



espace

Intelligent Freight

An Employee Owned Company

HOWTO...

**Save Money
on UK Freight
Deliveries**



WANT TO SAVE...

£10,000s to £100,000s

ON YOUR UK FREIGHT DELIVERIES?

Our team of UK freight operators have handled thousands of UK freight deliveries utilising a vast array of vehicles; vans, 7.5 / 12 / 18 tonner, standard 13.6 metre and abnormal trailers. We organise UK deliveries for a wide range of manufacturers, both big and small, including many of the UK's largest blue-chip logistics companies. And, with over 20 years' experience in the business, there's not much we don't know about saving money on UK freight deliveries.

So, here are our top five strategies to help you reduce your UK freight spend and get better value for money from it too.

1 GO BACK TO GO FORWARD

If you have dedicated freight deliveries to different areas of the UK, backloading hauliers or courier companies from that area could save you a third on your transport costs.

In general, if you use a local transport company they will charge you their full charge per mile to make a delivery for you. They may then offer their discounted charge per mile to someone else offering them a load back to their base.

For example, a full load from Birmingham to Newcastle Upon Tyne could cost £675 with a Midlands based transport company but only £450 if you back load a haulier based in Tyne and Wear.



tip

List on a spreadsheet all your regular domestic delivery locations.

Start to research hauliers in each area to see if they deliver regularly to your area. Ask all your new and existing hauliers to provide prices for each of your delivery points. For each delivery point, rank them from cheapest to most expensive. This way you can see at a glance the difference in price for those offering back loads to a specific delivery point. If you don't want to do the research, just use a specialist UK back load agency.

NEXT
TIP

2 YOU DON'T KNOW WHAT YOU DON'T KNOW

Pallet networks have revolutionised UK pallet delivery. For ease, many companies simply give all their UK pallet deliveries to a local haulage company who is a pallet network member. For single, standard pallet deliveries, the pallet networks cannot be beaten on price or service.

However, if you have regular, multiple pallet deliveries or high value / delicate / time-sensitive freight there may be a better, cheaper and more efficient way to handle your UK pallet deliveries.



tip

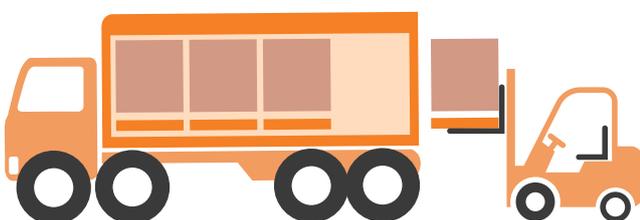
Get someone to analyse your UK delivery data and create a report with improvements and cost savings.

One outcome might be that an out-sourced fleet of day hire vehicles will provide you with a lot more flexibility, faster deliveries, reduced cost, less damage and more control. Until the analysis is done you simply won't know.

3 MINE'S A DOUBLE

Could you double your customer's order size and half the frequency?

If so, savings of at least 35% could be made on freight costs – more so on longer distance deliveries. For example, sending one full load to Glasgow from Birmingham as opposed to two part-loads, could save you in the region of £250.



tip

Think about offering your customers a small discount to encourage them to take larger orders.

Ensure that the discount is less than the saving on the transport to give you a financial gain.

tip

If your pallets are not stackable and less than 1.8m high, have you considered double-deck trailers?

You can load approximately 60% more non stackable pallets on a double deck trailer than on a standard single deck one.

4

THE 2% 'NO BRAINER'

With cost top of mind, many manufacturers routinely seek three quotes for each and every shipment – a time consuming process – and automatically go with the cheapest.

But is this the best thing to do?

Being known as a company who only buys on price isn't going to engender much loyalty when you need it. In our opinion, if you have reasonable UK freight volumes, there may be a better way. Why not think about tendering your regular UK freight movements annually with a select number of providers?



tip **Appoint a preferred carrier and introduce a 2% rebate system**

Send them a rates template for your regular shipments and ask for transit times and scheduled departure days.

Ask them to also include their value proposition - what else can they offer you that would make your life easier?

If, for example, the extra value that a more expensive carrier offers easily outweighs a 5 or 10% difference in price compared to the cheapest carriers, it would be unwise to exclude them outright on price.

tip **Design a Service Level Agreement for your preferred carrier**

Include KPIs and regular performance review meetings, where the carrier should be highlighting ways in which you can reduce your freight spend by analysing the shipment data.

5 LIABILITY MATTERS

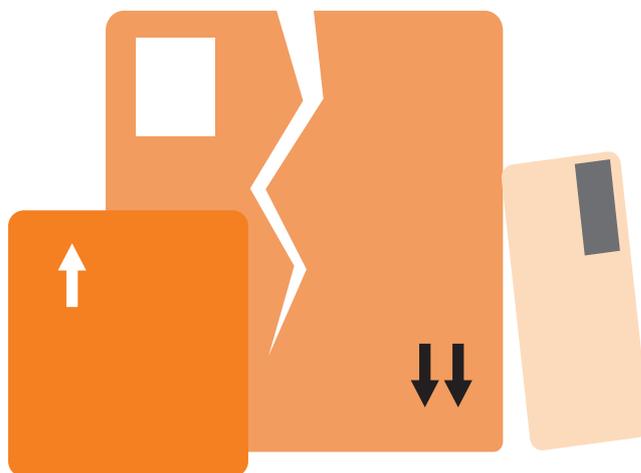
Being under-insured, in the event of lost or damaged UK shipments, could cost hundreds, maybe thousands of pounds each year and is best avoided.

All UK hauliers and couriers carry goods under RHA (Road Haulage Association) Conditions limiting their liability to £1.30 per kilo for lost or damaged freight

So for example, if your carrier lost or damaged your 500 kilo pallet worth £2000, you could only claim back £650. Also, if they deliver a shipment late and you incur £1000s of penalty charges, you won't have any recourse to legally recover these charges from you carrier

tip Make sure you're insured

Insure your shipment to its full value on an ad hoc basis with your carrier or take out your own annual Goods in Transit insurance policy to ensure you are fully covered.



tip Communication is key

If you have time-sensitive deliveries make sure you communicate to your carrier the extent of your consequential loss if they deliver late and make reference to this on the dispatch note. Carrying out these two simple actions will greatly improve your chances of recovering these costs.



Tony Shally
Managing Director

ABOUT THE AUTHOR

We hope that these strategies, will be of use to you. If you would like to discuss any of them in more detail please contact our Managing Director Tony Shally.

Tony has over 30 years of experience handling freight so you're in safe hands.

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BY THE WAY, WE'RE UNIQUE



We offer a 100% Money Back Guarantee on all time-critical shipments

Contact us 24/7/365 with your time-critical freight shipments and if we're late, you won't pay the rate. Don't worry, we never let anybody down



We are the only employee-owned freight business in the UK

↳ Espace is owned by its 25 staff by way of an Employee Ownership Trust. We are 100% employee owned



We offer a 30-day Money back Guarantee

If you're not satisfied with the way we've handled one of your shipments during our first 30 days of trading, we will give you your money back for that shipment

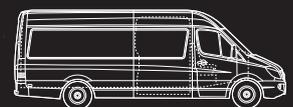
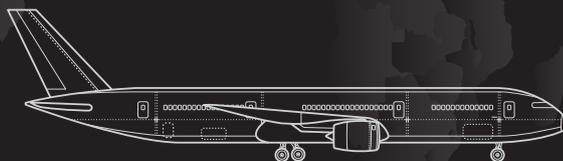


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