

# Solving the 3 Biggest Challenges around Freight Costs

## How 3PLs Drive Value for Shippers

In discussions with businesses that have inbound and outbound freight, there's occasionally confusion around the improvements that third-party logistics (3PL) providers deliver. In fact, some professionals struggle to see 3PLs as anything more than an additional layer of costs. However, good 3PLs bring logistics and transportation expertise, data, tools and negotiation power to every client relationship. Whether you're an employee in the logistics department or a C-level decision maker, your biggest challenges surrounding freight costs center around three key components:

- ① **Allocating freight costs**
- ② **Saving money**
- ③ **Improving customer experiences**

Inviting the right 3PL to objectively explore your business' freight costs and recommend solutions to maximize your opportunities often lead to improvements with a solid return on investment (ROI). Let's examine these three key areas and how 3PLs can help manage, control and lower freight costs.

### Allocating freight costs

Are all your freight costs covered in your pricing? Often, manufacturers include outbound shipping charges in the bills to the end customers but overlook the freight costs incurred with the inbound raw materials. Often times, there exists a disconnect between your procurement group – focused on inbound shipments – and your shipping department – focused on outbound shipments. Each of these ultimately interface with your accounting department. Where are your hidden costs?

A 3PL can uncover the costs that your business may be inadvertently absorbing. The impact of assigning all your costs to the corresponding product or service can be tremendous as it enables your business to set competitive prices without thinning your margins.

"A 3PL can shine the light on a black hole that could be costing you," Mike Broussard, Vice President of Broussard Logistics, said.

Partnering with a 3PL brings valuable tools and knowledge that can increase the profitability of your business. An objective, outside perspective can lead to cost savings that dwarf the initial investment and enables your business to capitalize on the savings year after year. That's a smart investment in anyone's book.





## Saving money

Do you think your freight bills are too high? Keeping your overall costs competitive is important for attracting and keeping customers in any market. Having competitive freight costs allows your business to be on a level playing field. Your business needs the data, tools and expertise to analyze those costs. A 3PL can bring this level of experience and know-how to your organization. While your team focuses on your key business, a 3PL assesses your freight costs to determine if you need better negotiated shipping rates or if your team is meeting industry benchmarks. Key performance indicators to measure your performance and set realistic goals can re-align freight costs and deliver quantifiable savings.



## Improving customer experiences

Consumers have grown accustomed to easy, point-and-click buying procedures with real-time tracking and simple return policies. Your business should be no different. The right 3PL can introduce methods to streamline information sharing throughout your business and with your end customers. Imagine your customer's satisfaction when shipping time is reduced, while lowering freight costs and providing a user experience that's intuitive and pro-active. Additionally, internal advantages could include getting the needed billing details to your accounts receivable department faster, which in turn could reduce the time required to invoice and receive payment. Technology, combined with the right 3PL's knowledge, can differentiate the experience you provide your end customer and your internal team.

Taking a broader view, no longer can you only look at how your business compares to its industry competitors. Personal and professional experiences online have blended. The result is that people compare their experiences with companies across industries, geographies and even business and personal lines. While your business may be the industry leader in customer service, how does your organization compare to leaders in customer service across the board? That's an area where real strides can be made to transform happy customers into advocates for your business. The bar has been raised even higher for delivering exceptional customer experiences. Businesses that pay attention to these aspects are better positioned to win long-term.

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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.**

**For more information on the full capabilities of TMS as well as other savings opportunities in logistics, contact Broussard Logistics at 713.921.2480 and visit [www.broussardlogistics.com](http://www.broussardlogistics.com).**