



## STRATEGIES to MANAGE CARRIER EXPENDITURES

Can you believe it is that time of the year again? No, I am not talking about the holidays, but that would be a true statement as well! I'm talking about the fact that as this year comes to a close, businesses and organizations of all sizes are looking at their postage and shipping budgets for 2009, wondering how they are going to match their mailstream objectives against the recently announced USPS® "Shipping Services" and Carrier increases.

This article will be the first in a series that discusses strategies to better manage and mitigate your postage and carrier expenditures.

1. Understand the charges. Being informed is more than half the battle. By clearly understanding how carrier determine their freight charges and how they assess extra charges, you can make informed decisions on which carriers to contract with, when to use one versus the other, and which services within those carriers best meets your mailstream needs for given applications.
  - Read the published rates and services guides; these are readily available on each carrier's website.
  - Review all elements of your carrier contracts.
  - Review past invoices, identify surcharges and look for opportunities to reduce or eliminate them.
  - Educate your internal and external customers on the potential charges their shipments might be subject to, and provide them alternatives so that they can make informed decisions. This may also enhance customer satisfaction!
2. Negotiate rates with your carriers, including assessorial charges. Elements that may play to your favor relative to negotiating power include volume, urgent deliveries (i.e., overnights), pick-up density and fewer pick-up locations (makes the trip to pick-up your packages more worthwhile to the carrier), commercial vs. residential deliveries, high delivery density (more packages going to the same area), low claims and non-seasonal shipping.
3. Establish business rules, such as "All overnight, especially Early AM deliveries, must have management approval" and limit "Signature Required" to absolutely business-critical documents.
4. Consider a carrier's ground service or Priority Mail® for Thursday and Friday shipments and the USPS® in general for Saturday deliveries to eliminate Saturday delivery charges.
5. Implement a multi-carrier shipping system that enables you to smart shop amongst carriers, as well as service levels within those carriers, to meet your delivery objectives at the most cost-effective prices.

In conclusion of this first edition of "Managing Expenditures", knowing that all the carriers are reacting to economic situations, and as pricing becomes more complex, it is more critical now than ever to thoroughly understand the carriers' complete rate structures. Implementing carrier-neutral solutions enables shippers to analyze rates and service levels while benefiting from the best negotiated pricing or incentives that the carriers and the USPS® have to offer.

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