

5 WAYS TO REDUCE YOUR FREIGHT COST'S



SUMMARY: Thousands of companies that ship their products may be overpaying their freight carrier(s). The best way to avoid discovering you paid too much may be to eliminate the chances of doing so in the first place.

Every well-run company keeps a vigilant eye on ways to reduce spending. In good economic times or bad, purchasers compare prices, managers reduce waste, and most profit-oriented staff in the production chain watch for ways to boost efficiency. So it stands to reason that frivolous or unnecessary costs would be an appropriate starting point. If you ship fairly regularly, this article may save you quite a bit of money.

Freight carriers must consider a large number of variables to properly cover their costs and ensure a profit. Many of these variables are in constant flux. Consider fuel prices and transportation delays, for instance. In order to protect themselves, carriers often add an allowance to their operating costs.

Few organizations realize that freight carriers overcharge for their services. Whether by accidentally overestimating or intentionally padding their pricing, those trusted carriers are costing customers like you anywhere from hundreds to millions of dollars every year in overcharges. It is a problem that has turned epidemic over that last several decades.

For a company to assess if it is the victim of overbilling involves careful auditing and tracking of invoices. The work can be tedious but rewarding. Companies can expect to identify overspending on their freight by as much as 8 percent. When performed by specialists in freight auditing, the labor-intensive element ceases to be an issue, and what remains is the cost savings. Moreover, a specialist is trained to identify even the smallest discrepancy to ensure the greatest cost savings possible.

A quality freight auditor will recognize, manage, and reverse overcharges in the following ways:

- Identify and eliminate overpayments and/or duplicate payments that appear on a freight invoice
- Examine each aspect of a company's shipment practices to find areas for improved efficiency
- Act as a professional, informed mediator on a company's behalf
- Provide regular reports to help a company make better decisions concerning accounting, purchasing and transportation
- Provide weekly or monthly reimbursements to cover freight charges while eliminating costly handling of carrier invoices and payments

Freight management is a common sense approach to controlling costs. To be effective, the person doing the auditing must remain current with a thorough knowledge of related contracts, discounts, rates and tariffs. This is a specialized discipline. Most companies will hire an established provider rather than commit the time and expense of handling this particular task internally.

The easiest way to reduce shipping costs, then, is to hire a professional auditor to ensure the greatest return. This article focuses on preemptive identification of overspending on freight. For more information on controlling freight-related expenses, including how to receive weekly reimbursements after freight invoices have been paid, visit [Goodman-Reichwald-Dodge](#), one of the largest and most experienced freight auditing companies in America.

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