



Nebraska  
Book Company



# SHIPPING BY THE BOOK

## Webinar

Wednesday 06/06/07

**PST**  
**12:30 PM**

**CST**  
**2:30 PM**

**EST**  
**3:30 PM**

### EXPERT SPEAKER

Triina Turula, Director, Customer Service,  
Siriani & Associates

# SHIPPING BY THE BOOK

In today's hyper competitive marketplace, college bookstores require every advantage possible to help manage profit margin and drive greater profitability. When you operate on slim profit margins, every penny helps. One key opportunity to improve cost savings is freight. By closely managing your freight program, you will save money. This is a real cost and a real opportunity to make a difference in your bookstore's financials.

Since the late 1970s a variety of freight programs have evolved, giving college bookstores one of the most competitive markets when it comes to freight. By researching various programs and selecting the program that is the best fit for your bookstore, you are taking the first step in actively managing your freight.

## TEAMWORK MAKES A DIFFERENCE

In order for freight programs to be successful, it requires the entire bookstore team joining forces to implement and utilize the program. Your entire staff must be on board, because when it comes to saving money on freight, it is not all up to the dock!

- Buyers give routing instructions to vendors
- Accounting personnel make sure that vendors are complying
- Dock workers monitor the inbound and control the outbound freight

It is truly a team effort requiring communication between departments and collaboration on the best solutions for your bookstore.

## THE IN'S AND OUT'S OF CONTROLLING FREIGHT COSTS

You have the power and the ability to control your freight costs. By giving shipping instructions to your vendors, you are in total control of the shipping costs. If the vendors are allowed to ship it however they like, you will be paying whatever they decide the shipping cost will be. In fact, there are vendors who just charge a flat percent of the total value of the shipment – this could be much higher than the actual shipping charge. If you don't provide shipping instructions, you won't be in control on your shipping costs.

By taking a more proactive role in managing your freight, you will also quickly eliminate hidden charges. When your shipping charges appear on your carrier invoices, there are no added hidden fees and the vendor will be forced to put a "handling" charge on their invoice if they want to charge this fee. They will no longer be able to hide this fee in a "shipping and handling" line item. On certain commodities, you may even be able to get the handling fee waived (especially if their competitor does not charge this fee).

### **Step Four: Track Shipments**

- When the shipment arrives at the dock (receiving area), track it in a log – it sounds simple but it does make a difference.
- You should be tracking the number of cartons you received, who signed for the shipment, purchase order number, carrier name, tracking or PRO number, date and condition of the cartons.
- This is all beneficial information when it comes to reconciling freight bills.

### **Step Five: Inspect Your Shipment**

- In the perfect shipping world, all the cartons arrive on time and are in perfect condition. In the real world, the shipping and receiving department must inspect the cartons on arrival and make the appropriate note on the receiving documents.
- Remember, once you sign a shipment as clear, no damage or irregularities, it is nearly impossible to win a claim for damaged goods.

### **Step Six: Count All Cartons**

- If you receive a shipment on a pallet and there is a carton count on the receiving document, when you sign the document you are signing for the number of cartons specified on that document. The driver will wait while you count!

### **Step Seven: Paying the Invoice**

- The invoice arrives for the merchandise and is sent for approval and payment.

This is the point in the process where the greatest amount of freight savings is lost. The person approving payment of these invoices needs to make sure the shipping is not on the vendor invoice unless specifically noted on the purchase order. The shipping should nearly always be paid to the carrier that delivered it! Exceptions to this are listed below.

- If the vendor offers a special shipping deal that is less expensive than your standard shipping, make a note on the PO that it is okay to pay this vendor for freight.
- If you are participating in a 2nd day air at ground program that publishers usually offer during rush, make a note on the PO that it is okay to pay this vendor for freight.
- Note when shipments are coming in with "free freight" offers – sometimes vendors actually try to charge for free freight!

## SEVEN STEPS TO A PERFECT SHIPPING WORLD...

### **Step One: Determine the Best Shipping Policy**

- There are a number of vendors who will conduct a freight audit for your bookstore. Conducting an audit will help you assess your current situation and potentially identify proven ways to reduce your shipping costs.
- It is best to meet with several different vendors and determine the best solution for your bookstore.

### **Step Two: Create Routing Letters**

- Creating routing letters and then distributing them to all vendors will help ensure that your directions are followed and provide back-up documentation for you to use in the event that your shipping specifications are not utilized.
- Also, keep a stack of routing letters near the fax machine to send with orders re-emphasizing your shipping policy.
- Make sure all buyers, bill payers and shipping and receiving staff have copies of the letter – again emphasizing your shipping policy.

### **Step Three: Consistency**

- After all the letters have been sent, make sure the buyers are stating the same instructions when they call in orders.
- This is your shipping policy and it needs to be followed.



If vendors violate your shipping policy, address it quickly by sending them a non-compliance letter with another copy of your routing letter. You can also let them know you will be billing them back for the difference if they continue to disregard your routing instructions.

Remember also to send your returns the most economical way – the carrier with the best discount. Communicate to the shipping department from where the best discounts come and make sure that carrier is used – not the carrier who they necessary like the best!

## AVOIDING ASSESSORIAL CHARGES

In the perfect shipping world there would be none, however, we know that is not the case. An assessorial charge is an additional charge added to the transportation charge for such things as inside delivery, lift gates, rural commercial delivery, etc. If you are seeing these charges on your invoices, check with your program provider to see if they are appropriate.

## CHANGE OF ADDRESS FEES

This fee can take a bite out of freight savings. If you ship a book return to the wrong address, it will typically cost you an additional \$5 per box (\$10 per box if it goes express). If no one tells you that the address is wrong (the person who approves the shipping bills), then the next time you send a return to that company, chances are you will pay the \$5 per box penalty again and again! Remember, the information in your bookstore management system may be corrected, but if you do not correct it in your shipping software, you will continue to ship to the wrong address.

Keep an eye on the following details in the address:

- Suite or apartment numbers
- Zip codes
- Remember, all small package carriers will not ship to a PO Box

## WEIGHT INSPECTION FEES

It is important that you weigh your cartons. Small package carriers will not accept boxes that weigh over 150 pounds. In fact, all small package carriers charge an additional fee for boxes that weigh over 70 pounds. It is better for your back and better for your budget, if you pack your boxes at 70 pounds or less.

Another tip: when shipping multiple cartons to the same location using a Less-Than-Truckload (LTL) carrier, remember to weigh all boxes. Using an average is fine, if you are using all the same size boxes to pack your shipment. If you guess low, the carrier could charge you a weight adjustment fee and if you guess high, you just might pay too much. So, don't guess. Also, remember to include the weight of the pallet.

*Need a new scale?* Go to [www.scales.com](http://www.scales.com) they have all shapes and sizes.

## CLAIMS

There are two very important parts to filing a successful claim. First, you must document the damage from the point you receive the shipment. You should keep all cartons so the carrier can also inspect the damage. Second, stay within the carrier guidelines for filing claims. Do not put off filing the claim, the longer you wait the harder it will be to win your case. If you wait too long, you can't file a claim at all!

## INSURANCE

If you do not put a value of your shipment in the “declared value” field and your package is damaged or lost, you will receive a maximum of \$100 back. When you do declare a value the following charges are incurred:

- For \$100.01 to \$300, you will be charged a flat fee of \$1.50
- For \$300.01 to \$400, you will be charged \$1.65
- From \$400.01 or more, it is 55 cents per \$100 declared

If the item is declared at \$105, you will be charged \$1.50 to cover the additional \$5. It is probably not worth paying the extra fee to insure your package. In addition, if your rate of loss or damage is very low, it would be cheaper in the long run to start insuring items that are worth more than \$125 or even higher if you feel comfortable.

## THE NEBRASKA BOOK COMPANY ADVANTAGE

Join other Connect2One members who have learned how to control their shipping costs by benefiting from the partnership Connect2One has with Group Transportation Services (GTS).

Through the **Total Solutions Program**, GTS can manage all or just part of your LTL transportation needs. After completing a FREE analysis of your current LTL freight expenses, GTS will show you how you can realize a hard dollar cost savings of 5-35 percent on all shipments over 250 pounds. You remain focused on your store's business, while GTS routes your LTL shipments and handles your carrier billing.

**8** The GTS **Direct Solutions Program** offers you a 64 percent discount on LTL shipments through Roadway Express while the GTS Small Package Program offers competitive discounts on shipments under 250 pounds through DHL Express. You work directly with Roadway Express and DHL Express with these programs. There is no third party billing.

If your combined small package expense exceeds \$1 million annually or you are shipping 2,000 or more small packages per week, GTS will conduct a FREE\* small parcel analysis. With the GTS **Parcel Solutions Program**, you may reduce your small parcel expenses by 5-20 percent within just 90 days.

Don't miss this opportunity with GTS to reduce your LTL freight expenses and be an internal champion for your company! To learn more, visit GTS at [www.onestopshipping.com](http://www.onestopshipping.com) or call 800-689-6255.

## CACS OFFERS SIRIANI SOLUTION

Siriani & Associates has been designing comprehensive freight savings plans for various associations since 1982. We are a unique company that blends experience with expertise in order to offer substantial savings on participating associations' freight costs. The freight savings plan is provided as a free membership benefit through your associations. No fees. No hidden charges.

A freight saving plan (FSP) is a freight cost reduction plan that enables association members to control transportation expenses. An FSP will give you the benefits of inbound and outbound shipping discounts with highly rated freight carriers. An FSP from Siriani & Associates will allow you the advantage of sizable freight discounts.

At Siriani & Associates, our goal is to minimize your effort and expenses and maximize your productivity and savings. For more information, please call **800-554-0005** or visit our website at: [www.siriani.com](http://www.siriani.com).

## BECOME A FREIGHT EXPERT

### *Knowledge is Power – Nebraska Book Company's Webinar Education Series*

Becoming a freight expert is relatively easy when you learn it from the pros. Nebraska Book Company's Shipping By the Book webinar will:

- Outline benchmark information so you can gauge how your bookstore's shipping programs compares to other bookstores
- Showcase the importance of establishing a shipping policy
- Highlight proven tactics to executing a productive and informative shipping audit
- Offer real-world solutions for keeping your bookstore's shipping costs in line

**THIS WEBINAR IS PRESENTED IN CONJUNCTION WITH CACS AND SIRIANI & ASSOCIATES.**

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Siriani & Associates

**Triina Turula** is the Director of Customer Service for Siriani & Associates where she has worked for the last four years.

Though Siriani specializes in shipping everything from pool tables to surf boards, Triina's heart has always been in the College Bookstore Industry. Triina has been working with College Bookstores since 1986 when, as a student, she joined the staff at the Hornet Bookstore, California State University, Sacramento. She stayed at the store for five years before moving to the vendor side of the industry.

Over the next 10 years she worked for both MBS and Nebraska Book Company. While at Nebraska, Triina sold PRISM and later led the support staff for CampusHub. Before making her final stop at Siriani, Triina returned to the bookstore as Operations Manager at Kennel Bookstore, California State University, Fresno.

Triina knows all sides of the college bookstore and loves working with college stores to maximize their freight savings.

## FREIGHT TERMS & DEFINITIONS

**Accessorial Charges** – Charges made for performing services beyond normal pickup and delivery. Such as inside delivery and storage charges.

**Airbill** – A list of goods contained in a shipment. It is a receipt from the carrier for goods and represents the contract for carriage and services as a document of title.

**Absolute Minimum Charge (AMC)** – The minimum amount a carrier will accept for transportation of goods regardless of discount.

**Bill of Lading (BOL)** – A list of goods contained in a shipment. It is a receipt from the carrier for the goods and represents the contract for carriage and service as a document of title.

**Cash On Delivery (COD)** – Cash paid by consignee for goods at time of delivery. This may include the cost of shipping if the freight charges were billed to the shipper.

**Common Carriers** – Those required to serve the general public on demand, at reasonable rates without discrimination.

**Consignee** – The party who is designated as the recipient of a shipment.

**Deficit Weight (DEF)** – The portion of the billed weight that is not the actual weight of a shipment. Freight carriers will bill the higher weight in order to reduce the per hundred weight rate and thus reduce the net charge.

**Delivery Receipt (DR)** – Document retained by carrier dated and signed by consignee or its agent at the time of delivery.

**Destination** – The location to which a shipment is consigned.

**Dimensional Weight (DIM WT)** – The minimum weight billed based on the dimensions required to transport the shipment.

**Electronic Data Interchange (EDI)** – Electronic transfer of information between shipper and carrier.

**Exception** – Notation made to denote damage or shortage on a shipment.

**Free On Board (FOB)** – Term of sale denoting transfer of title of goods.

**Freight Collect** – A term denoting transportation charges are the responsibility of the consignee.

**Freight Prepaid** – A term denoting that transportation charges are the responsibility of the shipper.

**Fuel Surcharge (FSC)** – The charge that allows for fluctuations in the vehicle fuel market. A carrier reserves the right to apply this surcharge to any shipments without notice.

**Inbound (IB)** – Shipment(s) coming to your location.

**Interstate** – Traffic having origin in one state and destination in another state.

**Intrastate** – Traffic having origin, destination, and entire transportation within the same state.

**Less-Than-Truckload (LTL)** – A quantity of freight less than that required for the application of a truck load rate.

**Manifest** – List of shipments picked-up, delivered or transported at one time.

**National Motor Freight Classification** – (NMFC) A publication for motor carriers containing rules, descriptions and ratings on all commodities moving in commerce.

**Origin** – The terminal where a shipment enters the system.

**Outbound (OB)** – Shipment(s) moving from your location.

**Proof of Delivery (POD)** – A copy of the delivery receipt which is signed at the time of delivery.

**Small Package** – Shipments that are billed as individual containers rather than the total of the weight of multiple containers. Small package does not refer to the size of the container.

## FREIGHT TERMS & DEFINITIONS\*

TERMS OF SALE	TITLE PASSES	FREIGHT CHARGES PAID BY	CLAIM FILED BY
FOB Origin, Freight Collect	At Seller's Dock	Buyer	Buyer
FOB Origin, Freight Prepaid	At Seller's Dock	Buyer	Buyer
FOB Origin, Freight Prepaid & Charged	At Seller's Dock	Seller's, But Freight Borne By Buyer	Buyer
FOB Destination, Freight Collect	On Delivery	Buyer	Seller
FOB Destination, Freight Prepaid	On Delivery	Buyer	Seller
FOB Destination, Freight Collect & Allowed	On Delivery	Buyer's, But Deducted From Invoice By Buyer	Seller





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