

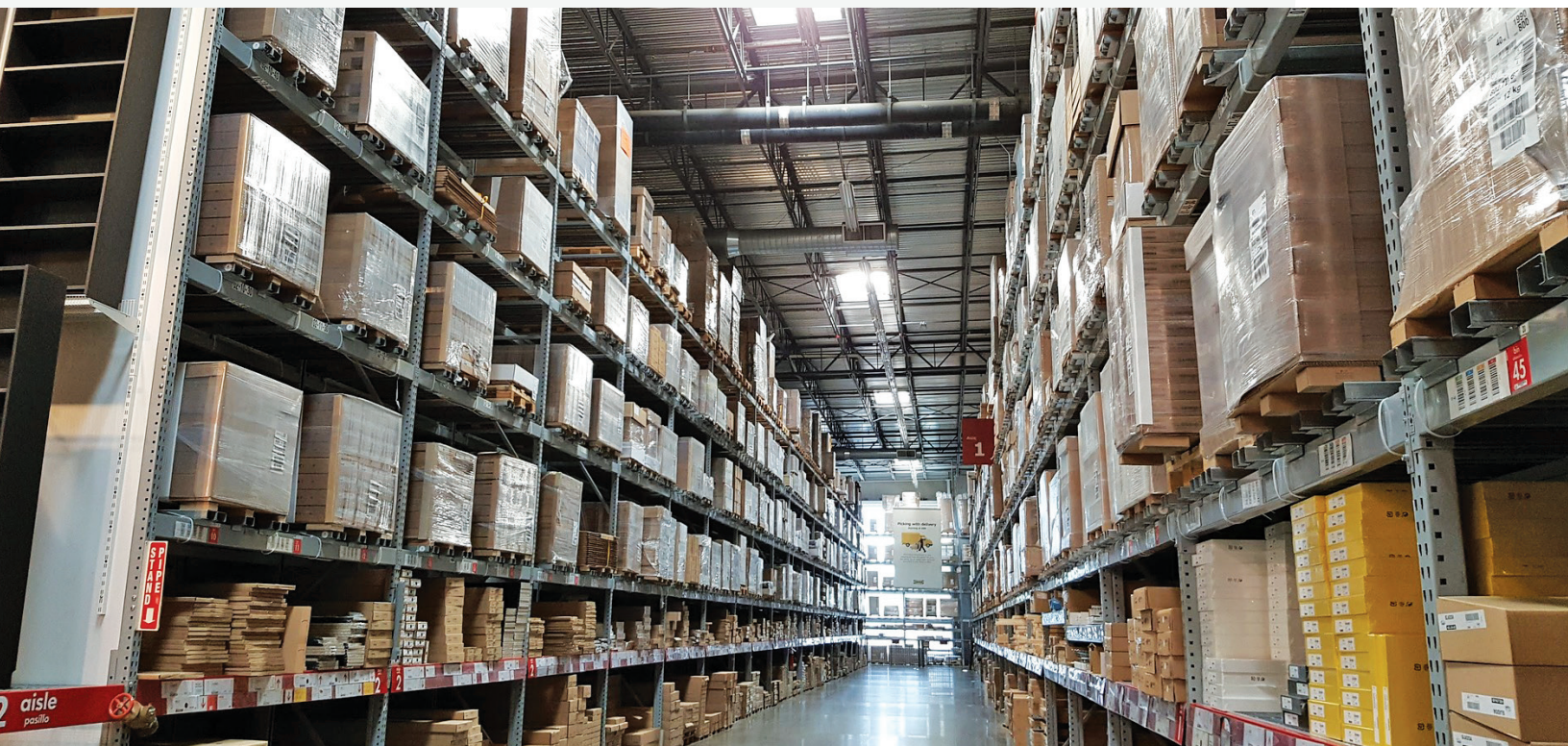
4 Current Trends in Logistics Used by Best-in-Class Companies

With greater demand for product customization and next day delivery, leadership teams across the United States continue to seek ways to expedite production and distribution while minimizing costs across the board. The evolution of the logistics industry has clearly been impacted, bringing cost efficiencies and savings for companies to apply to the bottom line. Four key trends in logistics management should be harnessed by companies, especially in manufacturing and distribution, to positively impact profitability.

Automation

Advancements in technology can help companies reduce the multiple touchpoints involved in key processes throughout an organization. It can also expedite communications and greatly decrease human errors encountered with manual processes. Software applications based on best practices can also streamline your processes and better manage how your employees perform key duties.

Automating freight practices results in the right freight on the right carrier. The benefits don't stop there. Instead of 30 or 45 days passing before the accounting team invoices a customer, imagine if invoices were issued in a matter of days or even hours from shipment being created. Consider how that would positively improve company cash flow. Automating and streamlining processes allows redundant, yet important activities (such as monthly accrual reporting) to be performed faster, more accurately and more cost effectively.





Packaging Matters

Whether you ship via UPS, FedEx or truck, most shipments are now priced on density, rather than weight. Organizations that are unaware of this change or haven't adopted practices to address this pricing change are likely to absorb increased pricing without realizing the true cause.

"If you're packaging incorrectly, your costs can soar unintentionally," Mike Broussard, Vice President of Broussard Logistics, said. "With the current trend of everything moving toward density-based pricing, packaging becomes extremely important."

Broussard cited an example of a retailer who offered to ship a product for a customer in a box that conveniently was no longer being used. While the box itself was free, an oversized box stuffed with protective packaging caused the shipping fees to be exorbitant and those costs weren't passed on to the customer.

Bringing Outside Expertise In

Outsourcing skills such as information technology (IT), software development and payroll has been common practice for decades. Businesses are now embracing subject matter experts in the logistics area more widely than previously seen. Rather than hiring employees with a defined skill set and taking on the added payroll costs and training time, C-level executives are finding it more advantageous to work with outside experts with a focus on logistics cost management, for example.

Rarely does it make sense to hire people in-house to handle all aspects of logistics, Broussard said. In some instances, businesses with a specialty product or that have their own fleet might benefit from hiring internal staff.

"Management teams need to determine whether it's most advantageous to manage in-house, outsource or an option somewhere in between to bring sales, shipping and accounting full circle," Broussard said. "Get the right mix for your company."

While the accounting department is likely necessary, there may not be anyone with strong freight experience for invoice auditing, so the executives may opt to outsource that one piece of the accounting department.

Analytics Show True Costs

The most innovative technology and talented team can take a business far but measuring the success through analytics provides the needed checks and balances. Analytics and reporting have become much more detailed, not just in measuring the cost of freight but also where the freight expense is allocated.

One of Broussard's clients was focused on decreasing one area of its shipping costs, only later to discover that full truck loads were three-fourths of the company's spend. The company had the data to shine the light on this, but the team wasn't sure how to interpret the data into meaningful decisions. Knowing how to use the data often leads to impressive cost savings, which can be another validation for outsourcing to a third party expert.

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About Broussard Logistics

Broussard Logistics is the leader in the logistics management industry. The organization has revolutionized its services into a proactive outsourcing tool with sophisticated technology instruments to continue its original mission: Assist companies to manage, control and lower freight costs by improving their supply chain strategies. Learn how Broussard Logistics' knowledge, experience and buying leverage can help move your business forward.

Uncover opportunities for measurable cost savings by understanding and adapting to these logistics trends. Contact Broussard Logistics at 713-921-2480 for a free consultation with our freight experts.