

FROM ORDER THROUGH DELIVERY: *OPTIMIZE YOUR SHIPPING AT EVERY STEP*

Patrick Kelley, Executive Vice President | August 2017

Smarter shipping offers several opportunities for increasing efficiencies and minimizing costs — all while getting packages to the final customer on time and undamaged.

A shipping service that functions as a true partner can help you optimize your deliveries. As a result, efficiencies are improved, costs are reduced, and final-customer satisfaction is increased.

“Optimizing shipping can have a big impact on a company’s bottom line,” says Vincent Gulisano, CEO of Amware Logistics. “A true shipping partner will work hard to help its customers maximize the opportunities.”



SHIPPING OPTIMIZATION SHOULD START EARLY

A great product has been developed. The marketing plan is in place. The website is ready to accept orders. It may seem that now is the time to think about shipping. However, the time to optimize shipping is actually much earlier. If the logistics of ordering, packaging, and routing are not considered until later, many opportunities to enhance efficiencies and reduce costs could be lost. For example, it may be too late in the process to make packaging lighter, or there may not be enough time to develop an efficient routing system. “By waiting until the last minute, decisions will be made hastily, often with serious consequences,” says Patrick Kelley, Executive Vice President of OSM Worldwide. “The sooner we start looking for ways to improve shipping, the more we’ll be able to accomplish.”



OPTIMIZING ORDERING

Easy-to-understand shipping options have been shown to increase the number of online orders completed.

A well-designed shopping cart will streamline ordering. In fact, easy-to-understand shipping options have been shown to increase the number of online orders completed.

Because people have different needs and expectations, offering a variety of delivery times with associated costs will allow customers to make informed decisions on shipping. Each purchaser is able to strike their own balance between timing and cost. This not only builds trust between the purchaser and the vendor, it can help prevent shopping carts from being abandoned.

While many online shoppers will be sensitive to price, most will also want their order delivered reasonably quickly. Listing the expected delivery date right on the cart enables purchasers to immediately upgrade to a faster delivery date if they desire.

A shipping partner should be willing to consult on the ordering process, helping to set up the ideal shopping cart. Because this is its core business, the shipping service will be aware of various options as well as the cost and timing implications of these choices. They should also facilitate clear communications with the final customer, which helps manage customer expectations.

OPTIMIZING PACKAGING

Small changes in packaging can have a large impact on the cost of shipping. Therefore, it is important to start considering packaging even before the product design is complete.

One of the easiest ways to reduce costs is to use a lighter package. Even a small decrease in weight (such as reducing a package's weight from 16.01 oz. to 15.99 oz.) can reduce shipping costs up to 40 percent.

There are many ways to reduce the weight of a package, such as using bubble bags, jiffy-type mailers, or by eliminating outer boxes and shrink-wrapping the package.

Besides the weight of a package, the dimensional weight shipping (DIM) must be considered. (Dimensional weight is calculated by multiplying a package's length by width by height, then dividing by a specified divisor.) Many shipping services use a dimensional weight versus actual weight to determine rates, and understanding the difference can help reduce costs.

For final-customer satisfaction — and for the sake of the shipper's reputation — it is essential that the package not only arrive on time, but that it is free from damage. It doesn't make sense to pay for protective packaging that is not needed. However, upgrading to a more protective package may reduce the number of returns, saving the cost of paying for return shipping.

"Placing a small product in a larger package is usually not the best way to protect a product," says Gulisano. "Not only will the larger package cost more to purchase and ship, it can be more easily crushed — even when that package is filled with packing material."

Using creative or unusual packaging can help create a distinctive brand and attract attention, but caution is necessary. These types of packaging can add to shipping costs and might even be rejected by USPS.

Once you determine what packaging is truly needed, it is time to compare various packaging suppliers. Many packaging companies offer discounts for bulk orders, and every bit of cost savings can make a difference on your bottom line.



OPTIMIZING THE LAST MILE



“It makes sense to take advantage of USPS for the last mile,” says Kelley. “They have the infrastructure in place to save the shipper time and money.”

Using USPS for the last mile is often the best way to provide efficient delivery to the final customer in a cost effective and timely manner.

USPS is the only organization that delivers to every destination delivery unit (DDU) six days a week. This includes delivery to low-volume ZIP codes that are not as frequently serviced by other delivery options. “It makes sense to take advantage of USPS for the last mile,” says Kelley. “They have the infrastructure in place to save the shipper time and money.”

One of the many services a shipping service can offer is sending the routed packages to USPS facilities. Because of the volume shipped, the shipping service may have negotiated reduced prices with USPS, further reducing costs.

OTHER CONSIDERATIONS

Using a shipping partner should make life easier, and that includes every aspect of the process.

- **Personalized service is key.**
- **A high-quality shipping service offers consulting at every step and is available to answer questions whenever they arise.**
- **Invoices are easy to understand and contain no unexpected surcharges or seasonal rate charges.**
- **The infrastructure, technology, and flexibility needed to adjust shipping options are already in place.**

Optimizing shipping offers many benefits, including increased efficiencies, reduced costs, and improved final-customer satisfaction. By working with a shipping partner that provides consulting services throughout the process, uses the latest technology for routing and tracking, and maintains a strong relationship with USPS for last-mile delivery, companies will be able to maximize the benefits of smart shipping.

A leading provider of domestic and international shipping solutions, OSM Worldwide reaches millions of addresses across the United States and around the globe. Our award-winning OSM Premium Network, available only to our partners, empowers businesses to affordably and reliably ship packages anywhere in the nation in as few as 1-5 days. In addition to being a recognized USPS preferred shipping partner and recipient of the USPS Mail Solutions Award, OSM maintains partnerships with leading postal authorities in nations across the globe. Our partners enjoy a spectrum of individualized delivery options and cost-efficient shipping solutions with professional customer service.

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