# POOL DISTRIBUTION CUTTING COSTS & TIME IN THE LONG HAUL

When you ship in volume, using less-than-truckload (LTL) for distribution is generally the most cost-effective solution for regional and short haul transportation

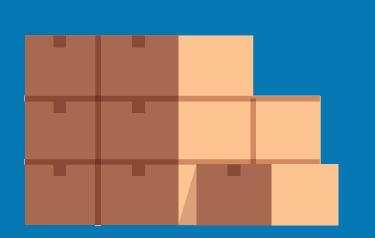




However, if your freight is moving a long distance, such as from the West Coast to locations across the country, the cost of moving multiple less-than-truckload (LTL) shipments can quickly add up.



One transportation strategy that shippers can utilize to move products long distances that end in regional distribution is known as pool distribution.









This model is a relatively simple concept that entails the use of <u>truckload</u> or <u>intermodal</u> transportation for the <u>long haul</u> portion of a supply chain.



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For the tail end of the supply chain, the freight is <u>deconsolidated</u> at a distribution point(s) (such as an LTL terminal) and <u>then distributed</u> to multiple final destinations <u>via LTL</u>.



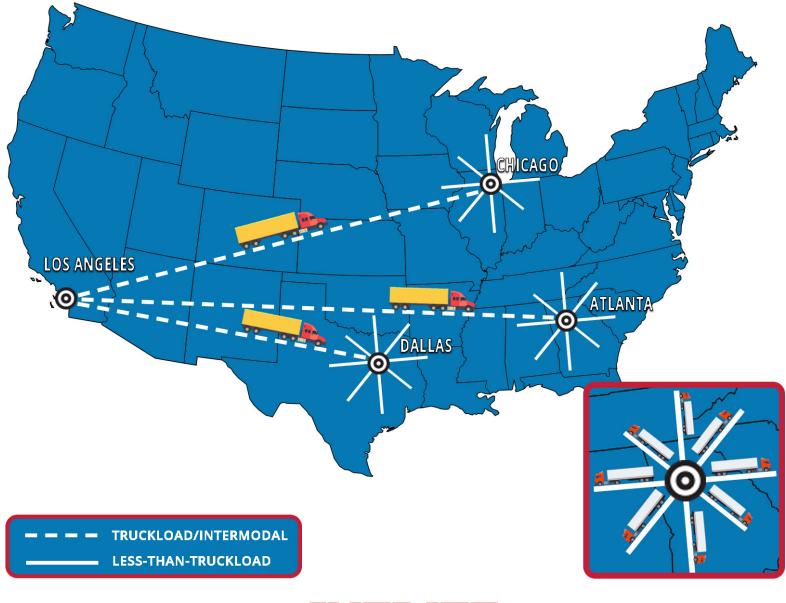


The diagram on the following slide illustrates how a <u>pool distribution model</u> that originates from Los Angeles to markets around Dallas, Chicago, and Atlanta would look like.





#### **POOL DISTRIBUTION MODEL**





There are several benefits that a pool distribution strategy can add to your transportation and supply chain strategy.





## **REDUCED TRANSIT TIMES**



Incorporating a this strategy into your supply chain will allow you to reduce your transit times from point A to point B. This is achieved because the transit route is <u>streamlined to the market</u> or markets your freight is heading.

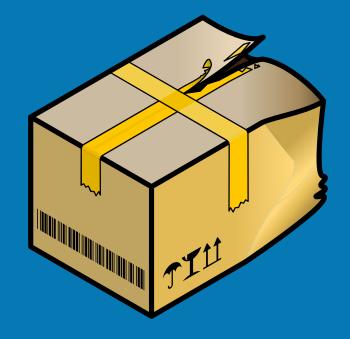
When you ship multiple LTL shipments across a long distance, the freight will make multiple stops along its journey because most LTL tractors and trailers are assigned to specific markets and regions. The time that it will take to hand off freight between LTL lanes and markets quickly adds up over long distances. Utilizing a full volume service, however, puts your freight on a direct path to its intended market.



## **REDUCED FREIGHT DAMAGE**

Transporting <u>LTL freight across long distances</u> means that <u>multiple hands</u> will be involved throughout the process. At each stop along the way, the freight will have to be unloaded and transferred to a new trailer. <u>Each movement</u> increases the chance that your freight <u>could incur</u> <u>damage</u>.

Additionally, an LTL trailer will contain freight from numerous shippers. By <u>utilizing a full trailer</u> or container for your products, there is <u>less of a</u> <u>chance</u> that your <u>freight will be damaged</u> by the movement of other freight that can vary in size, weight, and shape.





### **LOWER TRANSPORTATION COSTS**



The overall costs of <u>moving multiple LTL</u> shipments across long distances will <u>quickly add</u> <u>up</u>. When multiple shipments are destined for the same market or region, <u>utilizing truckload or</u> <u>intermodal services</u>, including trailer on flatcar and container on flatcar, for the long haul can <u>reduce your overall transportation costs</u>.

Think of this process as purchasing nonperishable foods in bulk. It may seem expensive at first glance, but when you begin adding up the number of individual purchases over time, the costs savings can be substantial.



#### **MORE CUSTOMIZED TO YOUR NEEDS**

The <u>level of customization</u> you can obtain with <u>a pool distribution</u> model is <u>much higher</u> than using a standard LTL service for long haul transportation.

You will find that you can target specific markets with a <u>streamlined approach</u> to your volume LTL distribution.





Succeeding with this strategy will rely on the ability of your logistics and transportation service providers to identify the most beneficial routes and carriers to utilize. Work closely with your service providers and ensure that the lines of communication are always open!





Want to learn more about utilizing pool distribution in your supply chain?

Contact Averitt's Multimodal Solutions Team by phone at 1-800-283-1995 or by email at <u>multimodal@averittexpress.com</u>.

To learn more about Averitt Express, visit: <u>www.AverittExpress.com/PowerOfOne</u>

