

# Reducing the Total Cost of Your Transport Operations

## Visible Costs

Freight Rates

## Hidden Costs



In today's competitive markets, supply chain success relies on certainty. At the same time, Logistics Managers globally are under increasing pressure to lower their transport and logistics costs.

This often results in supplier choices that are based on price alone, negatively impacting supply chain performance, and actually increasing cost.

# The Hidden Costs of Freight Distribution

When assessing your supply chain, we invite you to look at the total cost of running your business' operations, including the hidden costs of freight distribution. These are costs that don't appear on the surface during price negotiations, but can have a very real and negative impact on your overall profitability.



## Product Damage

Good carriers employ freight handling techniques and technology to keep damage to a bare minimum. A few might also work with you and suggest ways to reduce damage even further. Does your carrier provide any kind of warranty when damages do occur and what sort of policy do they have around claims? How much do such warranties cost you?



## Customer (dis)satisfaction

Poor delivery performance by the carrier has a direct impact on your customer's satisfaction levels. Your customers require dependable delivery deadlines from their suppliers since unscheduled deliveries can cause major disruptions to their business.



## Split and/or late deliveries

Delivery in full and on time (DIFOT) measures how often your customers get the goods they want at the time they wanted. Does your potential carrier measure DIFOT regularly, and do they share this information with you? Are split deliveries treated as a non-conformance or is this standard operating procedure?



## Brand reputation

Failing to meet delivery deadlines can result in severe customer dissatisfaction, which can have a very real and negative impact on your brand reputation. Delivery in full on time becomes all the more critical when there is seasonality involved. Failure to deliver during such times results in lost sales and impacts brand reputation.



## Freight loss

Theft and missing freight are serious issues that reduce your profitability and response rates. Businesses that deal with high-value products are at a higher risk of losing goods during the transport process. Does your carrier have policies and procedures in place to protect your goods from pickup through to final delivery?



## Administration costs

Poor service performance means that you and your customers spend precious time chasing up deliveries, often dealing with automated phone systems resulting in long delays. Good carriers provide rapid, personalised response so that you can focus on building your business.



AirRoad provides an industry leading reliable service where goods are delivered in full, on time and backed by an in-house transit warranty.

Speak to one of our Solutions Consultants today, and see how AirRoad can help lower your total costs of freight distribution.

**1300 CERTAIN (237 824) | [www.airroad.com.au](http://www.airroad.com.au)**

National Road Freight Distribution | Express & Specialised Transportation | Supply Chain Services