Developing a Strategy to Mitigate 2021 Carrier Rate Increases

In January of this year we saw fairly traditional rate increase across all major carriers. This year, however, we've seen unprecedented increases including mid-year bumps. And now a host of Q4 fees and surcharges have been announced. Shippers should always have a strategy for managing how shipping costs effect their bottom line. These recent increases make a case for continually reviewing and adjusting such a strategy. Here are a few steps to help mitigate today's rate increases:

Understand Your Total Costs

Getting a handle on standard rate increases is relatively straightforward. The recent and upcoming fees and surcharges, however, are numerous and vary between carriers. It's important to know the collective total of charges as they apply to your costs. Once you have these numbers you can make adjustments accordingly.

Capture & Audit Invoice Data

Conducting ongoing invoice audits, and running analytics on them, will help you get a handle on how these charges are effecting your costs. Invoice auditing software can help here. Once you identify which charges are effecting you most, you will then be able to make adjustments.

Automate Your Shipping

When internal costs go up it oftentimes becomes necessary to reduce costs elsewhere. Automating your shipping process with a sortation system can reduce costs in several ways. Significant labor cost reductions can be realized as staff will no longer be needed to scan, weigh dimension and sort packages and mail. And you'll likely reduce your per item shipping cost as well. ID Parcel & Mail develops affordable solutions to help shippers expand or update existing systems or help companies break into automation.

Negotiate Rates

Not all shippers are aware that rates can be negotiated. The 20 percent of shippers that do 80 percent of shipping volume are mostly all negotiating their rates. But you don't need big leverage to negotiate a better rate.

Packet Parcel Sorting System for Automated Sorting With Final Mile Labeling

This client required a system to support two modes, as follows:

• Package scanning capabilities via the DWS with automatic package sorting.

• Package scanning with final mile delivery label printing, package application, and automatic sortation.

This system can support either mode, allowing the most efficient processing when packages are received with the final mile label already applied, and the most efficient process when the packages come in without this label.