

Less-than-Truckload Shipping Guide



LESS-THAN-TRUCKLOAD SHIPPING GUIDE

CONTENTS

What is LTL Shipping?.....	1
LTL vs. TL.....	2
LTL Industry Overview.....	3
LTL Basics	
Hub and Spoke Distribution Model.....	4
Origin Consolidation Distribution Model.....	5
Rate Quote vs. Spot Quote.....	6
Packaging.....	7
LTL Rate Quote Calculation.....	9
NMFC.....	9
Tariffs.....	10
LTL Best Practices.....	10
About Us.....	11

WHAT IS LTL SHIPPING?

Less-than-Truckload (LTL) shipping is the action of moving small to mid-sized freight shipments on one trailer 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 (Versatile Packagers, 2014).



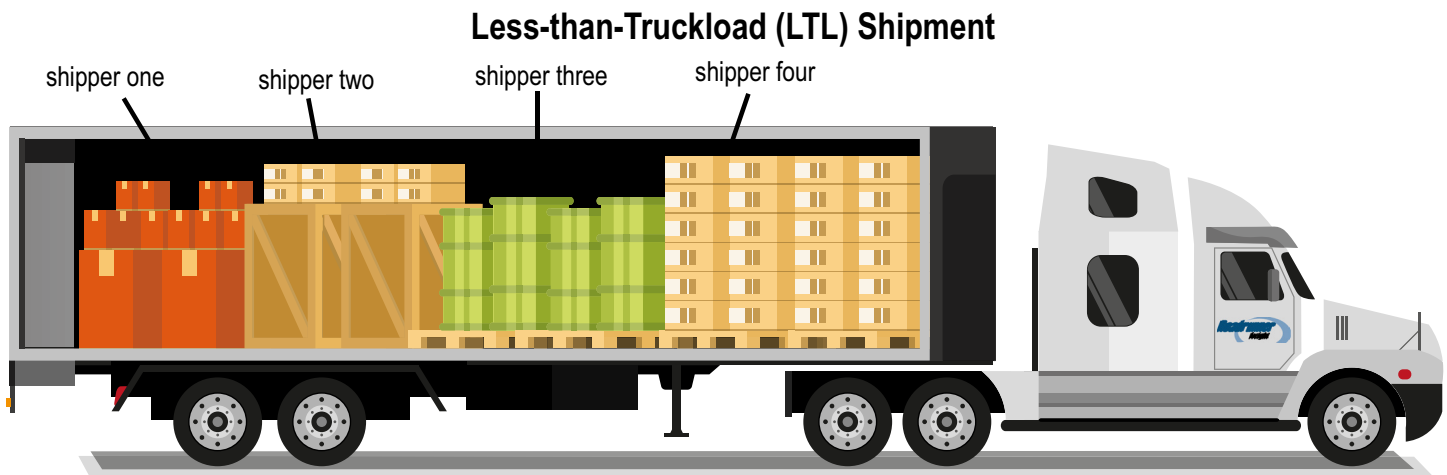
LTL shipping is a cost effective alternative to Truckload shipments because shippers pay for space on the trailer, determined by the dimensional weight of the shipment. Companies of all sizes take advantage of the cost savings and benefits that Less-than-Truckload shipping brings.

Shippers also enjoy the scalability that comes along with using a LTL carrier, such as creating customized shipping schedules with recurring freight movements or making arrangements for irregular shipments. This mode of transportation is particularly beneficial to eCommerce, retail and manufacturing companies!

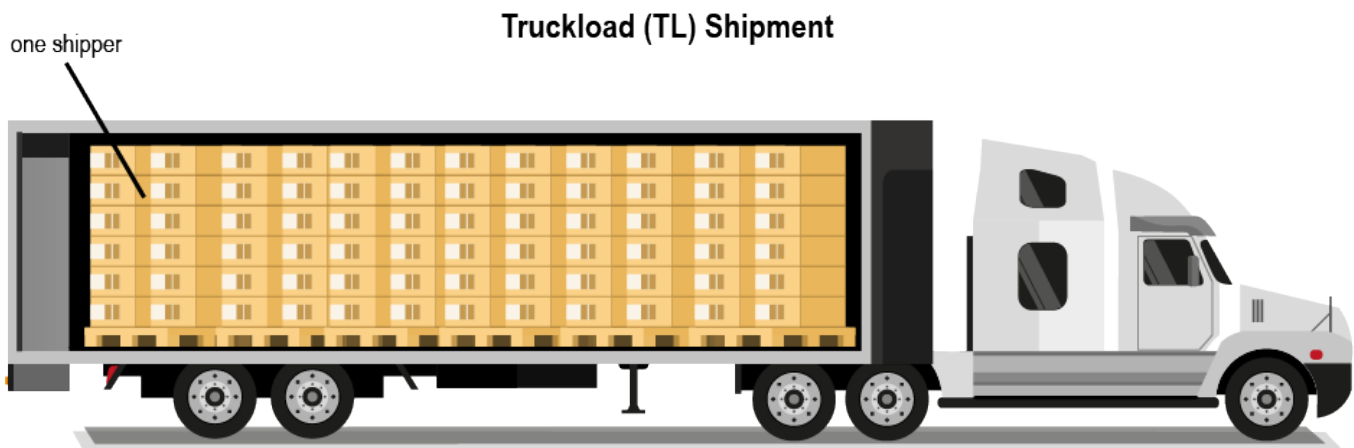


LTL VS. TL

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 and time constraints should be taken into consideration.



The trailer is filled up with pallets from individual shippers who pay for space based on the freight's density and dimensional weight.



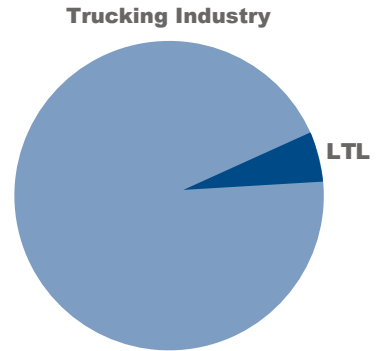
The entire trailer is filled with goods from the same shipper.

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

LTL INDUSTRY OVERVIEW

Less-than-Truckload shipping began when it was recognized that businesses frequently need to ship smaller amounts of goods in a cost efficient and economical way, yet the capacity of a full 53-foot trailer is not needed.

LTL shipping makes up 40 billion dollars of the nation's 700 billion dollar trucking industry (Transport Topics, 2018). While this number may seem miniscule, Less-than-Truckload shipping is a vital part of supply chains and supports thousands of businesses, thus creating a need for capacity on LTL trailers.



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

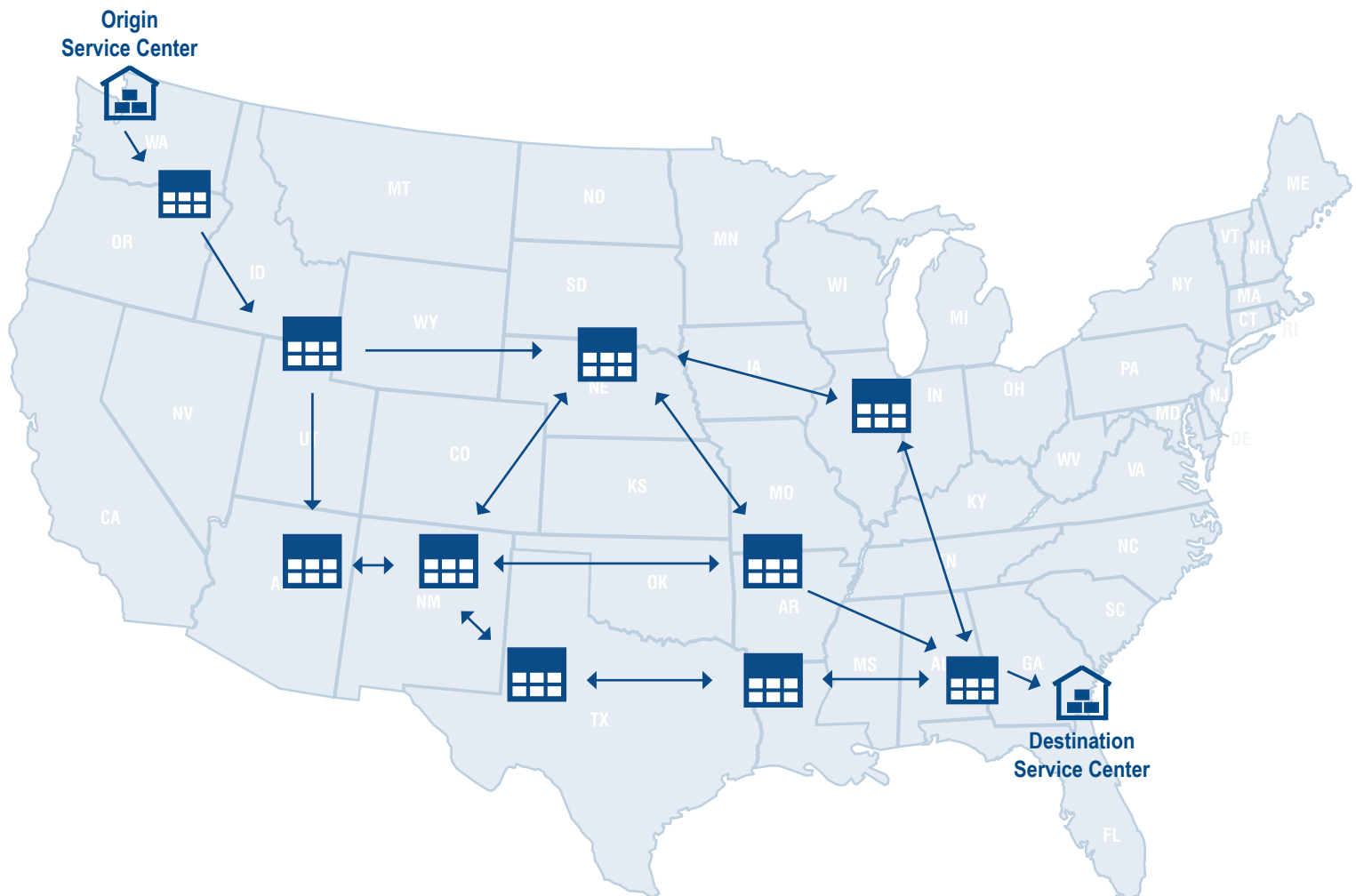


HUB AND SPOKE DISTRIBUTION MODEL

As one of the most common LTL distribution models, shipments that run through the Hub and Spoke model are typically consolidated at the carrier's central distribution center, or "hub."

The freight is quickly loaded onto a trailer headed to the next "spoke" of the carrier's network, where it is unloaded and reloaded onto another trailer. The process is repeated, going through various hubs and spokes until the shipment reaches its final delivery terminal and is sent out to the consignee.

This type of distribution model handles freight significantly more and often has more claims. Shippers may also acquire additional costs if the trailer isn't full prior to dispatching.

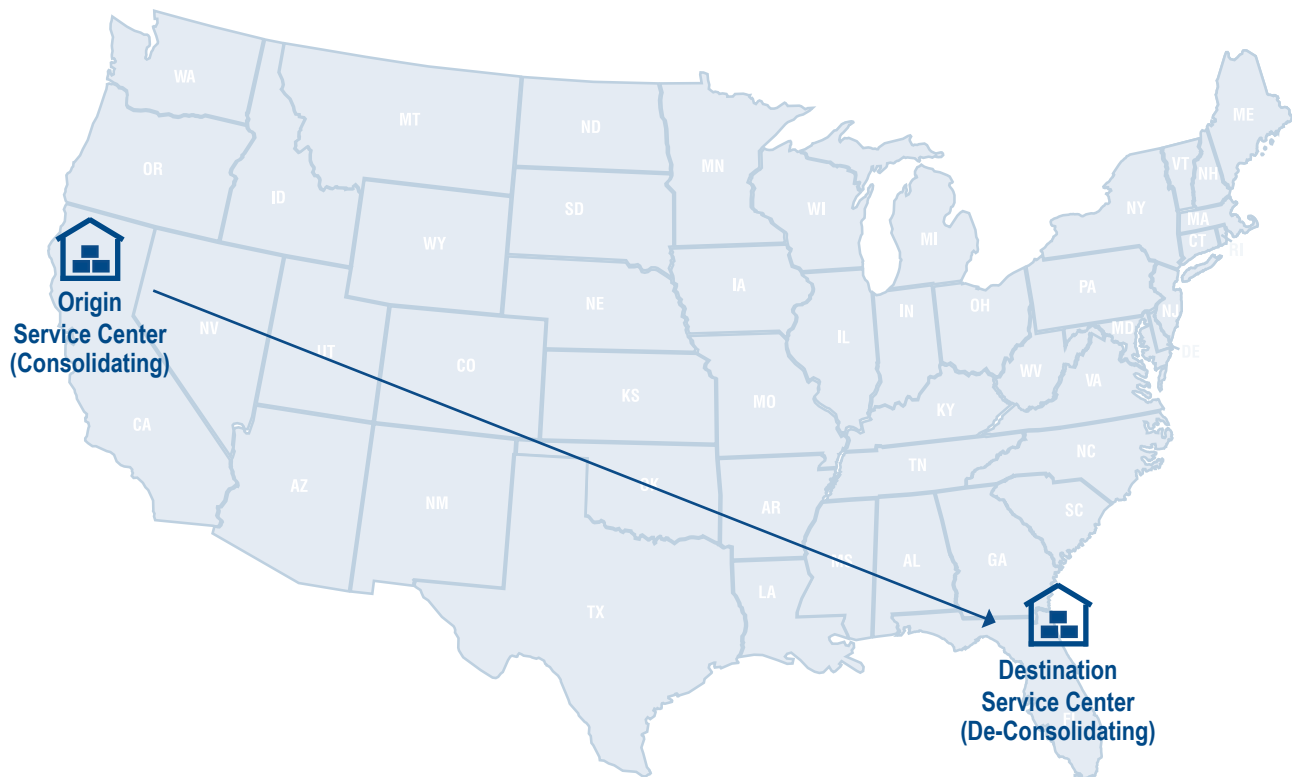


ORIGIN CONSOLIDATION DISTRIBUTION MODEL

Origin Consolidation is another distribution model that is found to be beneficial to LTL shippers. LTL shipments are picked up and consolidated at a local service center, then loaded onto a trailer headed to the final delivery destination.

The trailer will remain at the origin service center until it is full and then is then dispatched. The shipment remains on the same truck until it reaches the destination service center and is sent out to the consignee.

Freight traveling through Origin Consolidation models are handled less and go through minimal transfers, thus reducing the amount of claims that occur. While this type of distribution model often has a smaller footprint, LTL shippers find it to be a cost effective and economical way to move freight.



Roadrunner Freight's Distribution Model

Roadrunner Freight optimizes the Origin Consolidation distribution model and reduces handling of LTL shipments. By operating through 19 Service Centers across the nation and various strategic partnerships, Roadrunner Freight provides cost effective, customer focused and reliable LTL service.

RATE QUOTE VS. VOLUME SPOT QUOTE

An LTL Rate Quote is an estimate of the charges a shipper is responsible for when moving 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 simplifies the shipper's ability to pre-plan shipment costs and provides insights 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 lineal feet or 5,000 pounds and 20,000 pounds. Flexible pricing is available, as carriers are looking to fill extra capacity to dispatch the trailer quickly. To ensure that spot quote pricing is applied, it is recommended to include the Spot Quote number on the Bill of Lading.

Roadrunner Freight Rapid Pricing Program

Access competitive LTL quotes and get your freight moving quickly. The Rapid Pricing Program is most effective for shippers who are eager to get their freight moving and want to reduce time spent waiting for LTL quotes.



Access to long haul,
metro-to-metro lanes.



Utilize Next Day
Delivery in all major cities.



Take advantage of
over 15 online tools.



Simplified access to spot
quotes and rate quotes.

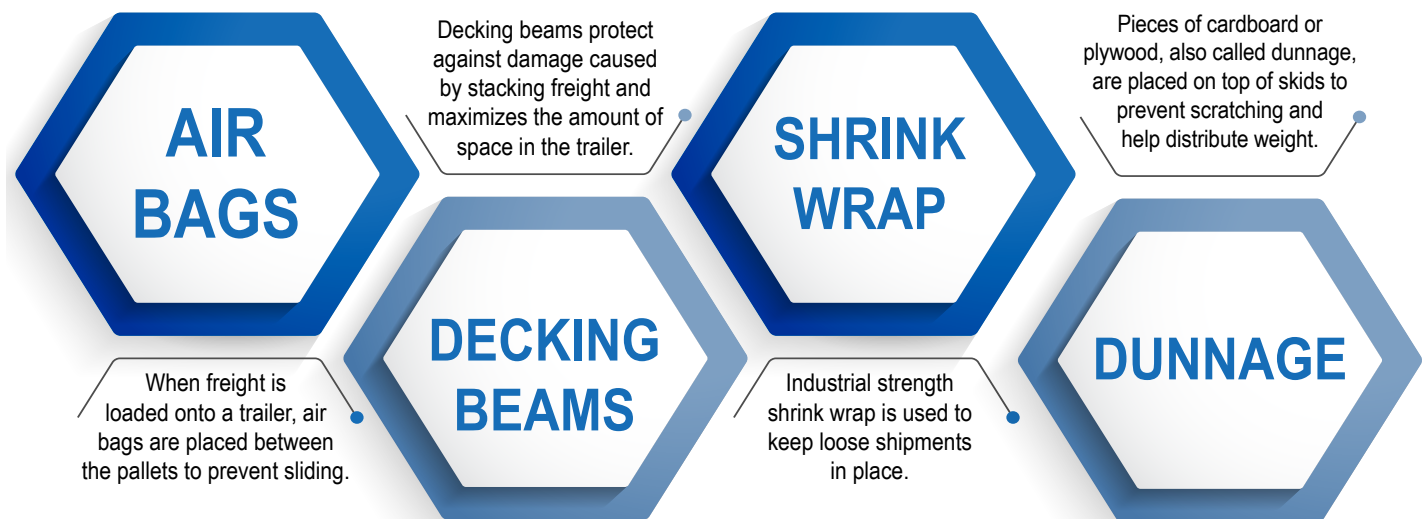
PACKAGING

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?



SIX TIPS TO PROPERLY PACKAGE 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.



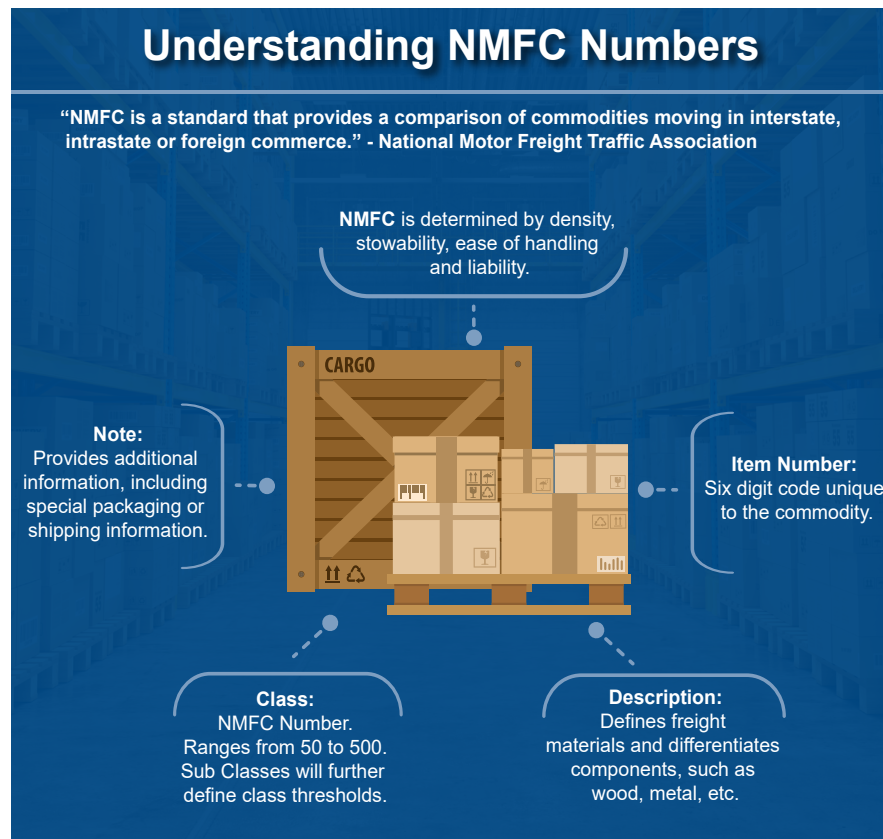
LTL RATE QUOTE CALCULATIONS

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.

Dimensionalizers 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. Dimensionalizers 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 National Motor Freight Classification (NMFC) Updates, and can be found [here](#). By creating standards and guidelines for packaging and freight classification, the NMFTA protects both carriers and LTL shippers.





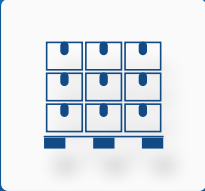

RULES TARIFFS

Tariffs are documents stating rules for specific commodities, shipments or accessorials. These are often used as a contract 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 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:

	<h3>Do Your Research</h3> <p>Understanding the network and model of your LTL carrier is crucial and helps to avoid customer frustration. By ensuring that you understand your LTL carrier, it will help set expectations for both parties.</p>
	<h3>Understand Tariffs and NMFC Numbers</h3> <p>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 help shippers stay knowledgeable about the requirements of packaging their freight as well.</p>
	<h3>Plan Shipments Ahead of Time</h3> <p>The capacity crunch within the LTL industry fluctuates depending on various conditions such as driver shortage, seasonal needs and weather. Plan your shipments ahead of time to ensure that your carrier can prioritize your freight and reduce the chances of paying more for last minute shipments.</p>
	<h3>Streamline Your Supply Chain Through Digital Tools</h3> <p>Most LTL carriers offer the option for online LTL Rate Quotes, real-time tracking information, tools to create a Bill of Lading and much more. By utilizing these online functions, it aids shippers in streamlining operations and keeping track of LTL shipments.</p>

CONTACT US

Interested in learning more? Contact us at LTLsales@rrts.com or follow us on social media!



ABOUT ROADRUNNER FREIGHT

Roadrunner Freight, a division of Roadrunner LTL, is committed to providing reliable and cost effective Less-than-Truckload service. Through 19 service centers across the country and a comprehensive network of strategic partners, Roadrunner Freight offers expansive long haul, regional and next day service in all major US markets. For more information, please visit rrts.com/freight.

SOURCES

Cerasis. (2018). *What is LTL Shipping and How Did it Come About?* Retrieved from <https://cerasis.com/ltl-shipping/>

LTX Solutions. (2019, May 6). *LTX Solutions*. Retrieved from Consolidated vs Hub and Spoke LTL: <http://ltxsolutions.com/consolidated-vs-hub-and-spoke-ltl/>

Transport Topics. (2018). *Top 100 For Hire*. Retrieved from Transport Topics: <https://www.ttnews.com/top100/ltl/2018>

Versatile Packagers. (2014, May 30). *LTL vs. TL - Truckload Differences*. Retrieved from Versatile Packagers: <http://versatilepackagers.com/ltl-vs-tl-truck-load-differences>

