

A best practices guide to success.





Since 1998, Freightquote by C.H. Robinson has strived to create a more efficient way for organizations and individuals to ship their freight. When Freightquote broke into the market, we were the first freight service provider to deliver access to a multiple carrier network for individuals and businesses alike. Today, Freightquote has more than 1,000 employees, powerful technology, and is backed by the stability of C.H. Robinson, all of which has contributed to the booking of more than 50 million shipments. The Freightquote goal is simple: to give you, the shipper, access to our proprietary tools, years of experience and a contract carrier network you know you can trust.

For these reasons, we feel it is our responsibility to educate our existing and prospective customers on the various modes and elements, so shippers can make an informed decision when it comes time to book.

The information provided within this guide will begin with the basics surrounding LTL shipping (what it is, how it differs from truckload, etc.). We will then explain when to choose LTL and why it could be a sound business decision. Then we'll move into best practices and optimization strategies. The second half of this guide will focus on some of the factors that impact LTL shipping, how to properly prepare your shipment for booking and advice about tracking your freight.

We hope this guide will help you on your way to booking an LTL shipment with confidence. Let's get started.

Beginning with the basics.

So what is LTL shipping? Less than truckload (LTL) shipping is the transportation of freight that occupies a portion of the trailer instead of all of it. Essentially, shippers can share space on the same truck while only paying for their portion. For this same reason, LTL has become a very cost-effective option for those looking to move freight.

There are some key differences between full truckload (TL) and LTL that you should make yourself aware of. <u>Truckload shipping</u> takes up the entire space of the trailer, instead of a portion like LTL. If you would rather not share the trailer with others, TL gives you the option to have the entire trailer to yourself.

Additionally, with TL, freight is typically headed to only one destination. While that may also be the case with LTL shipping, it more often involves multiple stops. This allows you to more easily track your shipment in real time. LTL typically offers tracking access through referring to the bill of lading (BOL), PRO, or PO number or shipment reference number. That said, if your shipment is time-sensitive, TL may be the better choice.



You may also be wondering how <u>LTL shipping rates</u> are calculated, and there are actually several factors that play into that number. The rate increases the further your shipment goes, so keep fuel usage in mind. Another of the largest factors that determines your rate is your shipment's freight class, which is based on density, stowability, handling and liability. Consult a <u>freight class calculator</u> for help finding your freight class.

Within LTL, there are several additional options for you to consider. Of those options, one is consolidation, and the other is referred to as traditional hub and spoke. Consolidation means that LTL shipments headed to the same (or nearly the same) location are combined at a consolidation warehouse and then placed on a single truck until arrival at that location. Traditional hub and spoke also combines shipments at a warehouse, but instead gets sent to another warehouse — a process that repeats until the freight reaches its destination. Each option has its pros and cons, so it is important to gain a good understanding of both.



Why LTL shipping could be a wise decision.

While it may not be the perfect fit for every situation, there are plenty of advantages to LTL shipping that could sway you to that decision. Here are some <u>benefits of LTL shipping</u> that could bring you to a conclusion:

Minimized costs. The cost-effectiveness of LTL shipping is always going to be a major selling point. Since you are only using one portion of the trailer, you can ship freight for a fraction of the cost of a full truckload. Since a full truckload is going to cost more, you may consider turning to parcel shipping, but that may carry hidden disadvantages. Parcel shipping requires you to break down the freight into a smaller number of packages, which could complicate the tracking process. If you are unsure of how much the going rate for LTL freight is, consider getting a quote to compare and contrast costs.

Eco-friendly. Looking to reduce your carbon footprint? LTL shipping pools several different portions of freight onto one truck, which eliminates the need for multiple trucks carrying shipments much below their capacity to be on the road. Overall, LTL shipping is a great decision if you are cognizant of the environment.

Increases security. With LTL, many people will end up handling your freight. Due to this fact, freight shippers are encouraged to package freight into durable crates or load freight onto pallets. This practice increases the security of the shipment because it protects it from becoming damaged, prevents it from touching the other freight aboard the trailer and reduces the likelihood of it becoming lost. There a few ways to cut costs by using LTL, but packaging should not be one of them.

Offers additional service options. When you choose LTL shipping, you are also gaining access to several different service options that you may not have otherwise. Liftgates, non-commercial shipping, notification options, and inside pickup and delivery can all add to your total cost and increase convenience. This way, it will be much less of a hassle if you have a specific need during the shipping process.

Easily trackable. TL shipments rarely encounter a stop along the way. With LTL, there are at least a few stops before the freight reaches its final destination. Through things like the bill of lading number and the shipment reference number, you can track a shipment from pickup, delivery and the stop-offs along the way. LTL carriers are now able to offer guaranteed delivery windows, taking the guessing game of when your shipment will arrive out of the equation.

If you have not shipped LTL before, look into using a freight service provider to help get you started. A quality freight service provider has the combined technology and expertise needed to get the job done without you having to stress about all of the moving parts involved.

Getting the most out of LTL.

A few tried and true best practices can help you get the most out of your LTL experience. These best practices came from years of perfecting the process.

Multiple carriers. First off, don't be afraid to use multiple carriers. Establishing strong relationships with several carriers in different regions will provide you with more options. Rates, tariffs, shipping lanes and availability could all come to you a lot easier if you are using more than one carrier.

Understanding tariffs. You should also be aware of carrier tariffs throughout the shipping process. A tariff is a document that outlines the intricate details that establish LTL freight shipping costs between a shipper and a carrier. Tariffs are very common in the LTL world due to the nature of the freight involved. Your carrier will most likely have their own class rate tariffs and/or rules tariff, so make sure you know what both of those entail before getting started. If you don't stay updated on these tariffs, you could find yourself with a higher invoice than you had been expecting. This is a simple and easy way to ensure that you are getting the most out of your LTL experience.

Accurate documentation. Tariffs are not the only documents that you need to have on your radar. Attention to detail will be of the utmost importance when it comes to LTL shipping paperwork. Even one small mistake could cost you, so have someone double check any document that comes your way.

Proper packaging. Again, packaging is not the way to save money on LTL shipping. Taking the extra time (and maybe the extra money) to properly package your freight will only benefit you in the long run. Packaging your freight in a crate or on a pallet adds a sense of security that it will be protected from loss or damage.



Weight discounts. Durable crates or pallets are not just a way to keep your freight protected, they can also be a way for you to save money. The more your freight weighs, the more likely you are to receive a weight discount from the carrier. You could be missing out on savings — or worse, spending more than you have to — if you aren't keeping your weight and dimensions in mind. Another way to capitalize on this is by combining shipments, since it could also help you spend less per pound.

Keeping up with tracking. This one may seem like a no-brainer, but it happens. Don't let tracking slide, though. Everyone involved in the process is going to be much more at ease if they know when a shipment left, where it stopped off, and when it arrived.



Preparing your LTL shipment.

Before your shipment heads out, make sure you have all the boxes checked on the preparatory to-do list. Not preparing well enough for a shipment can delay the process and hurt your reputation as a reliable shipper. Before doing anything else, double check that you have your dimensions, documentation, packaging, labeling and loading in order.



Dimensions. Once again, dimensions are incredibly important in LTL shipping. If you are sharing the truck with other shipments, you need to know the exact dimensions of your shipment to accurately determine how much will fit. This is a critical step, so aim for accuracy.

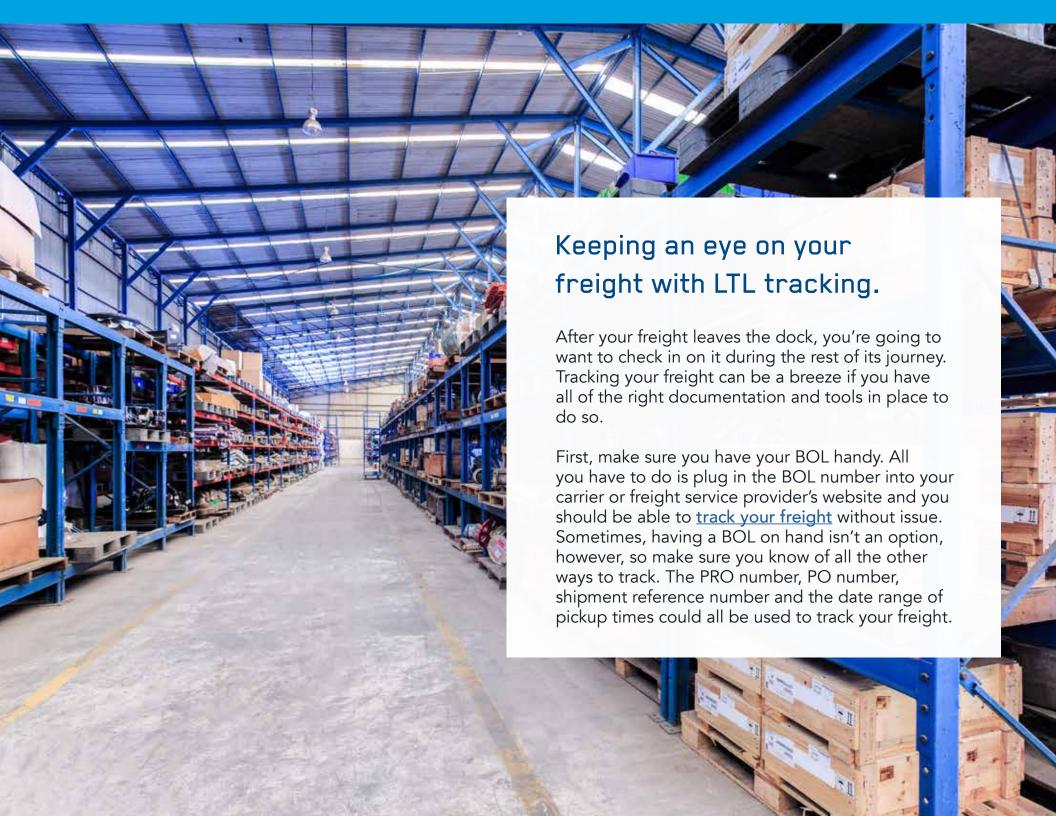
Documentation. At the time of pick up, the carrier will need a <u>bill of lading (BOL)</u>. A document like this is extremely helpful as it covers everything from the recipient's information to the freight class of the shipment. The BOL also acts a receipt, which is also great to have on hand.

Packaging and labeling. Packaging is another key step when preparing a shipment. If handled properly, goods should make it through the process without any loss or damage. If handled improperly, goods may not be safe from the bumps along the way or the other freight in the trailer. This is also where labeling comes in, as the goods may require special care. If the packages are supposed to be faced a certain side up or are fragile, attach a label with clear instructions — along with the BOL — so drivers and dockworkers will be able to see.



Pickup. The first step in <u>LTL pickup</u> is to submit a request. Nothing is guaranteed but submitting a pickup request will at least allow you to dictate the date and time to aim for. Take note of when the dock closes and whether or not special equipment is required so you can plan what time to have everything in order.

Loading. One big difference between TL and LTL shipping is the window of time provided for loading a shipment. Typically, TL shipments are given more time than the two hours allotted for LTL, which can feel like two minutes if you aren't prepared. Your shipment should be on the dock and ready to go. If your shipment is too late for loading, you could experience delays and even a fee for the second pickup attempt.





In addition to tracking freight, you should also keep tabs on your documents. The quote summary, original invoice, proof of delivery, lumper receipt and weight ticket are all valuable resources to have.

If the pickup process seems a little too daunting, consider working with a freight service provider. A freight service provider will provide you with all of the latest industry experts, trends, issues and documentation so that everything goes as smoothly as possible.

Often, shippers will be remembered by customers for how quickly they received their packages instead of whether or not it was palletized or had the correct label. Customers love to be able to track their packages and receive accurate updates on when they will arrive, which means you need to have open communication with your carrier. This is especially helpful if your shipment runs into any delays or other issues.

Another option to look into is a <u>transportation</u> management system. A TMS can store all important information in one place for you, so you won't have to stress about documentation. Additionally, a TMS has its own tracking capabilities, which can help you refine the process for the next time.

Conclusion.

Whether you're a business owner, logistics manager or simply an individual looking to ship freight, the number of options and processes that need to be in place can seem overwhelming at the onset. We hope you found this LTL guide, which covered the basics to best practices, useful on your way to successfully booking your next shipment.

<u>Contact us</u> today if you would like to start working with professionals or simply get yourself an <u>LTL quote</u> fast, free and easy!

FREIGHTQUOTE®



901 W Carondelet Dr, Kansas City MO, 64114 800.323.5441 <u>www.freightquote.com</u>

