moving forward?

Scalability.

2019 saw record growth across many markets, even with geopolitical factors, such as tariffs and border wars acting as deterrents. According to projections from SJ Consulting Group, Inc., e-commerce growth increased 20% in 2019, with no end in sight. A record 8.6 billion packages were delivered domestically. Sure enough, 2020 sees no slowdown.

Now more than ever before, shippers should consider working with an experienced managed transportation service provider that has a large, dedicated network of carrier partners and deep relationships with these partners. In this modern, competitive, and ever-changing market, it is more important than ever before for businesses to be hyperfocused on their core competencies and foster deep relationships.

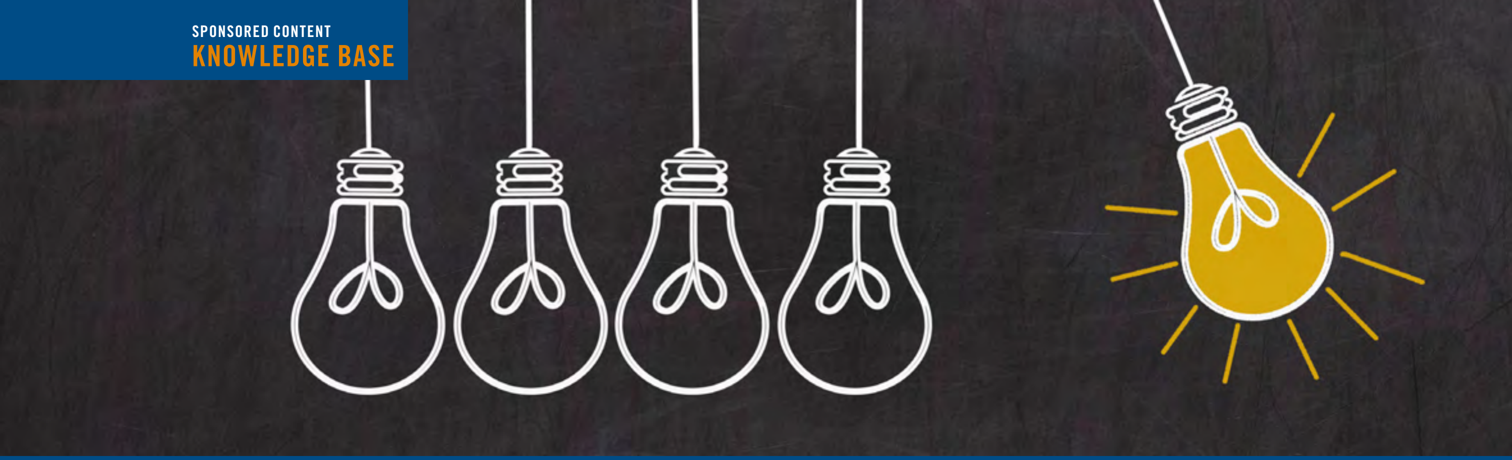
Many MTS providers are moving toward better technology experiences, including automation. Yet automation is merely a tool, not a solution. When a problem arises, as one always does, working with an experienced person who understands holistically the needs of the shipper and the carrier will ensure the most successful results.

That being said, MTS providers must implement the very best cloud-based TMS for shippers, offering full transparency from planning to shipping to billing. According to nVision Global's article in FreightWaves.com, "Benefits of a cloud-based TMS include automation of the routing guide, management by exception, real-time insight, visibility into the ordering and shipment process, and improved communication with end customers."

Keeping Steady

Additionally, scalability can stabilize market volatility. Regardless of how fast business grows or slows, shippers can rest easy knowing that their MTS provider will meet demands and costs, and drivers can take comfort in knowing that they will have more dedicated work at fixed prices.

Capturing capacity and keeping drivers engaged, loaded, and quickly and fairly compensated is the only way to keep a captive network of trucks ready when the market takes a turn, whether it is a short-term spike or a long-term shift. When operating at scale, it is on the MTS to create seamless communication among all the parties. Hopefully, when the ball drops in 2020, many more in the logistics industry will say, "I hope the New Year is as good as the last."



Turning Fixed Logistics Costs Into Variable Costs via Outsourcing

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Variable costs offer an ideal way for many shippers to keep money in their proverbial pocket when things are slower without sacrificing service when orders pick up.

Too many fixed costs can sink any business–especially newer businesses without a steady profit stream. Fixed costs refer to recurring costs such as rent, taxes, utilities, salaries, and other such necessities. Unlike fixed costs, variable costs fluctuate based on multiple factors, such as product volume or service usage.

In most cases, variable costs are preferred because they adjust proportionately to the peaks and valleys of the business. Variable costs offer an ideal way for many shippers to keep money in their proverbial pocket when things are slower without sacrificing service when orders pick up.

While some of these costs cannot be avoided, many can be converted to variable costs by enlisting a third-party logistics (3PL) provider. The following expenses can be made variable via outsourcing:

Real Estate

When sales underperform, it can be difficult to scale warehousing or fulfillment operations to match if a business directly owns or leases these facilities. The rent still has to be paid whether the storage space is full or not.

Through multi-tenant facilities, 3PLs can scale storage space based on your current demand. 3PLs can monetize unused space by leasing to other clients and expand your storage space during peak sales periods or in the face of unexpected demand. This convenience also extends to the additional utility costs associated with cold storage.

Material Handling Equipment

From forklifts to conveyors to indoor cranes, the upfront cost of material handling machinery can be intimidating for businesses of any size. New and functional equipment can often be out of reach entirely for small and medium shippers–especially those who don't maintain high sales volumes all year round.

A 3PL offsets this cost more easily because they can spread it across multiple clients. For a logistics provider, material handling is an indirect cost rather than a direct one, so the impact on client rates is often minimal.

Software

The fixed cost of logistics software solutions can eat away at a direct owner's supply chain budget. Efficient operation often requires a variety of solutions, such as warehouse management systems, transportation management systems, yard management systems, electronic resource planning, and more.

3PLs roll these costs into their customer rates, often providing a substantial discount over what the shipper would pay for the solutions directly. Given the narrow margins faced by logistics providers, most have invested heavily in a full suite of supply chain solutions to drive efficiency in every area. Customers ultimately benefit from these investments at a much lower cost.

Labor

The supply chain sector faces a shortage in both skilled and unskilled labor, making it difficult for many shippers to maintain a reliable workforce. This shortage extends from the warehouse floor to the manager's office.

While reliable labor is perhaps one of the greatest benefits offered by 3PLs in general, turning labor into a variable cost offers a substantial positive impact on the bottom line. The 3PL handles human resources, insurance, and other benefits, all while scaling labor up or down based on demand for each client.

Reduce Your Fixed Costs With a 3PL

Through these services and many others, 3PLs offer a means for shippers to turn potentially crippling fixed costs into more manageable variable expenses. Reach out to your 3PL and ask how they can help you reduce the strain of fixed costs on your budget.

If you would like to learn how Phoenix Logistics can help you, please contact us today.

5 Ways to Manage Warehousing Requirements During Peak Periods

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Managing peak period shipment volume is a structural challenge in the U.S. economy. Those preoccupied with executing order fulfillment services spend much of the year thinking about and planning for it. The surge is a three- to four-month peak in first inbound, and then outbound shipments, with overlap. Shipments to retailers come first, followed by a huge spike in shipments directly to consumers. Industries such as toys can see as much as 80% or more of their sales in a very short time frame.

Warehouses can use a number of techniques to maintain service level agreements (SLAs)—the "guaranteed" turnaround time for an order to go out—during peak demand periods. These techniques include:

1. Manage laborers carefully. From Labor Day to Christmas Eve, ask employees to avoid vacation time, except in areas such as sales and finance. Make additional use of temporary labor, but rely more on additional shifts of previously trained workers. Feather in additional day shifts and night shifts as needed. Start well before peak season, in order to be ready when it comes. Shake out any issues with training or attendance before crunch time. Cross-train supervisors and other employees on different tasks, facilities, and shifts. Add flexibility and scalability wherever possible, but always at the lowest possible cost.

2. Incentivize staff. When smaller, rely on a core team. If needed, use overtime to help address the challenges of volume spikes, which routinely are between five and 10 times the norm and require additional hands on deck. Hourly workers are incented by the prospect of overtime pay, but the cost curve goes up more steeply than the productivity curve. The latter goes down as steeply, if not more so. Good service is highly correlated to happy, well-rested workers, and vice versa. Provide a career path for all workers, whatever level they start at, and offer benefits and pay for performance along that path.

3. Set expectations. Plan with clients who have significant historical volume spikes, and be realistic about the ability to maintain SLAs during peak. That may mean running an extra day shift right after Black Friday, working the weekend, whatever it takes. Work Sunday afternoon shifts to address the weekly spike and accumulated volume of the extra online shopping days over the weekend. Get ready to attack the larger seasonal volume spikes, and even the smaller ones—it's like training for the really big ones.

4. Watch out for carrier issues. Ultimately, all supply chain systems are physical, and subject to physical constraints. The idea that parcel carriers can infinitely multiply their human and hard assets for 22 days of the year is not realistic; there will be a cap to the extra drivers, equipment, and sorting capabilities. This is experienced most acutely in ground service delays during those absolute peak days. Carriers can also get hurt if they over-staff and prepare for more volume than they get. All carriers are more incented to not over-staff and over-equip for the volumes because that negatively impacts profits.

5. Technology improves throughput. There is no denying that the move toward more sophisticated IT solutions can increase productivity dramatically. But that is impossible without disciplined, expert implementation. Many software implementations fail. Hardware is fickle. Be prepared and expert at troubleshooting, duct tape, spit, and vinegar.

The opportunity to manage a highly complex problem requires expert deployment of people, places and things to lead through challenging and demanding times. That process runs a lot more smoothly when there is a clear mission statement for a peak demand improvement program and a focused plan to roll it out.

Capacity offers expert warehousing, assembly, order fulfillment services and technology solutions and provides bicoastal fulfillment from facilities in North Brunswick, NJ, and City of Industry, CA. Capacity also operates out of the UK, near Gatwick Airport, and in France near Lyon. Capacity is cGMP certified, operates FDA registered facilities, and is NJ and CA State Board of Health approved food grade. Capacity provides domestic and international distribution to companies of all sizes. More info: www.capacityllc.com.

How 3PLs Can Minimize Claims and Help Customers Understand Liability

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When customers partner with a 3PL, they are looking for more than just customer service. They seek expertise that cannot be replaced with technology and a proactive approach that boosts the efficiency of their processes and minimizes risks.

One of the main roadblocks in the relationship between intermediaries and customers is the lack of clarity about terms in the event of a loss, damage, or delay during the shipping process. Carriers and freight forwarders are responsible for handling the liability of shipping claims and any reimbursements.

This exemption does not mean that 3PL companies cannot be part of this process. On the contrary, 3PLs can become an ally for their customers, providing outstanding customer service and support for a smoother and easier claims process. This is why 3PL companies need to cultivate and invest in knowledge for their teams through specialized training programs that are customized to their needs, mitigate risks, prevent errors, and yield results.

3PLs can become an ally for their customers in the event of a loss, damage, or delay, providing outstanding customer service and support during the claims process.

Essential Aspects of Processing Claims

Regularly follow up on the claim: Assertive communication is vital. With a team designed to handle these processes, customers can be supported by an expert staff that will help minimize risks, losses, damages, and delays. This team will continually monitor the case and its progress until the carrier provides the outcome. The final response can take up to 120 days, but with efficient follow-up, the wait time can be significantly reduced.

Meet the "concealed freight damage claims" deadline: When damage or shortage is not immediately recognizable, and the loss is discovered after the delivery receipt is signed, the customer has 5 days to report the concealed damage to the carrier. An expert team aware of the guidelines and changes to the NMFC rules will help speed up the claim filing process and meet the deadlines to avoid the inability to report or the annulment of cases.

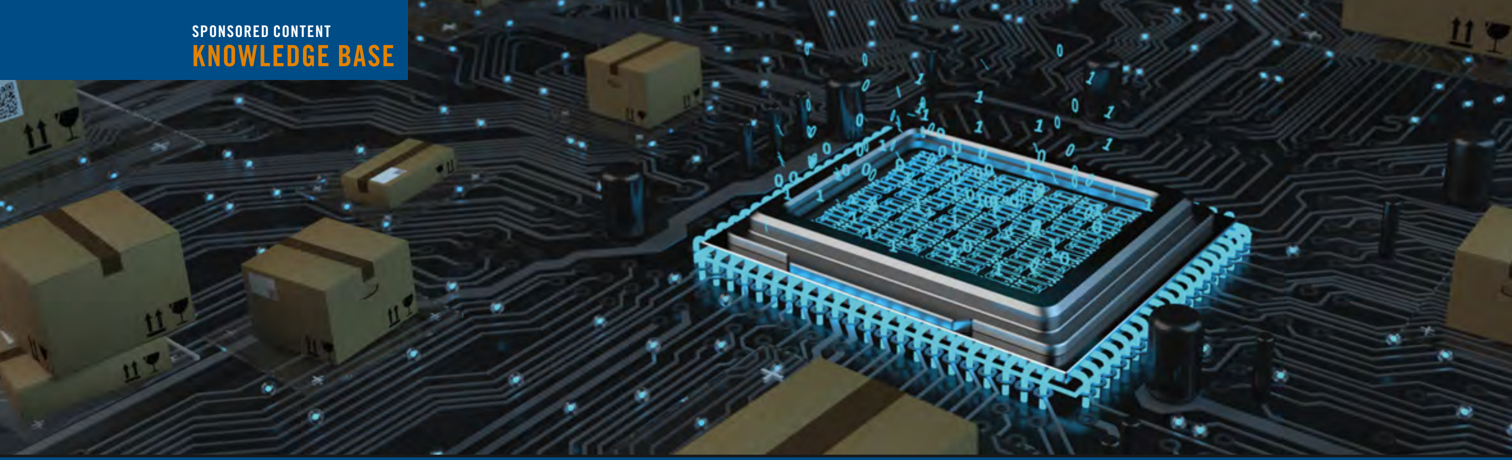
Prepare a shipment avoiding unnecessary risks: When transporting goods, each process must generate and follow detailed documentation. These files provide a record of each load, including all transactions and instructions, to successfully reach the destination. This is critical in order to ensure the service fulfills the guidelines demanded by the customer.

For example, completing the box that says "value of these products" on the front page of the bill of lading helps avoid a total loss. If the value information is missing, the carrier will have the power to assume the release rate. A dedicated team will review the documentation and make sure that each item is designated correctly, therefore protecting the company from unnecessary risks that may arise from carelessness or negligence.

Cover the shipment with insurance: It is essential to determine the type of insurance that a shipment needs in order to be covered throughout the entire transportation process. To define the type of insurance required, a customer should consider the type of cargo being shipped, the type of service needed, and the liability of the carrier. By adding extra protection to the cargo and checking that the 3PL has a variety of insurances available such as Auto Liability Insurance and Primary Cargo Insurance, the customer will have peace of mind knowing their cargo is safe.

Logistics solutions experts can leverage the advantages of their expertise to create more specialized services. These services should not only focus on execution and delivery but also safeguard the best interests of a company and its people.

Customers will find support on quoting and dispatching as well as assistance with handling problems that may arise at any stage of the shipping and delivery process. This added value will strengthen business relationships, build trust, and foster long-term partnerships.



Eliminating Extra Costs From Double, Triple Orders

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Multiple orders moving the same day to the same customer but on different bills of lading add up costs for shippers. The solution is to consolidate them.

In today's fast-moving business world, there are many times when an order cannot be filled completely, which then requires a subsequent shipment. There is also a push among retailers and wholesalers to allow same-day shipments for orders placed just a few hours earlier.

The net result of all this has been a sharp rise in multiple orders moving the same day to the same customer but on different bills of lading. This can become very expensive.

A few examples would include:

- FedEx Priority 10/21-6552# Ontario to Salt Lake City $825.92 Loss $123.89
- FedEx Priority 10/21-7705# Ontario to Salt Lake City $1,017.88 Loss $152.68
- Four shipments via YRC from PA to CA 300#, 700#, 765#, 700# billed separately came to $734. If consolidated onto one bill, savings would be $108 (15%).

Another driving force in this development comes from a single company having more than one product line or business unit in the same building.

Here again, if a customer orders an item from one business unit and then one from another, the result also creates multiple bills of lading to the same customer the same day. Double the expense!

How do we fix this? It would be wonderful if companies had the ability to modify their behavior and do the consolidation on their doc, blending two or more bills of lading onto one "master bill of lading."

The carriers would then bill from this document even if several bills of lading are behind it. And the carriers used to permit you to create a masterbill the next day and some even offered to do that for you themselves. But those days are gone!

Today the only real solution is to operate a transportation management system that can receive all the orders each day and each hour and automatically consolidate them onto one bill of lading for the carrier. This works even if the carrier does an AM and PM pick up on the same day, since it is a paper marriage of freight and not a physical consolidation.

There are many such systems on the market today and we would suggest they be contacted to provide such consolidation. And for the record, we also have such a system available and would be happy to show its functionality and ability to interface with your ERP.

Over 45 years ago, Freight Management Inc. (FMI) began a revolution in freight cost management and freight audit services, reducing shipping costs for its customers. We were among the first to provide this service from which we derived our name: Freight Management Incorporated (FMI) – to save businesses time and money on their total freight operations.

Today, FMI remains one of the industry's most experienced and knowledgeable providers of logistics management, including freight bill audit and freight payment services. We offer local, national and global solutions that reduce your costs while streamlining operations.

FMI is not a traditional third-party logistics company (3PL) or a freight broker. FMI is a full-service logistics company with advanced data management and reporting capabilities. We offer Business Intelligence (BI) reporting as well as customized reporting and services.