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Efficiencies that Justify a Major Processing Upgrade

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Given today's economic environment, there is a compelling need for cost-effective solutions that help shippers save money. Many companies today overspend \$2.00 to \$7.00 or more on each parcel they ship due to lack of control, non-enforcement of business rules, manual shipping processes and many other reasons. Today's eShipping capabilities offer a cost-effective solution for bringing these processes under control while lowering the high cost of shipping.

As your organization's shipping manager, a great deal is expected of you as a contributor to the all-important business philosophy of cutting costs. More difficult still, is the question of how you are expected to convince upper management that now is the time to take action and invest in upgrading shipments processing in order to better prepare your company for the demands it will surely face as the business climate improves and competition get tougher. It has never been more important for upper management to understand the impact its shipping operations are having on the company's bottom line, especially given the decisions it must make regarding budget cutbacks and doing more with less.

Today's shipments processing includes package generation and consolidation; accurate monitoring and tracking; desktop shipments processing; cost-effective carrier selection and staying abreast of ever-changing USPS®, UPS, FedEx, DHL and LTL regulations and requirements. And that makes you - your company's shipping systems gatekeeper - an integral component of what needs to be a well-oiled machine. It also means your role will never be the same.

In many ways, a shipping manager in 2009 needs to be a combination technology guru, shipping savings monitor, quality control supervisor and security specialist, as well as a resident expert in desktop shipping, package design and in leveraging parcel shipping opportunities. So asking for a little help is no sign of weakness.

Evaluate, Identify, Implement

So let's talk about efficient, value-added, cost-saving parcel shipping practices and what a shipping manager must do to convince upper management to invest in the most cost-effective way to ensure implementation. Today it's all about ROI. Organizations need to be persuaded that every man-hour committed and every dollar spent will result in a productivity gain and cost savings, ideally both short- and long-term.

Many companies already commit valuable dollars to parcel shipping. Unfortunately, for the most part these "investments" often only maintain the existing infrastructure, spending additional time and money continuing the status quo. Worse, it is especially counterproductive during difficult business cycles, and will actually end up costing you more than if you had invested in the right solutions within your shipping operations. To make your case to management for taking shipments processing to the next level, today's shipping manager needs the "inside information" about the entire shipping process - what works, what doesn't work and what's available and most cost-effective to make it work.

Step #1 - Evaluation

Organizations that truly want to convert inefficient shipping practices into positive shipping efficiencies, especially

during tight economic times, should consider adopting a fundamental principle that we call MailFlow Optimization (MFO). MailFlow Optimization is a new and exciting systematic approach to evaluating - and providing solutions for - the entire mail & shipments process; solutions that virtually guarantee dramatic efficiencies and significant cost savings. It puts every aspect of an organization's shipping process under intense scrutiny, including the shipment creation process, real-time address correction, shipping rules standardization, compliance to contracted carriers, delivery management, shipment tracking for late deliveries, and cost accounting. The goal of MailFlow Optimization is to help shipping managers find the costly flaws throughout the entire process, which in turn generates the money needed for today's new equipment and software products. MFO will help you quantify the financial impact and ROI the company would never realize were it not to undertake this evaluation.

Step #2 - Identification

After careful review of your entire shipping process, you may be surprised at your ability to identify specific areas of opportunity for improving productivity and creating processing efficiencies. For example, among other steps you can take...

Track and analyze spending... You can now monitor department shipping activities using a system that not only tracks spending, but also captures and tracks what carriers, level of service and special services your departments are using. This saves money by enabling you to quickly identify and correct bad shipping habits.

Identify the savings... Here's an easy moneymaker. All shipments that can be

delivered in the same timeframe with a less costly method should be identified. For example, shipping a package using a ground service rather than an overnight service (when guaranteed delivery is not required) is an obvious example. There is a wide variety of shipping software products to assist you with re-engineering your processes while enabling you to capture the maximum savings available.

Pack to save money... Be sure you understand proper packaging techniques to reduce damage to contents. For example, use double wall boxes for heavier items or place small packages inside a larger box. Individually wrap items with cushioning material and center them in cartons away from other items and away from the sides, corners, top and bottom. Do not substitute "Fragile" and "Handle With Care" labels for careful packing techniques. Some shippers have turned their cost center into a profit center by substituting purchased boxes with free carrier-provided boxes, including flat rate boxes.

Eliminate undeliverables... Bad addresses can cause a myriad of issues including delays, returns, billing issues and lost business. Use address correction software either at the order entry point or at the shipping station.

Compare carriers... Slash spending on all your carriers. Since shipping functions typically fall under the jurisdiction of the shipping manager, opportunities abound for saving money. Securing systems that

enforce business rules, committing to a comparison of multiple carriers (including the Post Office), and tracking shipment delivery times for potential refunds can often produce truly astronomical savings.

Step #3 – Implementation

Once specific areas have been identified, you can then further streamline the shipping process and generate valuable cost savings by adopting and enforcing the "best practices" shipping rules you have put in place. For example, you can require shippers to justify utilizing an expedited and more expensive method of shipping when a less expensive service will provide the same delivery standard.

Utilizing current technology is a win-win scenario for you. More than likely, you'll be able to show how a two- or three-person shipping room with the right technology can dramatically improve productivity and generate savings over a staff of six operating "yesterday's" shipping. It's all about doing more with less.

Value-Added Technologies

The solutions offered by today's advanced shipping technologies provide a level of cost savings unprecedented in our industry. Today's highly productive shipping products - standalone shipping systems, integrated shipping systems and desktop shipping solutions are measurable investments that can be quantified through shipment processing

improvements, increased speed and accuracy, cost control, process control, flexibility and more. Hosted shipping systems can take enterprise-wide shipping to a new level with features like "branded" website appearance, customer-defined business rules, optimized shipper and serviceselection, real-time address correction, cost center validation from the desktop, internal courier and carrier functionality, single sign on, customer controlled splash and news pages, returns shipping and more. These systems also provide integration with eProcurement and Spend Management platforms, as well as Ariba, SciQuest, Oracle, SAP and others.

These are just a few examples of why you should be taking advantage of dramatic increases in efficiencies rather than just replacing existing infrastructure and "renewing old investments." And it's not just larger companies that benefit from today's graduated shipping solutions. There is an assortment of customized solutions for virtually any size organization.

Regardless of the challenges you face along any point in your shipments process, evaluating and optimizing every aspect of your process and employing the cost-effective infrastructure of today's sophisticated, yet simple to use systems and software, is a persuasive strategy resulting in a dramatic improvement of your shipping as well as a significant ROI for your management team.