

Controlling **Costs** In the Era of the **Driver Shortage**

Freight costs have skyrocketed in recent years with new record numbers every quarter. Shippers must improve efficiency to keep costs in check.

Loading and **Unloading Efficiency** are More Important Than Ever

Freight Costs Reach a New Normal

While freight rates are expected to soften somewhat in early 2019, the industry is still making adjustments to cope with an average rate of \$2.15 per mile, 12% higher than the values recorded from 2014-2017¹.

While the ELD (electronic logging devices) mandate and poor weather have been contributing factors, the top reason for increased costs is the well-publicized shortage of truck drivers. With a single truck available for every 12 loads that need to be moved², trucking companies are struggling to find qualified drivers and are being forced to increase pay to attract employees. This increased pay, coupled with scheduling inefficiencies is a top reason grocery prices are increasing and logistics firms' belts are tightening nationwide. National legislation is pending to reduce the age and other requirements to expand the pool of potential labor, but few are content to wait on the government for a partial solution.

All Eyes on the Bottom Line

As trucking companies look to reduce costs, items like careful budgeting, monitoring fuel usage, proactive maintenance schedules, and route optimization are on the table. However, the greatest opportunity for savings may lie in the unloading process.

The ELD mandate penalizes late deliveries, so an idling truck is a major cost suck³. Couple the effects of the ELD with the growing staffing crunch, and logistics firms will increasingly see economic benefit in delivering to warehouses and DCs that can unload the truck quickly and on-schedule.

Maximizing Unloading Efficiency

Costa Solutions has, over three decades, built a business culture and operating model around excellence in warehouse and DC management, with emphasis on unloading. Our proprietary technologies grant receiving managers deep insight into action taken in their facilities, and our managed labor teams are tightly focused and incentivized to get the job done quickly, safely, and efficiently.

Final Thoughts

Logistics companies should prioritize efficiency at every point in the supply chain, and should embrace emerging technologies as they move in to close gaps in the industry.

Sources

1 [Supermarket News](#) 2 [Business Insider](#) 3 [Load Delivered](#)



About Us

Costa Solutions is a proven expert in the warehouse and food service industry. We deliver 24/7 managed labor solutions and customized services for inbound, outbound, warehouse and production services. We provide effective solutions designed to increase efficiency, improve performance, and save our clients time and money.

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