

# 5 Tips

## For Reducing Small Parcel Transportation Costs

### 1 **Validate Addresses Prior to Shipping**

The on-time delivery of a customer's order begins with a valid and deliverable address. While the most common errors are misspellings or "typos", omitting key address data such as suite or apartment number, street extensions (Rd., Ave., Blvd., Hwy., Expy., St., etc.) or directionals (W, S, SE, SW, N, NE, etc.) ensures that at best your customer's order will be delivered late, and at worst result in a return. Also, did you know that carrier's charge you between \$7 and \$10 for each bad address?

### 2 **Mark Addresses as Residential or Commercial**

Carriers invoice shippers a surcharge for delivery to residential addresses. When you consider that 91% of the 140 million delivery points in the United States are classified as residential, the ability to identify deliveries up front can add up to substantial savings. By doing this you guarantee that when you ship to a residence or business, you are shipping and billing at the correct rate. If you leave this to chance, you can expect to receive a non-recoverable billing adjustment on your weekly carrier invoice.

### 3 **Dimensionally Rate Packages**

If any of your packages have a large size-to-weight ratio you need to consider the package's dimension when calculating shipping rates. Not doing so can cost you plenty. How do you know if you have this problem? Look at your weekly carrier invoices and note if you have any dimensional rate billing adjustments. Here is how much it can cost you: a 21 lbs. package, with dimensions of L48 x H24 x W24, shipping Ground from Dallas, TX to Burlington, NC correctly rated is \$ 98.83; not dimensionally rated is \$10.72. If at the time of shipping you did not enter the correct dimensions, you would invoice your customer the \$ 10.72, and lose \$ 88.11

### 4 **Intelligently Rate Shop Your Shipments**

Not all carriers are created equal. For example, one carrier may service a destination zip code in one day if you ship it Ground, and another may require two days. In this example; if your customer wants their order next day, and if your shipping system is equipped to intelligently rate shop, it will alert you to the opportunity to ship it Ground, rather than a more expensive Expedited service. Some transportation experts say that you can save between 3-7% of your annual freight costs by rate shopping. So, if your annual transportation budget for small parcel shipping is \$850,000, your savings could range from between \$ 25,500 to \$ 59,000. Not bad.

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## Consolidate Orders into Fewer Shipments

Do you ship multiple orders to the same customer, on the same day? If so, being alerted at the time of shipping the first order that other order are out there, gives you the opportunity to consolidate all line items into fewer packages. Having visibility into each customer's orders at the time of packing and shipping does require technology, however. The good thing about this technology is that it not only alerts you to consolidation opportunities, but it also provides you with the ability to validate items and quantities as they are packed, capture lot and serial numbers, and account for the contents of each box and link it to the carrier's tracking number. Fewer packages, lower costs.

### About Nexxio

Since 2002, Nexxio has been a pioneering developer and vendor of high quality logistics software and services; with focus on providing complimentary and supporting technology to help our clients better leverage their investment in existing enterprise applications.

A privately held company located in Plano, Texas, Nexxio's clients range from small, privately held businesses to large, globally located, public companies. Common to all our clients, however, is the need to automate and streamline logistics processes, re-purpose logistics data to multiple front-line business operations and enterprise applications, and improve their bottom-line on costs and profits.

Nexxio's industry leading suite of solutions includes:

- NexxShip™ (Multi-Carrier Shipping)
- NexxPack™ (Packing Automation)
- NexxAddress™ (Address Validation)
- NexxStatus™ (Supply Chain Visibility)



*Because How You Ship Matters!*

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