

## Transportation Costs Soar

For Immediate Release

NAPERVILLE, Ill./EWorldWire/Sep. 2, 2005 --- Many companies are experiencing dramatic increases in transportation expenses that has turned into a major cash drain for organizations. Every Financial manager knows transportation can cost around 5 percent of gross sales, but lately it has increased to problematic levels.

Even a small increase in transportation expenses can quickly cut into overall profit margins. In addition to transportation expense increases, companies are being required to find ways to improve delivery services to avoid losing business to competitors.

- Oil prices continue to be cited as a major overall deterrent to continuing economic growth. Diesel continues to reach all-time highs each week with no end in sight.

- Freight rates are a direct line-item cost and most companies (shippers) have experienced increases in addition to fuel surcharges. Freight costs are rising at an even faster rate than oil prices.

- Supplier shipping terms are scrutinized because of the potential conflict with the buyer or purchasing department.

- Shipment Distribution is another problematic area when companies add products to their services and do not review its impact on shipments leaving the facility. Shipment size, traffic lanes, shipment configuration, density and cubic volume change dynamically over time.

- What is an internal escalation process? Are all customers treated the same? Under what conditions is air freight or some other expedited service authorized?

- How are loads tendered to carriers? Do they have enough time to handle the load and keep their expense low?

- How has the driver shortage impacted cost and service?

- How have the rail consolidations of the past few years impacted business?

- If a company is an international shipper, it is certainly affected by Port Capacity and port issues. Depending on what is shipped, can new homeland security regulations can get costly?

Other transportation expense factors and cash drains could be Sarbanes-Oxley, claims, dock congestion, order flow, customer requirements, service policies, company strategic imperatives, inter-company transfers, and technology capabilities.

Bill Driscoll has been managing transportation for over 30 years. He has worked for both large corporations as a shipper and major transportation carriers as a supplier and has a deep understanding of both perspectives. Driscoll advises companies on transportation issues as well as performing benchmarking to help companies identify their overall transportation health and competitive capabilities.

Driscoll can be reached at [freightexec@sbcglobal.net](mailto:freightexec@sbcglobal.net) or 1.630.718.0607.

HTML: <http://www.eworldwire.com/pressreleases/12536>

MOBILE: <http://e4mobile.com/pressreleases/12536>

PDF: <http://www.eworldwire.com/pdf/12536.pdf>

ONLINE NEWSROOM: <http://www.eworldwire.com/newsroom/307337.htm>

LOGO: <http://www.eworldwire.com/newsroom/307337.htm>

### CONTACT:

Bill Driscoll

Naperville, Illinois 60564

630-718-0607 630-718-0607

Los Angeles  
+1 213-596-0850

Chicago  
+1 312-224-4653

New York  
+1 973-252-6800

London  
44-20-7078-7269

*Communicate News\**  
**+1 888-546-NEWS (6397)**

**EWORLDWIRE®**

---

freightexec@sbcglobal.net

**KEYWORDS:** transportation, distribution, logistics, warehousing. third party logistics, 3PL, manufacturing

**SOURCE:** Avocus Consulting