Roadrunner Freight's LTL Shipping Guide



What is LTL Shipping?

Less-than-Truckload (LTL) shipping is the action of moving freight that does not require a full trailer and moving it from Point A to Point B. When shipping LTL freight, shipments will share the cost and amount of space occupied on a trailer with other freight.

LTL shipping is a cost effective alternative to Truckload shipments and provides many benefits to shippers, such as flexibility and competitive prices. Companies of all sizes take advantage of the cost savings, benefits and expertise that LTL companies provide, and is particularly beneficial to eCommerce, retail and manufacturing companies.



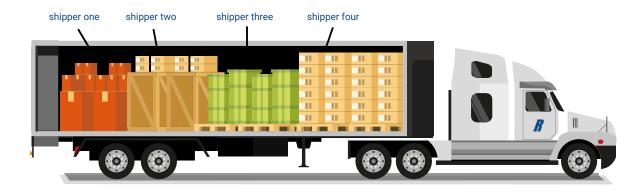
Less-than-Truckload vs. Truckload Shipping

There are many different options a shipper can take to move freight. When deciding between using a Truckload (TL) carrier or a Less-than-Truckload (LTL) carrier, the number of pallets being shipped, the weight, space occupied and time constraints should be taken into consideration.

Less-than-Truckload shipping is often less expensive and more economical than Truckload shipping. If there are strict deadlines, this information must be shared with the carrier to ensure that all parties are meeting expectations.

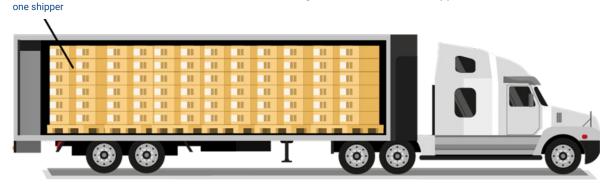
Less-Than-Truckload (LTL) Shipment

The trailer is filled up with shipments from different companies who pay for space based on the freight's density and dimensional weight.



Truckload (TL) Shipment

The entire trailer is filled with goods from the same shipper.



LTL Industry Overview

Less-than-Truckload shipping began when businesses recognized that they frequently needed to ship smaller amounts of goods in a cost efficient and economical way.

LTL shipping makes up 44 billion dollars of the nation's 700 billion dollar trucking industry (Logistics Management, 2020). While this number may seem minuscule, Less-than-Truckload shipping is a vital part of supply chains and supports thousands of businesses.

Various factors impact the industry and cause a high barrier to entry for those trying to venture into the transportation world. Significant investments are required to support the infrastructure of facilities and equipment, such as the cost of terminals and purchasing tractors and trailers. Additionally, there is a limit on overall capacity within the industry due to the severe driver shortage and low driver retention rates.



Rate Quote vs. Volume Spot Quote

An LTL Rate Quote is an estimate of the charges a shipper is responsible for when moving an LTL shipment from Point A to Point B. LTL Rate Quotes are calculated based on various information that the shipper provides, such as the weight of the shipment, density or dimensions, NMFC Classification and additional services requested.

Using LTL Rate Quotes simplify the shipper's ability to pre-plan shipment costs and provides insight into the costs that can be expected when moving various shipments of the same weight and classification.

A Spot Quote, or Volume Quote, is a rate estimate outside of a typical LTL shipment. To qualify for a spot or volume quote, freight is typically between 5 and 20 linear feet or 5,000 pounds and 20,000 pounds. Flexible pricing is available, as carriers are looking to fill the extra capacity to dispatch the trailer quickly. To ensure that spot quote pricing is applied, it is required that all Roadrunner Freight customers include the Spot Quote number on the Bill of Lading.

Roadrunner Freight's Rapid Pricing Progam

Access competitive LTL quotes and get your freight moving quickly through our network of 29 service centers across the country. Save time and get your freight moving by <u>requesting</u> <u>a quote today</u>.



Packaging LTL Freight

The most common way to move LTL freight is on a wooden pallet or wooden crate that supports the shipper's goods. Utilizing a structural support helps shippers protect their freight from being dented or damaged during its journey. Shippers must also take proper precautions when packaging their freight to reduce the potential for claims (Willis, 2017).

Best practices for packaging LTL Freight include utilizing:

- Strong boxes in compliance with NMFC Rule 222
- Wooden crates or pallets
- Warning labels, such as "Do Not Stack," "This Side Up," etc.
- Labels identifying the Shipper and Consignee
- Shrink wrap

What does Roadrunner Freight do to protect your shipments?

AIR BAGS

When freight is loaded onto a trailer, air bags are placed between the pallets to prevent sliding.

DECKING BEAMS (BARS)

Decking beams protect against damage caused by stacking freight and maximizes the amount of space in the trailer.

DUNNAGE

Pieces of cardboard or plywood, also called dunnage, are placed on top of skids to prevent scratching and help distribute weight.

SHRINK WRAP

Industrial strength shrink wrap is used to keep loose shipments in place.

Six Tips for Properly Packaged Freight

By making an effort to properly package your LTL freight, you can reduce the possibility of damage and make your shipments easier to move. The below tips provide guidance for shipping LTL freight on a pallet.



Don't let freight hang over the edge

This helps to ensure that you are using your pallet space efficiently and reduces the chances of damage.

Wrap your goods in shrink wrap

This helps to hold stacked boxes together and keep them on the pallet.

Stack freight neatly on the pallet

Begin with the heaviest items first. This helps prevent shipments from becoming top-heavy.

Use a strong wooden pallet

Use a strong pallet or crate to protect your goods when transporting your freight.

Use labels for identification

Use labels to identify shipper and consignee for each pallet. Place PRO labels on the top right corner of each pallet.

Use packaging once

Recycled packaging will not be able to protect your shipment as well as new material.

LTL Rate Quote Calculations

LTL rate quotes are a combination of many factors, such as the distance between the origin zip code and destination zip code, dimensions or weight of the shipment and applicable NMFC numbers. It is crucial to make sure that shippers understand how freight is classified through the National Motor Freight Traffic Association (NMFTA). If the wrong NMFC number is declared, it may result in the shipper receiving an inaccurate rate quote, additional fees and/or delays further down the road.

Dimensioners are used in various LTL service centers to calculate the exact weight and class of a shipment. This allows carriers to confirm the freight's class and avoid unexpected fees that change the cost the shipper is responsible for. <u>Dimensioners</u> also allow carriers to plan LTL shipments efficiently, therefore, providing more accurate information to shippers.



National Motor Freight Traffic Association

The National Motor Freight Traffic Association (NMFTA) creates the standards, proper classification and updates for packaging commodities. Regular updates are released throughout the year, called <u>National Motor Freight Classification (NMFC)</u> Updates. By creating standards and guidelines for packaging and freight classification, the NMFTA defines the commodities for both carriers and LTL shippers.



Rules Tarrifs

Tariffs are documents stating rules for specific commodities, shipments or accessorials. These are often used in the same way as a contract is used between shippers and carriers.

Roadrunner Freight provides extra services required by customers upon request. The rules tariff specific to each customer provides additional details regarding the services and explains the charges that apply. Any exceptions will be noted in specific pricing agreements.

LTL Shipping Best Practices

When used properly, shipping Less-than-Truckload freight can be both efficient and cost effective. The below best practices will help shippers optimize their LTL shipping:

LTL Shipping Best Practices

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Properly Package Your Freight

Use a strong, wooden structure to support your freight such as a crate or a pallet. When labeling your freight, be sure to put a PRO label on the top right hand corner of each pallet/crate.

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Understand Tariffs and NMFC Numbers

When shippers make an effort to understand Tariffs and the NMFTA, it reduces the possibility of shippers acquiring unexpected costs. Staying up-to-date on NMFC updates helps shippers understand packaging requirements for their freight.



Communicate With Your Carrier

Having a strong, open relationship with your carrier will promote growth for both companies. Communicating openly about levels of volume and service expectations will ensure that your carrier knows what is expected of them and can prepare accordingly.



Streamline Your Supply Chain Through Digital Tools

Most LTL carriers, such as Roadrunner Freight, offer online tools for Rate Quotes, real-time tracking information, Bill of Lading makers and much more. These online functions help shippers streamline their operations and track shipments. Access Roadrunner Freight's online tools <u>here</u>.

About Roadrunner Freight

At Roadrunner Freight, we are committed to providing high quality, scalable solutions for our LTL shippers. Our team lives by the mantra of SHIP IT LIKE YOU OWN IT, meaning we treat every shipment as if it is our own.

Partner with Roadrunner Freight to gain access to high quality, competitively priced service to all major metros in the US. Get started by <u>clicking here</u> or reach out to our sales team at <u>LTLsales@rrts.com</u>.

Interested in learning more?

Follow us on social media!



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