We Do the Heavy Lifting…and Save You Money in the Process

Charles Popick, Principal of CPC Consultants

Smarter Shipping Solutions *since 1998*

CPC CONSULTANTS

CPC Consultants

We Do the Heavy Lifting … and Save You Money in the Process

You probably didn't study this subject in college or gain any on-the-job experience; but the responsibility of "transportation logistics" was just added to your growing to-do list and you haven't a clue where or how to begin.

You're not alone by a long shot.

The "do more with less" corporate creed is rearing its ugly head, forcing many companies to trim the fat. The perception that shipping freight can be handled by laymen has resulted in the elimination of fully staffed logistics departments or a new skeletal version that left a good number of details to fall between the cracks…and onto your lap.

Way back when, companies used to devote entire departments to managing transportation and/or logistics. Those in charge developed relationships with and spoke the same language as carriers so they were able to negotiate the cost of shipping products to end-users as cheaply, yet efficiently, as possible.

Today, the pendulum is certainly swinging in favor of carriers, and you can bet your bottom dollar they are the ones you currently do business with are licking their collective chops to profit on your situation. So, if and when you meet with them, don't expect to be educated or coddled. On the contrary, they are incentivized to maximize their profits—one reason why over-charging customers is common practice.

It's a real travesty for any shipper not to dissect invoices from UPS or FedEx and question surcharges, or make efforts to negotiate with other carriers. By not doing so, companies miss out on saving exorbitant chunks of money just there for the taking. As a result, these unregulated carriers hold all of the cards. They demand, "pay," and shippers simply ask, "how much?"

That's one of biggest mistakes even the largest companies make: to just accept costs that carriers hand down to them as inflation or fuel-based and pay annual fee increases. What a waste of money. Even if the added expenses are passed to your customers or are absorbed into product cost, it puts a strain on everyone's bottom line.

We Do the Heavy Lifting

Most companies are so used to paying consistently higher prices—ground and air shipping rates have risen 80% and 95% over the past decade—that they didn't bat an eye or even notice when UPS and FedEx increased average rates 5% in 2016 from a year ago.

What makes matter worse is that these rate hikes are happening despite the fact that a barrel of crude oil is selling for rock-bottom prices, and inflation rose less than 1% in 2015. Not only are carriers not passing their savings in fuel costs onto customers, they're still bumping up fees and fuel surcharges. More on that later.

The main takeaway is that rates and fees will continue to increase at levels beyond the averages the carriers publish, regardless of economic conditions.

We're not picking on FedEx and UPS, by the way; they just happen to be the most well-known. Most carriers—regional, national, public, private—are guilty of annual price boosts designed to pad their profits.

They even make money from wasted space. How? The explanation is complicated, but carriers like to see customers' eyes glaze over. It used to be that packages, regardless of size, were only billed based on actual weight. Then FedEx and UPS realized that large, bulky packages that didn't weigh much still took up precious profit-making space. So, the two carriers came up with a convoluted calculation to determine costs based on dimensional weight, or dim weight, as they say in the business.

It could have been much worse for shippers because the rule only applied to air packages over 3 cubic feet, so the majority of parcels weren't subjected to it.

Then the rules changed again last year. FedEx and UPS decided that the cost of shipping all packages regardless of size or transportation mode were subject to dim weight. Experts say that this single game-changer is expected to result in the largest cumulative shipping fee increase in history—and add up to 30% to customers' bills.

Prices are especially volatile in the LTL (less than full) carrier business. Unlike a truck that starts at one location with a full load and transports it in its entirety to a single location, LTL carriers collect freight from a number of shippers (weighing between 100 and 15,000 pounds), at different locations, and then take the goods to a hub where further sorting and distribution is necessary.

LTL often requires shipping overseas, which opens a whole new can of carrier worms. Surcharges on ocean-bound freight can be extensive, especially today, with both crude and diesel fuel at rock bottom prices. Because LTL carriers have become reliant on surcharges generated from higher fuel prices, and suffered drops in revenue as a result, many of them sneakily hiked their fuel surcharges.

Back in February 2015, UPS announced a nearly 6% increase in fuel surcharges that added $200 million in revenue to the carrier's coffer with no additional operational costs.

If all of the above sounds like a win-win situation for carriers and a lose-lose proposition for shippers, well, it is without an experienced and knowledgeable team that knows the ins and outs of the transportation business.

Since hiring more people is simply not an option what is someone in your position supposed to do? Go back to school? Ask a zillion questions of an actual transportation manager? Rely on carriers for information?

No, no and definitely no; but CPC Consultants can help.

We do *all your heavy lifting* by establishing and optimizing transportation programs for large shippers. That means you can outsource all of those costly functions commonly handled in-house—from communication with carriers to auditing to freight bill inquiries, reports and analytics.

We Do the Heavy Lifting

Category	WITHOUT CPC	WITH CPC
Freight Rates	**20% Higher**	**Market Competitive**
Assessorial Fees	**Several:** **Carrier controls them**	**Few:** **Governed by Industry or Market**
Mode Usage	**Often over specified**	**Meets business needs**
Tariff Structure	**Complex, hard to administer**	**Simplified and easy**
Carriers per mode	**Too Many**	**Substantially reduced and simplified.**

Above is a comparison of transportation program attributes "with" a consultant's expertise and "without" their help.

With more than 18 years' experience in the business and a combined 75 years of in-the-field logistics knowledge among our team, we are able to uncover savings in even the most unsuspecting areas with our proven methodologies.

We Do the Heavy Lifting

The fact that for nearly two decades 99.9% of our business has been from referrals speaks volumes about the results we've been able to attain for customers.

The best part: It won't cost you a single penny for us to take a look under your "hood" and identify ways to shave 30, 40, even 50 percent from your current shipping costs, which could easily translate to six figures or more. Those dollar signs would put a smile on the face of any manager or CEO. And … you wouldn't be the first—or last—person to earn a promotion or bonus as a result of the savings provided when all was said and done.

Using our proven cutting edge process levels the playing field with carriers that negotiate daily. Our allegiance is with the shippers we represent, and our goal is to generate savings for customers.

CPC only engages if we can deliver significant savings. There's absolutely no risk. Period. We don't get paid by carriers. By only working for shippers, it ensures that CPC is only improving the shipper's bottom-line and remain completely unbiased; in fact, CPC does not recommend any carriers. Period.

We may not be the only optimization consultancy in town, but we are unlike any other for a number of reasons:

- **Integrity**: CPC only works for the shipper (freight payer), not carriers to ensure focus on your bottom line.
- **Tools & Expertise**:
    - CPC transforms transportation into a commodity and ensures solutions are market competitive.
    - CPC uncovers the hidden charges in freight and eradicates them.
- **Highest Return on Investment:** CPC only offers services if there is a substantial R.O.I. – projects average 7:1 in one year. That means that every $7 a shipper receives in savings will only cost them $1.
- **Performance Guarantee**: CPC will guarantee a return on investment within 6 months or CPC will refund entire fee amount.
- **Reputation**: CPC has several examples of saving millions of dollars for industry-leading companies across a number of sectors.

We Do the Heavy Lifting

Just to give you an idea of what we can do, here are a couple examples:

Client's Challenge: A France-based global leader in personal protection equipment wanted to transform a regionalized transportation management program to a centralized one to reduce the number of carriers and save 25% in shipping costs.

CPC's Results: At the end of a 12-month period after implementation, the client achieved **132% of the savings target**, and **reduced the number of carriers from 82 to 9**.

Client's Challenge: A medical supply company was paying 23% higher than market rates for freight and utilizing too many carriers, 22, inefficiently.

CPC's Results: Saved $1.3 million for the company's LTL (Less-than-Truckload) shipments achieved within 12 months after implementation, and reduced the number of carriers in half.

If you like the thought of saving money, improving efficiency and adding to your company's bottom line, you've got nothing to lose and everything to gain by calling CPC Consultants.

We will complete a no-risk analysis of your transportation program, and use our expertise to identify those problem areas holding your company back from 100% optimization. You can expect absolute transparency about potential savings, costs and time frame.

And, if we can't provide what we promise, you don't pay a cent.

Give us a call at 949-645-4087 or visit www.cpc-consultants.net to schedule an appointment.