

DEVELOPING A SHIPPER OF CHOICE MENTALITY

EVANS KEY ACCOUNT MANAGER TRAVIS WEST SHARES HOW YOU CAN BECOME A SHIPPER OF CHOICE TODAY AND TOMORROW.

WHAT IS SHIPPER OF CHOICE?

If you are like most shippers, the past two plus years have been a grind to source capacity. Even if you were one of the fortunate few not feeling the pressures, I am sure you were seeing struggles with your suppliers. The marketplace has seen change starting earlier this year. We are getting close to a “new normal”, however that does not mean shipper of choice mentality needs to change. It holds true now as much as it did in the tightest of markets.

Shipper of choice gained steam in 2018 after hurricane Harvey and the ELD mandates. The market was extremely tight, and rates were rising fast. To help with the rising costs and scarce capacity the concept of shipper of choice was a popular topic of conversation. The idea was to align your processes with the needs of the carriers. Eliminating the barriers that caused stressors on capacity within the marketplace.

Historically, the concept of Shipper of Choice was centered around the goal to find more capacity and get better rates with your carrier base. During the heat of the pandemic the thought was “just get me a truck and we will talk about cost later!” This is not to say that cost is not a major factor to consider and some hard decisions need to be made; save money? Or, I need this freight now!

If you do subscribe to the Shipper of Choice and push for better processes and relationships, you will find the fruit of your labor much sweeter. In the short term you will secure the capacity you need but in the long run you will see your rates fall into line as well as creating lasting relationships.

WHERE DO YOU RANK AS A SHIPPER OF CHOICE?

When I first discuss the idea with my clients one of the first questions is; what is my companies score? We all wish it were a simple gauge that you and everyone else could easily see. Unfortunately, now there are no easy answers.

Currently, there is no silver bullet or specific tool that provides a benchmark to show if someone is a Shipper of Choice. That said, in the future there will be apps to help support a rating system for drivers to rank shippers. Until these apps become more widely used there are simple ways to gauge your ranking as a shipper of choice.

- 1 Just ask.... Do not be afraid to step out on the dock and ask your regular drivers and/or new drivers how they are viewed as a shipper versus other experiences.
- 2 Google Reviews. You will be shocked to see that drivers will post reviews of their experiences on your docks.
- 3 If you have multiple locations build a simple questionnaire for each site to fill out and see how they compare.

Maybe one day we will get to the point that you can hang a sign or sticker on your window that shows certified shipper of choice. However, until then do your homework to see where you stand. Create that baseline so you can look back see how you have improved by making changes.

NOW THAT I KNOW WHERE I STAND WHAT CAN WE DO TO BETTER OUR FAVORABILITY IN THE MARKETPLACE?

There is no magic pill you can swallow that will make you a shipper of choice overnight. You can make quick changes to help with carriers' immediate impressions, but the hard changes are cultural and process driven. Many large shippers have operated under the notion that volume provides capacity and better rates. Those days are over and getting a warehouse manager to make those changes can be difficult.

The good news is you can teach old dog new tricks. If you can get the tenured staff on board to make these changes and have an attitude to want to make the changes you can speed up your pace to be a favored shipper by the carriers. Change is hard but it is in need now more than ever.

These suggestions are not the only factors that come into consideration. There are many more you can look at, but these are some of the most common changes you can make to increase your impressions with capacity.

1 DIVERSIFY YOUR CAPACITY STRATEGY

The pandemic was the first time in my career, I have seen carriers say no to volume. If that volume does not fit into their current supply chain needs, they could walk across the street and get it. LTL carriers advised shippers they can only allot a certain amount of trailer space where before they would load full trailers.

Work with your LTL carriers and TL capacity to find out what lanes work best with their network. By working with them you will find they are more

willing to help or adjust rates. For LTL ask them what locations will help support their backhaul lanes.

It is always a good idea to diversify your LTL network to allow for regional carriers. When times are tight you can leverage their network to alleviate the pressures for the national carriers. Your freight and the carrier capacity are a constant battle to find the perfect equilibrium. You fight to stabilize, and it will eventually change. You need to be dynamic and always analyzing how you can strategically adjust your capacity pool.



2 UPDATE YOUR FREIGHT PACKAGING

Very few shippers have the ideal 48x48x48 stackable pallet. You should try to make your packaging as easy to handle as possible. It should be easy to pick up with a forklift or pallet jack, nothing sticking over the edges, crated, and tightly bound.

Not only does having “nice” freight make it easier on the carriers but it usually leads to less damages and faster loading. Most docks and processes for carriers are built around a “typical” shipment size. When you have longer and oddly sized freight it is difficult for carriers to maneuver the material on their docks. In return if you have less damages, you will eventually see an adjustment to your pricing as there is less risk with the carriers.

3 AMENITIES

Do you shut your doors and not let the drivers in? When drivers are happy the carriers are happy. Sometimes the simplest steps can make a huge difference. Allow access to restrooms, give a bottled water, hot coffee, break room, etc. I have even

seen were some shippers have showers for drivers. Factors like these will have drivers jumping at the opportunity to pick up at your facility. How far can you take it?

4 TECHNOLOGY AND PARTNERSHIPS

There are still a lot of companies not utilizing technology to their advantage. The days of handwritten BOL's and excel spreadsheets are over. Do not get me wrong there are plenty of times a good excel document is needed but not to manage your day-to-day shipments.

Make sure the technology you have or that you are looking into fits your needs. The utilization of a good TMS is critical for any medium to large sized company. If you are concerned about the overall cost for technology, there are several 3PLs in the marketplace that allow you utilization of their

systems. When companies jump on the TMS bandwagon they save as much as 10% due to better decision making and improved time management.

When you have a good digital presence, it opens the door to connectivity. When you are aligned with a carrier digitally it not only makes the job easy on you, but it does on the carrier. A lot of the time you and the carrier spend on transactions are driven by the technology and not manual efforts. This is not only the case on the front end of a shipment but the back end with documentation transmissions and payments.

5 GROW YOUR EFFICIENCIES

When visiting clients, I almost always notice areas for them to better their efficiencies. It could be as simple as where documentation is printed to overall poor processes. Most of the efficiencies have valid origins but over time they may no longer be necessary.

These inefficiencies end up spilling over to the carriers. They can cause confusion, poor communication, and wasted time. For carriers wasted time is money. Think of how many times you had a carrier miss a pick up because the stop before you took longer than expected. Dwell time could be one of the largest factors that cause carriers to not want to pull into docks. It is usually the first complaint I hear.

6 GOLDEN RULE

"Treat others the way you want to be treated." On the surface, this should be the easiest rule to follow. That being said, for large organizations I find that there a lot of times leadership is unaware how one person on the floor has affected their capacity partnerships.

This is a principal that should be organization driven. When everyone treats each other internally and externally with respect not only do you create better favorability in the carriers' eyes, but it is a much healthier environment.

**TREAT OTHERS
THE WAY YOU WANT
TO BE TREATED.**





THIS CAN SEEM OVERWHELMING BUT DO NOT JUST STOP HERE.

The transportation market like most markets is very cyclical. There will be good times and bad. There are seasons the market is on your side as a shipper. Leverage it when you can. Understand that when the pendulum is not on your side do what you can to make the most of it.

Continue to find ways to improve your processes and relationships in the network. Read articles, stay up to date on the marketplace, ask your partners what they have done, etc. When you are always trying to evolve you will end up with something better. You may make mistakes or changes that did not work. No one can fault you for trying to make your company better.

The work you do now will only better prepare you to have pricing conversations with the carrier when you do have that leverage. As much as some people think carriers and shippers have short term memories, I find that not true. Carriers will remember you were flexible, and you made efforts to help them in their time of need. You will remember what carrier helped you out when you needed some additional capacity.

Being in transportation we all have our battle stories. I can think back to times in my career and know what carrier helped me out in a pinch or what shipper worked with me to help bring the additional capacity they needed. The opposite is true.

Let us make sure we are working together to push for the optimal performance from both sides. When we come together as shippers and capacity, we can accomplish amazing things. Know we are all in this fight together and let us do what we can to make it an enjoyable experience. Interested in learning more? Contact Evans today to Keep Moving!