The Facts on LTL and Dimensional Shipping

By Lisa Czapla, Marketing Manager, Logistic Dynamics, Inc.

If you are a freight broker that primarily ships Full Truckload (FTL), then you may have asked yourself, “What is LTL?” Or perhaps you already know that LTL stands for Less-Than-Truckload—something a dry freight “common carrier” would haul. This could mean anything from one skid to many skids but NOT a truckload.

When should you consider shipping LTL? When freight loads are less than a full truckload or anything from one pallet to, let’s say 5,000 pounds. Shipping LTL those LTL loads can be accomplished with either of two types of carrier—common carrier or contract carrier.

With a common carrier, the carrier has a regular route with SET rates (tariffs). A contract carrier is under contract to one or many shippers (or freight brokers) with NO set rates. ALL common carrier LTL shipments are dry freight van only.

So why ship LTL and not FTL? For shippers, the answer is simple—You can save a LOT of money. For freight brokers that ship LTL freight, it is all about opportunity! LTL is a $39 Billion Dollar Industry!

LTL also provides for long-term stability and longevity with your customers, and helps to diversify your book of business with a new value-added service. In the industry, it is commonplace for freight brokers that ship LTL to experience an increase in their profit margin, which means more money for the broker and a great way to help grow the business.

As an example, a top freight broker agent working for Logistic Dynamics can average a gross profit margin of 30-40 percent per LTL load and average 25 percent in gross profit margin across the board.

Knowing this, you might wonder why ALL freight brokers aren’t shipping LTL. The truth is, most freight brokers not familiar with shipping LTL think it is too hard to take on and do not know where to begin. The good news is; it does not have to be difficult. If a freight agent is not familiar with shipping LTL or has never shipped LTL before, they should not be scared— they just need to get informed! Some freight brokers have shipped LTL in the past and some have not due to fear of the unknown. There’s no need to think of LTL any differently than FTL…the agent and company just need more information.

First, know what the product is and be EXTREMELY specific about it—get pictures, a description, dimensions, any and all details you can on the shipment. Next, know how much the product weighs. If the shipper says the product weighs 300 pounds it most likely does NOT (how many things weigh exactly 300 pounds?). If the weight is off anything more than 50 pounds, the LTL carrier will find out. Finally, get the exact dimensions of the shipment when it is on the skids—not just the product itself.

Another important factor to know when shipping LTL is the freight class. What is a freight class? To put it into perspective: anything a broker or carrier sees, ships, touches, etc. has a “freight class” associated with it. And all freight classes are not created equal. For example: Class 50 is very heavy, dense freight (nuts, bolts, iron, steel). Class 500 is the exact opposite: extremely light and fluffy freight (feathers, ping pong balls, etc.). Please note that regular truckload or FTL customers have no idea what class they ship so do not guess! If the agent or company is unsure or needs assistance helping the customer define the class they ship, that agent or company should reach out to an experienced professional that is familiar with LTL and Classes. Mistakes on class will impact the company’s bottom line.

Bonus Tip
Shipping LTL is different from shipping Partial Truckload (aka Load-To-Ride). Most all freight brokers know about FTL shipping, fewer know about LTL shipping and even less know about partial truckload shipping—an often overlooked mode of shipping but very beneficial. Not only is this a much more cost-effective solution but it provides faster transit times and requires less handling.

Optimally, freight brokers and freight agents would choose partial truckload shipping when their clients have shipments that range between FTL and LTL. Partial truckload shipments are determined based on the size of the order (linear feet and weight), time sensitivity, and type of freight. Shipments range between six and 18 pallets and from 8,000 to 27,500 pounds.

Most freight broker customers have partial freight

Continued on page 22
to move, but they may not offer it unless they are asked. Before you begin, know two important things: 1) the customer, and 2) the truckload rates. Next, determine truckload cost to carrier for that lane. You can prorate a partial shipment as a percent of a truckload shipment rate to carrier. For example, one-quarter of a truckload would equal 50 percent of a truckload rate to customer, one-half truckload would equal 75 percent of a truckload rate to customer, and three-quarters of a truckload would equal 95 percent of a truckload rate to customer.

When speaking and negotiating with carriers, make sure to ask the right questions, such as: Is there any space left on the trailer, what is the delivery date/time and pick up date/time. Keep in mind that partials are covered by truckload carriers. It is also important to note that carriers will not always know the room they have left until late in the day, so do not give up too early!

Partial truckload shipping is a value-added service which makes this is a great way to help differentiate you from the competition because most freight brokers overlook them. So, start tapping into your carrier network, access trailers that have extra space and never pay full truckload rates to move less freight again!

When should you consider shipping Partial Truckload?
- If you ship 3,000 pounds or more using an LTL common carrier.
- If your freight is light or takes up a lot of space.
- If you find it cheaper to send a full truckload than to send 5,000 pounds.
- If you ship 10 or more pallets as a full truckload.

What are the advantages of shipping Partial vs LTL?
- Partial Truckload (or Load to Ride) ships your freight directly as soon as it is loaded.
- There is a lower risk of damage, with less handling.
- There are lower prices than LTL or Truckload.
- Transit times are generally faster than LTL due to the lack of re-handling.

Please know that the above information provided serves only as a basic introduction to Less-Than-Truckload (LTL) (and partial truckload) freight shipping. Many important factors come into play when deciding to ship LTL as opposed to other services. If you are a freight broker agent that is unfamiliar with shipping LTL, please make sure to obtain proper training and fully educate yourself before launching into this endeavor. An error on your part could mean an increase in freight charges or even worse, losing credibility to your customer.

Protecting 3PL and Trucking Companies Against the Growing Threat of Ransomware

By Chuck Cook

Ransomware is a particularly vicious kind of malware that has existed for several years. Recently, both the number and sophistication of ransomware attacks are escalating. Not only does ransomware capture information and wreak havoc with IT systems, it also steals the victim’s money through cyber-extortion. Hackers are able to break into a system, encrypt the data it contains to prevent its use, and then demand payment to release the data.

Ransomware attackers first preyed on individuals by hacking into their personal systems and paralyzing the data until payment was made. Attacks were, and often still are, random rather than targeted. Hackers have since shifted their focus away from private citizens and instead focused on corporations. Why? Because if individuals are willing to pay several hundred dollars in bitcoins to recover their data, then surely corporations will pay much, much more.

This is especially dangerous for businesses that rely not just on great masses of critical data, but also on a rapid and continuous flow of that data. As a result, 3PL and trucking companies are high on the list of vulnerable organizations.

Once ransomware infects a network, it encrypts any and all data that the network has permission to access, including system files and backup storage. When an infection takes hold, a window may pop up or a folder labeled something like “decrypt help” may be created. This window or help folder says that the files will be returned if the victim

Continued on page 25