



6 ways to Prepare before starting

a new small parcel
rate negotiation



Preparation plays a key role in how well a company is able to negotiate their small parcel rate contracts.

It's important to know there is a big range in the rates carriers are able to offer their customers, but it's up to you to go and get the best. Having a plan and being prepared are the first steps to getting the best possible pricing for your company.

Here are **six ideas to help you get the best rates from your next small parcel contract negotiation** – and remember, it's important to do these things in advance of your first conversation with any carrier sales reps:

1

Get your data together

The more specific information and data you can provide about your shipping history the better. When you make generalizations about key details like shipping patterns, volumes, or accessorials, it forces the carrier to do the same with their pricing. And when carriers have to do this, they assume the worst and you end up with higher rates.

2

Present it professionally

A well prepared RFP shows you are serious about the negotiation and lets the carriers know you'll be in a position to thoroughly evaluate their pricing. Part of carriers' tactics is making it hard to compare rates and clearly analyze their pricing in a way you are confident in your decision. Having a process to gather and analyze the submissions from each carrier keeps you in control.

3

Let carriers compete for your business

FedEx and UPs are both great companies from a service standpoint, so it can be a mistake to assume you cannot use both for all types of service levels. This point is to be ready to play them off of each other and not let them convince you their services are better or different.

4

Think about the future

Knowing your current shipping patterns matters, but also take care to make sure carriers understand how your business will change in the next 12-36 months as well. For example, if you are opening new facilities it will affect your lanes and volumes. Or, adding new products can change weights, package dimensions, and other key volume data – all of which directly impact pricing.

5

Find a partner

Negotiation is often something that's better left to the experts, so working with a 3rd party who will be on your side is a guaranteed way to improve the contract you end up with. Carriers are experts at knowing their costs, but so are companies like First Flight Solutions. This gives shippers the ability to know how far you can push to negotiate every part of your small parcel spend and get the best rates.

6

Maintain your diligence

The work is not done once the contract is signed. If you are not already, look into working with a parcel audit company to make sure the carrier is living up to their end of the contract. Carrier billing errors and services failures can mean you are paying up to 30% more than you should be. A partner who monitors your invoices is a simple way to get that money back.

Your approach is everything when it comes to small parcel rate negotiation. Taking the time to prepare properly will help make sure you get the rates possible for your business

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Transportation Impact is the industry leader in small package negotiation. Our team is comprised of former executive-level carrier pricing personnel and has more than 300 years of combined pricing experience. While other companies rely solely on data to determine what a company's rates should be, our pricing experts go a step further. After we conduct a thorough analysis of a company's carrier invoice data, our pricing team makes personal adjustments based on proven pricing experience to tailor the results to a shipper's exact specifications. That's why we are the only company in the industry that will guarantee our savings projections, in writing, to the tenth of one percent. Call one of our friendly in-house experts to schedule a web demo today at (252) 764-2885. Or, if you have 96 seconds to spare.