

## Top Ten Ways to Monitor Your LTL Carrier Performance

How to guarantee quality service from your carriers.

If you don't evaluate your less-than-truckload (LTL) carriers monthly, start now. Since the only 'product' an LTL carrier can offer you is service, monitoring a carrier's service is crucial to understanding the value it delivers to your company. Every aspect of your evaluation should reflect on how the carrier provides, or fails to provide, the service you require and expect.

### Top Ten Tips to Ensure an All-Inclusive LTL Carrier Assessment:

#### Evaluate carrier service areas.

Do your carriers have service centers in the primary states where your customers or vendors are located? Direct line movement of your goods by a single-line carrier eliminates handling, which in turn reduces the claims risk factor and protects your pricing. Also, consider standard service days. Ask each carrier's account representative for a service standards matrix or map, and use it to compare service commitments.

#### Demand performance reports.

Require your carriers to provide monthly an on-time service performance report. Ask that the report be segregated by lanes or states to identify problem areas. Understand how your carriers measure service -- do they exclude appointments or late pickups from the performance measurement? This report will also allow you to gauge or monitor how you are distributing your shipments if you use multiple carriers.

#### Understand the pricing structure.

If price is your primary criteria for picking or evaluating carriers, then you must be aware of all factors affecting your net transportation cost. When reviewing each carrier's pricing, compare key factors such as tariff base rate, discounts, and applicable or waived accessorial charges. Using carriers that allow you to base all pricing on a single or common rate structure offer several benefits such as carrier pricing comparison, simplified audit technology/automation, a benchmark for negotiating / compliance, and cost control when carriers enact general rate increases.

#### Evaluate the carrier's freight movement plan.

Obtain from your local service center both the outbound and inbound freight movement plan to determine what lanes are loaded direct and which lanes would avoid a transfer terminal. Is your local service center a breakbulk facility which would have more direct loaders? Advantages of direct loading would include reduced freight handling and lower claims risk.



**Create a system for claims reporting.**

Do your carriers provide a monthly claims report to determine the number of claims filed and the amount of time claims stay open before resolution? Ask carriers for an exceptions report to measure the exceptions ratio against the total shipments tendered.

**Understand the carrier's auditing processes.**

Auditing carrier invoices should be an ongoing process to ensure compliance to contracted pricing. Do the invoices match the contract and contain all the required data for processing by accounts payable? Many carriers have extensive weight and inspection staffs who reweigh shipments or look for improperly classed freight. While most of these revised charges are valid, some weight and inspection staffs can be overzealous and overlook contracted pricing, which creates unnecessary balances-due billing.

**Make sure you can easily work with customer service center.**

Evaluate the ease of working with each carrier's customer service personnel. Are they knowledgeable about your account? Do they express concern for your needs? Do they return your calls? In addition, review carrier web

sites and compare the features and services available online. Ensure you are able to track and trace shipments, print a delivery receipt from imaging, as well as obtain rate quotes and actual charges online.

**Monitor driver performance.**

Observe or consult with your dock personnel to learn if drivers use proper freight handling techniques. Do they have the right equipment to handle your freight? Do they throw your freight? Do they properly use a hand truck? Do they brace or stack your freight on the trailer? In addition, determine if drivers arrive on time for appointments or miss pickups. Are drivers courteous, treating your employees as though they appreciate them as a customer? Many service center managers tell drivers that the customer is paying their wages.

**Demand equipment maintenance.**

Know if the trailers are clean and have been swept out before arriving to deliver or pick up your freight. Does the trailer have holes in the floor or the roof to protect your freight from water damage? Is your freight picked up on a linehaul trailer and loaded from ride to destination, or is it transferred to another trailer before departing your local service center?

Freight that is loaded to ride will require less handling, therefore reducing the claims risk.

**Create ongoing carrier metric evaluations.**

Many companies have created formal carrier scorecards that measure general service performance indicators, such as on-time pickups and deliveries, missed pickups, billing errors, and claims/exceptions. Develop your own scorecard and let your carriers know they are being measured against their competitors. Make it clear that you expect accountability.

*This article is authored by Joe Heilig, Senior Transportation Analyst at enVista.*

*For more information, please contact us at 877-684-7700 or [inforequest@envistacorp.com](mailto:inforequest@envistacorp.com).*