

Distribution Factsheet 2: How to Select a Regional Carrier

As a starting point, it is essential that entrepreneurs locate a trucking company that they can depend on for complete coverage and service. This is essential for Peace Region processors since for the most part, pick-ups are made at relatively small operations and customers are akin to home deliveries. As a result, it is necessary to balance shipper expectations and the needs and service levels of available carriers. Clear expectations are an integral part of any relationship. This is a point that we have stressed in the previous two sections in terms of partnering with a co-packer and/or sales and marketing agency.

Regional carriers are typically defined as those providing less-than truckload (LTL) service for shipments traveling fewer than 500 miles. Some regional carriers offer a second-day reach of up to 1,200 miles. Most regional carriers specialize in next-day and second-day delivery of LTL shipments and are a good fit for companies that generate smaller volumes of freight requiring time-definite delivery. While next-day and second-day capability usually costs more with a regional carrier than with a national carrier, depending on the shipper's needs the extra charge may be worthwhile for the increased service level. Also, in the case of Peace Region processors the area is primarily serviced by only regional carriers.

When looking to select a regional trucking carrier getting the facts before making the final decision is essential. The following tips may help in the decision-making process although when one's choices are limited, as is the situation for shipments out of the Peace Region these may simply be advice on sound business practices. As a starting point, it is essential that you know your specific needs and what you want from your carrier. Questions such as origin, destination, frequency and shipment size should be addressed before moving forward. It is important to also identify any constraints in terms of facilities at the point of origin and at destination. This first step should take place before you begin evaluating service providers.

When establishing a relationship with a single carrier it is best to test drive the service before buying. A variety of services are available to companies choosing a regional LTL carrier. Give the carrier some business on a trial basis. Agree upon a certain number of shipments for the next 30 days and give the carrier a test run. At the end of the 30 days, discuss whether or not the carrier met your expectations. If 30 days is not sufficient to shape opinion, don't be afraid to opt for a 60-day trial. It is during this trial period that both the shipper and carrier can begin to gain an understanding of capabilities and requirements. This trial also allows for process changes to be implemented and for both parties to begin gaining a certain level of trust.

Be aware of extra charges associated with shipments before signing on with a carrier. Fuel surcharges, for example, can add up. Avoid any surprises by calculating these types of charges up front. Tariff rules,

extra fees for lift-gate capabilities and charges associated with inside services are other expenses that may come into play. As well, in some instances protective services such as temperature control for either refrigerated or frozen products is an accessorial charge and should be discussed prior to moving into any form of agreement. Booking of delivery appointments and undue wait times may be added costs that are best defined at the early stages of the process.

Expect to do some detective work before making your final carrier selection choice. Find out as much information on the carrier as possible, such as on-time delivery status, delivery schedules, transit times, damage and claims ratios and safety records. Check out the carrier's equipment and facility. Do they meet your standards to ensure that your product arrives at destination in the same condition as when it was shipped? Check the carrier's financial stability. Check copies of the carrier's insurance and operating license. This information will give you a clearer picture of the carrier and help you decide if the carrier's culture matches your own. Don't rely only on what the carrier is telling you about its services. Find out what your peers are saying about this carrier. Are customers generally satisfied with the service that they receive? Obtain testimonials from people currently doing business with the carrier. In some cases these testimonials are available directly from the carrier but it is still best to do your own checks.

Be sure to get a written copy of the pricing agreement. Whether it's a formal contract or a pricing structure, it is important that both parties have a written agreement detailing the cost of doing business. If you are dealing with a less-sophisticated company, a formal pricing structure may not be available. In that case, be sure to get a document specifying the agreed-upon charges. This pricing structure should clearly define all add-on charges and establish both carrier responsibilities as well as what is expected of you the shipper. In some cases carriers have been known to refuse future business with a shipper when that shipper failed to meet the expectations of the carrier. These expectations can be as simple as the length of waiting time at point of pick-up to the quality of packaged materials for transport.

Although this may not be critical for Peace Region processors it is important to consider technology requirements and whether the carrier can meet those needs. Do you want a carrier that provides visibility of shipments, or tracking and tracing capabilities? Be aware of web site visibility issues. Does the carrier use a third-party to handle the outsourcing of customer input and tracking/tracing services? Look for a forward-thinking company that provides the most up-to-date technological capabilities for your freight. For Peace Region processors expertise in product packaging and handling may be a value-added service that is important especially as you move forward into new markets.

As with all relationships it is important that you make the shipper/carrier partnership a priority. The most successful shipper/carrier partnerships are anchored in the art of give and take. By establishing a relationship built on mutual needs and trust, you can expect better service from your carrier.