



loadsmart

SHIPPERGUIDE™



FREIGHT PROCUREMENT 101

THE ULTIMATE GUIDE



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FREIGHT PROCUREMENT 101

THE ULTIMATE GUIDE

INTRODUCTION

Freight procurement is one of the most critical aspects of modern supply chain management. When shipments are delayed, carriers aren't available, or costs spike unexpectedly, the ripple effects touch every part of the business—from inventory management to customer satisfaction. For many companies, how freight is sourced, managed, and executed can be the difference between a smooth operation and costly disruptions.

Traditional, manual methods for selecting carriers and managing freight often can't keep up with today's fast-paced, complex logistics environment. Rising transportation costs, fluctuating capacity, and the need for on-time delivery make proactive procurement more essential than ever. Companies that fail to approach freight strategically may find themselves overpaying, missing delivery commitments, or struggling to maintain strong relationships with carriers.

This eBook was created to help supply chain leaders, logistics professionals, and freight teams understand the full scope of freight procurement and how to optimize it. Whether you're new to freight management or looking to improve your existing processes, this guide offers a clear framework for making smarter, more strategic transportation decisions.

HERE'S WHAT YOU'LL FIND INSIDE:

- A clear definition of freight procurement and the different methods companies use to source transportation.
- An overview of shipment modes—FTL, PTL, LTL, and intermodal—and how to choose the right option for your freight.
- The importance of freight procurement in driving efficiency, reliability, and cost savings across the supply chain.
- An explanation of the key roles involved, including shippers, carriers, and the role of transportation management systems (TMS).
- Best practices for executing procurement processes effectively and building resilient logistics operations.
- Common challenges that arise in freight procurement and practical strategies to overcome them.

By the end, you'll have a comprehensive understanding of freight procurement, its role in the supply chain, and the tools and strategies you need to make it a competitive advantage for your business.



// CHAPTER 01

DEFINING FREIGHT PROCUREMENT

Before diving into strategies, best practices, and challenges, it's important to understand what freight procurement really is, and why it's a critical part of modern supply chains. Freight procurement involves more than just booking shipments; it's the process of selecting carriers, negotiating rates, and managing transportation to meet both cost and service goals.

In this chapter, we'll break down the different approaches to procurement, from spot and contract freight to brokerage versus asset-based models. We'll also explore the services available to support procurement and the various methods, like RFPs and mini-bids, that organizations use to secure reliable, cost-effective transportation. By the end, you'll have a clear picture of what freight procurement entails and how it lays the foundation for a strong, efficient supply chain.

DEFINITION AND PURPOSE OF FREIGHT PROCUREMENT

At its heart, freight procurement is about making sure the transportation needed to move goods is lined up efficiently. The goal isn't only managing costs, but ensuring shipments remain reliable and operations running smoothly.

When done correctly, freight procurement goes beyond paperwork. It can reduce disruptions, improve service, and even give a business a competitive edge, helping maintain stronger margins and better customer relationships.





CORE STEPS IN FREIGHT PROCUREMENT

Behind every successful shipment is a thoughtful procurement process. Here's a look at the key stages and how they fit together.



CARRIER MANAGEMENT AND BROKER CAPACITY

Strong carrier management means building networks you can rely on. Dependable relationships ensure coverage even when demand fluctuates, and working with a diverse mix of partners reduces risk. Regular communication keeps performance consistent, creating both cost stability and long-term resilience.



RUNNING RFPS AND SOURCING PRICING

Requesting proposals and gathering pricing gives shippers a clear way to compare options. Reliability matters as much as cost, and a structured process encourages serious bids, helping teams make informed, confident decisions.



RATE BENCHMARKING AND NEGOTIATION

Once bids are in, benchmarking helps validate whether rates are competitive. Negotiation then aligns expectations, locking in fair pricing and dependable service. This stage balances cost with performance and strengthens partnerships for long-term reliability.



ORDER INTAKE

Order intake begins the freight execution process. Capturing details like what's shipping, where it's going, and when, sets the stage for smooth operations. Accuracy here prevents delays and ensures carriers have the right information from the start.



SHIPMENT PLANNING

Shipment planning turns order details into an actionable plan. Loads are matched with the right carriers, routes, and schedules to meet service expectations. Effective planning balances cost and reliability, allowing shipments to move smoothly without disruption.



REPORTING AND INSIGHTS

Finally, reporting transforms data into actionable insights. Metrics show where costs rise, service falls, or capacity gaps appear. Over time, this information helps refine strategies, making procurement more proactive and supporting a stronger, more efficient supply chain.



FREIGHT PROCUREMENT IN THE BIGGER PICTURE

Freight procurement doesn't operate in isolation. Instead, it's part of a larger logistics procurement strategy. The way companies secure transportation capacity directly influences warehousing, since reliable freight keeps storage space and labor running efficiently.

It also connects to inventory procurement, ensuring purchased goods and raw materials move smoothly through the network. When aligned, these functions reduce errors, control costs, and strengthen supply chain resilience. Freight procurement is the link that aligns logistics, warehousing, and inventory strategies.



WHAT IS SPOT FREIGHT PROCUREMENT?

Spot freight procurement is essentially buying transportation on demand. Instead of committing to a long-term agreement, shippers secure capacity load by load at current market rates.

Spot freight is more than last-minute shipments, but a key part of a balanced strategy. Some lanes experience irregular volumes or inconsistent demand, making long-term contracts impractical. At times, market fluctuations make the spot market more cost-effective than contract rates.

While urgent needs like late production runs or sudden demand spikes drive some spot activity, its broader role is to complement contract freight. Used strategically, spot freight provides flexibility, access to capacity, and potential cost advantages when market conditions change.

That said, spot procurement comes with risks. Rates can rise and fall quickly, and capacity isn't guaranteed. Transportation managers need to know when the spot market offers real strategic value and when it could create unnecessary cost exposure.



WHAT IS CONTRACT FREIGHT PROCUREMENT?

Contract freight procurement takes a longer-term approach. Instead of securing capacity load by load, shippers establish agreements with carriers that set pricing and service expectations for a defined period, which can range from a few months to a full year.

These contracts provide stability and predictability, helping shippers manage costs and plan their operations more effectively. With service levels agreed upon in advance, companies can rely on consistent capacity and delivery performance, even during periods of high demand or market fluctuations.

Contract agreements also foster stronger partnerships between shippers and carriers. By working together over time, both parties can streamline communication, optimize routing, and collaborate on solutions for operational challenges. While contract freight may not offer the same on-demand flexibility as spot procurement, it is an essential tool for building a resilient, cost-efficient supply chain.

CHOOSING WHICH PROCUREMENT STRATEGY IS RIGHT FOR YOU

There's no one-size-fits-all answer in freight procurement. What works best comes down to your specific network and today's business pressures, such as the need to cut costs and respond to market shifts. These factors often tip the scales:

-  **Freight Volume Consistency:** If shipments are steady and lanes repeat, contracts usually make more sense. For fluctuating demand, spot procurement gives you breathing room.
-  **Market Volatility:** In calm markets, long-term pricing holds more value. When rates are swinging, spot freight can provide flexibility, but also added risk.
-  **Service Level Requirements:** Time-sensitive or high-priority loads often push shippers toward spot freight to secure immediate capacity, while routine lanes are better served by contracts.
-  **Budget Stability vs. Flexibility:** Contracts bring predictability. Spot freight offers agility. The balance between the two depends on whether cost control or responsiveness ranks higher.

Most shippers don't choose one exclusively. They adapt procurement strategies to fit different lanes, timelines, and objectives.



CHOOSING HOW TO MOVE YOUR FREIGHT

Now that we've looked at the timing and commitment involved in spot and contract freight, the next consideration is how that freight is actually moved.

Some shippers rely on freight brokers, who connect shipments with carriers and manage logistics without owning trucks themselves. Others work directly with asset-based carriers that operate their own fleets. Understanding the differences between these approaches—and when to use each—helps shippers balance flexibility, cost, and control in their procurement strategy.



UNDERSTANDING FREIGHT BROKERAGE

Freight brokerage, sometimes called asset-light procurement, connects shippers with carriers without the broker owning trucks or warehouses. Instead, brokers use their networks to find the right carriers for each shipment, giving shippers access to broad capacity without being tied to a single fleet.

The main advantage of freight brokerage is flexibility. When coverage is unpredictable, brokers can quickly secure capacity across different modes and regions. They help manage market fluctuations, urgent shipments, and seasonal surges without disrupting existing operations.

For many organizations, brokerage doesn't replace long-term relationships with asset-based carriers—it complements them. For instance, a consumer goods shipper facing seasonal spikes might rely on brokers to cover overflow loads, balancing speed, coverage, and operational stability without renegotiating long-term contracts.

UNDERSTANDING ASSET PROCUREMENT

Asset procurement involves working directly with carriers that operate their own trucks, trailers, and drivers. Rather than tapping into external networks, shippers partner with carriers that control their equipment and workforce.

The biggest advantage is reliability. With guaranteed equipment and established service commitments, asset-based carriers provide consistent performance and quality. This consistency is especially important for high-touch freight or industries where timing is critical.

Asset procurement is most effective on steady, predictable lanes. When volumes remain consistent week after week, shippers benefit from stability and alignment in service, helping keep operations running smoothly and efficiently.

BROKERAGE VS. ASSET PROCUREMENT: UNDERSTANDING THE DIFFERENCES

While both approaches get freight where it needs to go, they handle capacity, cost, and control in different ways—each affecting a shipper’s operations.



CAPACITY: Brokerage networks offer scale by connecting with many carriers, giving shippers more options when demand fluctuates. Asset-based procurement relies on a carrier’s own fleet. It may be smaller in scope, but it provides dependable service when volumes are consistent.



COST: Asset carriers typically focus on dedicated or contracted pricing to maintain stable networks, while brokers manage a mix of contracted and on-demand freight. Modern digital brokers use data and automation to help balance cost and reliability, supporting both short-term shipments and longer-term partnerships.



FLEXIBILITY: Brokers provide broad geographic reach and quick access to a variety of equipment types. Asset-based carriers offer less flexibility in coverage but more control over operations, aligning closely with service commitments.



RISK AND SERVICE: Using brokers can sometimes result in variability, depending on which carrier handles a load. Asset-based carriers, controlling their own equipment and workforce, often deliver more consistent performance and tighter service oversight.



CHOOSING THE RIGHT PROCUREMENT APPROACH

Selecting the best procurement strategy isn't just a matter of preference—it depends on the structure and needs of your network. Many shippers find that a hybrid approach, combining elements of both brokerage and asset-based procurement, provides the most balanced results.

When deciding which approach works best, four key factors tend to have the greatest impact:



SUPPORTING YOUR STRATEGY: FREIGHT PROCUREMENT SERVICES

Understanding the differences between brokerage and asset-based procurement is just one piece of the puzzle. Many organizations turn to specialized freight procurement services to streamline operations, manage complexity, and make smarter decisions.

These services provide expertise, technology, and support that help shippers secure capacity, negotiate rates, and optimize their transportation networks—whether they rely on brokers, asset carriers, or a mix of both. In the next section, we'll explore what these services are, who uses them, and how they fit into a modern procurement strategy.



WHAT ARE FREIGHT PROCUREMENT SERVICES?

Freight procurement services help simplify a complex process. They handle carrier sourcing, contract negotiations, and load execution, replacing scattered manual tasks with organized support that keeps transportation running smoothly.

At their core, these services aim to reduce costs and complexity while improving performance. Their value lies in securing the right capacity and making sure every shipment moves with dependable service, clear expectations, and accountability.



TYPES OF FREIGHT PROCUREMENT SERVICES

Freight procurement services typically fall into three categories, each addressing a different stage of the process. Learn about them below:



SOURCING

Focuses on identifying and evaluating carriers or brokers. The goal is to match freight needs with reliable partners who can deliver consistent service at competitive rates.



CONTRACTING

Covers the negotiations. This could be through full RFPs, targeted mini-bids, or updated routing guides. Effective contract procurement locks in pricing, sets clear expectations, and establishes accountability between shippers and carriers.



DIGITAL TOOLS

Modern transportation management systems (TMS), such as ShipperGuide, centralize rate benchmarking, carrier contracting services, and day-to-day execution in one platform. This shift toward digital procurement services not only speeds up the process but also gives shippers better visibility and control.



WHO PROVIDES FREIGHT PROCUREMENT SERVICES?

Freight procurement services are typically offered through three types of providers:



THIRD-PARTY LOGISTICS PROVIDERS (3PLS)

Many shippers rely on 3PLs to manage the full procurement lifecycle, from sourcing and negotiating contracts to securing capacity for live loads. These providers bring market expertise and existing carrier relationships, making them especially valuable for shippers without large in-house teams.



FREIGHT BROKERS

Brokers act as intermediaries between shippers and carriers, often supporting procurement needs during volatile markets, seasonal surges, or overflow situations. They offer speed and flexibility but typically focus on transactional capacity rather than strategic procurement.



DIGITAL PLATFORMS AND TMS

Platforms like ShipperGuide TMS allow shippers to take procurement in-house through self-service tools. They digitize sourcing, bidding, and contracting, giving teams visibility, control, and speed, without relying exclusively on external partners.

WHO USES FREIGHT PROCUREMENT SERVICES?

Any company that moves freight can benefit from procurement services, though the approach often varies with size and scale.

Small and midsize businesses frequently use these services to balance cost and simplicity. Whether through logistics providers or digital platforms, they gain access to reliable capacity without overloading internal teams.

Larger enterprises face the challenge of managing freight across multiple regions and modes. For them, contract procurement combined with digital tools helps oversee complex networks. In these cases, automation and visibility become just as important as cost savings.

Shippers of all sizes find value in some form of support. Whether working with a 3PL or using a digital platform, procurement services help companies maintain control, streamline operations, and make transportation more efficient.



NOW, LET'S EXPLORE FREIGHT PROCUREMENT MODELS

Understanding procurement services is just one part of the puzzle. Equally important is how shippers structure their contracts and bids to move freight efficiently. Many successful companies blend long-term contracts with on-demand coverage, using tools like RFPs, mini-bids, and dynamic agreements to stay agile in a changing market.

This mix allows shippers to set a stable contractual baseline, respond to unexpected loads, refresh lanes that aren't performing, and adjust rates as conditions shift—all without disrupting service or exceeding budgets. In the next section, we'll break down the different freight procurement models, how they work, and how teams can use them to streamline decision-making, control costs, and maintain reliable operations.

WHAT ARE MINI-BIDS VS. RFPs?

RFPs, or Requests for Proposal, generally set the foundation for long-term contracts, often lasting a year or more and aligned with seasonal cycles. Mini-bids, on the other hand, are shorter in duration, sometimes weekly or monthly, and usually focus on specific events or needs, helping shippers adjust lanes quickly and encourage competitive offers.

RFPs are most useful when a network needs a broad, structural reset, while mini-bids work well for tactical adjustments, such as revising rates, changing carriers on challenging lanes, or responding to seasonal demand. Together, these approaches give shippers the stability of long-term planning and the flexibility to adapt in the short term, balancing cost efficiency with reliable service.

WHAT ARE DYNAMIC CONTRACTS?

Dynamic contracts use pricing formulas that adjust rates based on external factors, such as market indexes or predefined margins. For instance, a truckload rate might be set as an index plus a margin, with minimum and maximum limits to avoid extreme swings. This approach lets rates respond to market changes while keeping budgets predictable and maintaining carrier commitments.

Unlike traditional fixed contracts, which remain static even when market conditions shift, dynamic contracts provide built-in flexibility. They help prevent large pricing gaps, reduce the risk of strained relationships, and allow shippers to adapt more quickly.



ShipperGuide clients often combine dynamic contracts with spot freight to optimize lane performance and control costs in real time. As a result, they can keep costs under control, and accelerate decision-making in a fast-moving market.



NOW THAT YOU KNOW THE BASICS OF FREIGHT PROCUREMENT

Freight procurement is a strategic process that balances cost, service, and flexibility to keep your supply chain running smoothly. By understanding the different approaches, from spot and contract freight to brokerage, asset-based carriers, and various procurement models, you gain the insight needed to make smarter, more effective decisions.

In the next chapter, we'll dive into the modes of transportation used in freight procurement, exploring how each option impacts cost, speed, and reliability. A clear grasp of transportation modes will help you connect procurement strategy with execution and make choices that strengthen your supply chain from end to end.



// CHAPTER 02

MODES OF TRANSPORTATION IN FREIGHT PROCUREMENT

Selecting the right mode of transportation is critical to managing freight efficiently. Each shipment has unique requirements—size, weight, urgency, and cost. These factors determine whether it's best suited for full truckload (FTL), partial truckload (PTL), less-than-truckload (LTL), or a combination of modes.

In this chapter, we'll break down the characteristics, advantages, and considerations for each option, and explore how intermodal shipping can further optimize your supply chain for cost, speed, and reliability.





UNDERSTANDING THE DIFFERENCES BETWEEN FTL, PTL, AND LTL SHIPPING

Freight shipments can be categorized based on how much of a truck's capacity they occupy. Choosing the right type—full truckload (FTL), partial truckload (PTL), or less-than-truckload (LTL)—depends on shipment size, weight, and handling needs. Each method has distinct features, advantages, and considerations.



FULL TRUCKLOAD (FTL)

With FTL shipping, you book the entire trailer for a single customer's cargo. Along its route, the truck carries nothing beyond that shipment, traveling directly from pickup to final delivery.

KEY FEATURES OF FTL:

- One truck, one shipment, one customer
- Fast, secure, and lower-risk deliveries
- Ideal for shipments over 10 pallets or 15,000 pounds

FTL is particularly suited for time-sensitive or high-value freight, providing reliability and reduced handling compared with other shipping methods.



FTL'S IMPACT ON PROCUREMENT

FTL shipments require careful carrier selection based on timing, volume, and cost goals. Combining spot and contract strategies can balance urgency and routine needs, while a TMS like ShipperGuide simplifies procurement by automating rate checks, benchmarks, and tendering—helping teams secure capacity quickly and efficiently.



UNDERSTANDING THE DIFFERENCES BETWEEN FTL, PTL, AND LTL SHIPPING



PARTIAL TRUCKLOAD (PTL)

Partial truckload shipping is used for shipments that are larger than typical LTL loads but do not fill an entire trailer. PTL shipments usually occupy 6 to 18 pallets and weigh roughly 5,000–27,000 pounds. Costs are often calculated based on space used (linear feet) and weight, rather than freight class.

KEY CHARACTERISTICS OF PTL:

- Larger than LTL, smaller than FTL
- Typically 6–18 pallets per shipment
- Partial load weight between 5,000–27,000 pounds
- Fewer transfers than LTL, reducing handling and potential damage points

PTL strikes a balance between cost efficiency and reduced risk, filling the gap between LTL and FTL shipments.



PTL'S IMPACT ON PROCUREMENT

PTL shipping balances cost and capacity for mid-sized loads, but pricing varies by space, weight, and lane. Tools like ShipperGuide help teams compare modes, access real-time quotes, benchmark rates, and manage bookings—all in one platform—making it easier to choose the right mode quickly and efficiently.



UNDERSTANDING THE DIFFERENCES BETWEEN FTL, PTL, AND LTL SHIPPING



LESS-THAN-TRUCKLOAD (LTL)

LTL shipping refers to shipments that do not occupy an entire truck. Multiple shippers' loads are consolidated onto a single trailer, with the truck making multiple stops to deliver each portion.

TYPICAL LTL CHARACTERISTICS:

- 1-6 pallets per shipment (varies by carrier)
- Shared truck capacity with other shippers
- Frequent stops along the route
- Cost-effective for smaller shipments and fast-moving industries

LTL is ideal for smaller shipments, regional deliveries, or when a full trailer is unnecessary. It allows businesses to share transportation costs while maintaining flexible shipping options.



LTL'S IMPACT ON PROCUREMENT

LTL shipping offers flexibility and cost savings for smaller shipments, but variable pricing and service quality mean careful carrier selection is essential. Using a TMS like ShipperGuide can simplify the process, providing real-time data, LTL bids, and analytics to secure competitive rates while ensuring reliable service.



WHEN TO USE FTL, PTL, OR LTL TRANSPORTATION

Choosing the right mode of transportation depends on shipment size, timing, cost, and handling requirements. Full truckload (FTL), partial truckload (PTL), and less-than-truckload (LTL) each serve different needs.

The table below outlines when each option is most appropriate, along with key benefits and typical shipment characteristics to help guide your decision.

MODE	WHEN IT'S USED	KEY BENEFITS	SHIPMENT CHARACTERISTICS
FTL	Direct shipment from Point A to Point B without detours or stops for other loads. Ideal for larger, high-value, or time-sensitive freight.	<ul style="list-style-type: none"> Fewer stops, less handling, lower risk of damage or loss Faster transit for urgent shipments Efficient per-unit cost when truck is full 	<ul style="list-style-type: none"> Short-notice, tight-deadline, long-haul loads Specialized handling requirements Shipments over 10 pallets or 15,000 lbs
PTL	For shipments that don't require a full truck but are too large or awkward for LTL. Often used when flexible delivery windows or better economics are needed than FTL.	<ul style="list-style-type: none"> 10-35% cost savings compared to FTL Fewer touchpoints than LTL Reduces LTL claims by ~25% Flexibility for mid-sized loads 	<ul style="list-style-type: none"> Loads too big for LTL but not enough to fill a full truck Situations where underutilizing a truck would be costly
LTL	For smaller shipments that don't require a full trailer. Often used for regional shipments, multiple small deliveries, or industries with quick product turnover.	<ul style="list-style-type: none"> Cost-sharing with other shippers Flexible carrier options depending on available space Economical for small shipments 	<ul style="list-style-type: none"> Small shipments that don't fill a truck Multiple stops along the route Frequent deliveries in retail, F&B, and other fast-moving sectors



EXPANDING BEYOND TRUCKING: THE ROLE OF INTERMODAL SHIPPING

While FTL, PTL, and LTL cover most over-the-road freight needs, many shippers combine trucking with other transportation modes to optimize cost, speed, and reach. Intermodal shipping, which requires a mix of trucks, rail, ocean, or air, offers a flexible solution for moving freight across longer distances or complex networks.

In the next section, we'll explore how intermodal shipping works, when it makes sense, and the advantages it brings to modern supply chains.

UNDERSTANDING INTERMODAL SHIPPING

Intermodal shipping involves using more than one mode of transportation to move freight. This often means combining trucks and trains, but other modes such as aircraft, cargo barges, or container ships can also be part of the journey. Intermodal containers are specially designed to move seamlessly between modes without unloading or repacking cargo, helping maintain shipment integrity and efficiency.

HOW INTERMODAL SHIPPING WORKS

The intermodal process typically follows several key steps:

01 CONTAINER LOADING

Freight is loaded into intermodal containers, ensuring it is secure and protected for the journey. Proper loading reduces the risk of damage and delays, giving supply chain teams confidence in reliability.

02 FIRST LEG (TRUCK/DRAYAGE)

The first leg usually involves a truck transporting the container to a rail yard, port, or other transfer point. Efficient drayage keeps shipments on schedule and provides visibility into transit timing for better downstream planning.

03 MAIN LEG (RAIL OR OTHER MODE)

The main leg is when the container moves via the secondary mode, often by train for long distances. Trains are slower than trucks but handle larger volumes more efficiently and with lower fuel costs. This stage can reduce overall transportation costs and improve sustainability.

04 FINAL LEG (TRUCK/DRAYAGE)

Once the shipment reaches the destination hub, a truck completes the final delivery. Smooth handling in this leg ensures on-time delivery, customer satisfaction, and consistent supply chain performance.

WHY SHIPPERS CHOOSE INTERMODAL

Shippers use intermodal transportation for its cost efficiency, reliability, and capacity advantages. Compared with all-truck routes, intermodal allows large volumes to move at lower cost and with less handling, reducing risk of damage. It's especially valuable when truckload capacity is limited or prices are high.

Intermodal shipping also offers flexibility. With the right carriers and planning tools, it can prevent bottlenecks, optimize transit times, and integrate seamlessly into broader supply chain strategies.



With a TMS like ShipperGuide, procurement teams can plan intermodal routes, automate carrier selection, and maintain visibility across multiple transportation modes.



NOW YOU CAN CHOOSE THE RIGHT TRANSPORTATION MODE WITH CONFIDENCE

Understanding the differences between FTL, PTL, LTL, and intermodal shipping is key to making informed decisions that balance cost, speed, and reliability. Each mode has unique strengths, and selecting the right one depends on shipment size, timing, and operational goals. With this foundation, you're ready to explore how these transportation choices fit into the broader picture of freight procurement.

In the next chapter, we'll dive into The Importance of Freight Procurement, examining why strategic sourcing and carrier management are essential for an efficient, resilient supply chain.



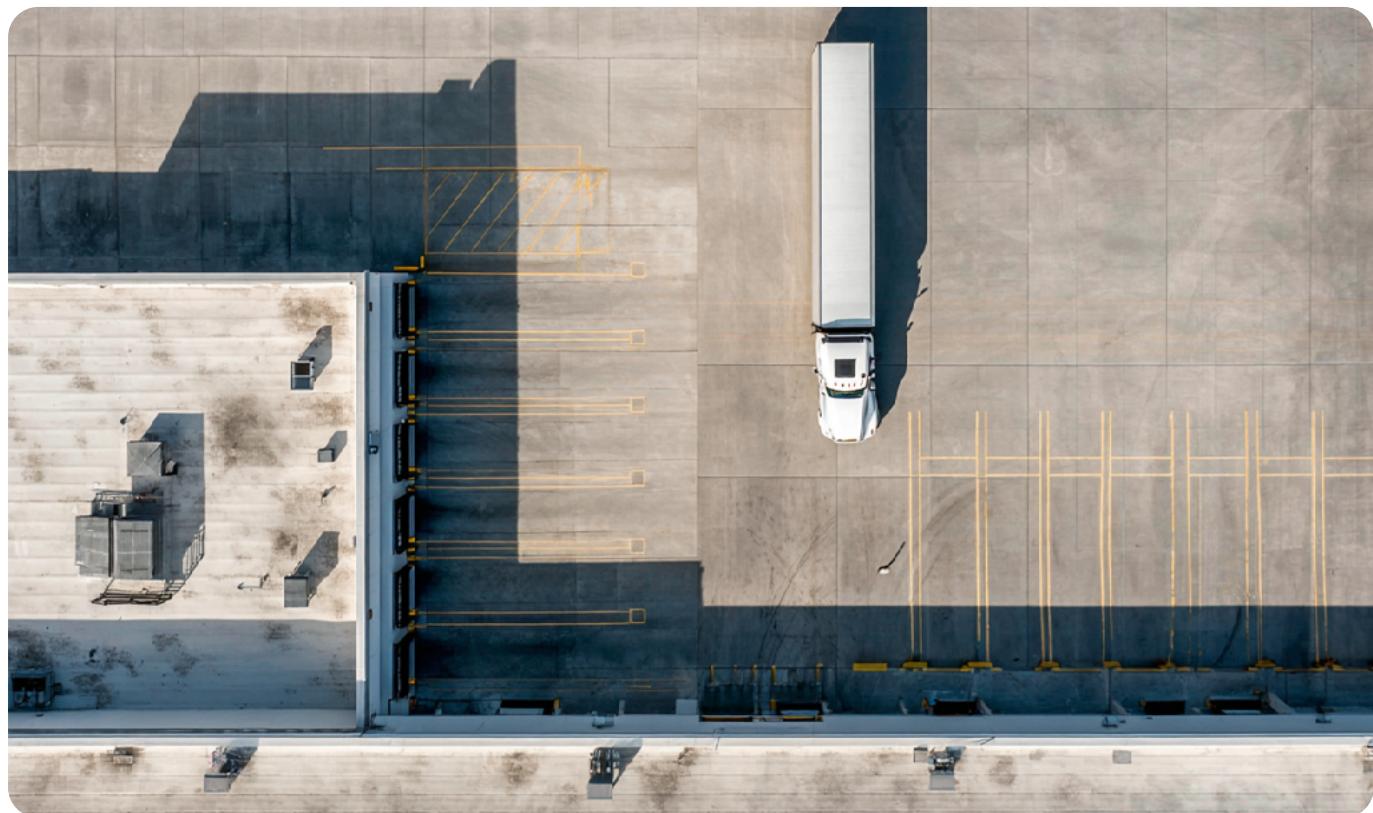
// CHAPTER 03

THE IMPORTANCE OF FREIGHT PROCUREMENT

Modern logistics is complex, with numerous moving parts. It requires careful coordination of freight along every step of your supply chain, including route optimization, freight classification, carrier selection, and more.

But here's the thing: freight procurement is the backbone that feeds into all aspects of logistics.

This chapter explains how freight procurement influences every part of the supply chain. By understanding its critical role, you can focus your efforts on building optimized and streamlined operations. Our goal is to illuminate how through understanding this core concept, you can hone your efforts towards optimized and streamlined operations.





LEARN WHY FREIGHT PROCUREMENT IS KEY TO MODERN LOGISTICS

Let's break down the six reasons that freight procurement is key to modern logistics.



1. SUPPLY CHAIN EFFICIENCY AND RELIABILITY

Freight procurement—your decisions around carriers, modes, and routes—is central to supply chain efficiency. Businesses increasingly rely on automation to make smarter carrier selections while maintaining flexibility to ensure consistent capacity and service. This adaptability is essential in volatile markets and seasonal fluctuations, keeping supply chains reliable year-round.



2. SUSTAINABILITY

The carriers you select directly impact your sustainability goals. Choosing fuel-efficient carriers and strategic modes, such as LTL for smaller shipments, reduces empty miles and emissions. With transportation responsible for roughly 29% of U.S. CO₂ emissions, sustainable procurement is critical—both financially and environmentally. Consolidating loads and optimizing routes can lower costs while reducing environmental impact.



3. IMPROVED DELIVERY

Fostering strong relationships with reliable carriers helps ensure steady on-time deliveries. This can be a collaborative process through methods such as using software that improves scheduling visibility, streamlines communication, and reduces delays at the dock.





LEARN WHY FREIGHT PROCUREMENT IS KEY TO MODERN LOGISTICS



4. COST REDUCTION AND OPTIMIZATION

Continually iterating on your freight procurement process allows you to uncover new strategies to reduce unnecessary spend. By incorporating different modes of transportation, you can not only cut fuel costs but also build relationships with more affordable, often overlooked carriers.

Rather than remaining stagnant with static routing and contracts, a focus on continuous cost optimization ensures each load is moved in the most efficient way. Leveraging procurement technology with built-in rate benchmarking and mode analysis makes it possible to consistently select the most cost-effective option for every shipment without increasing administrative overhead.



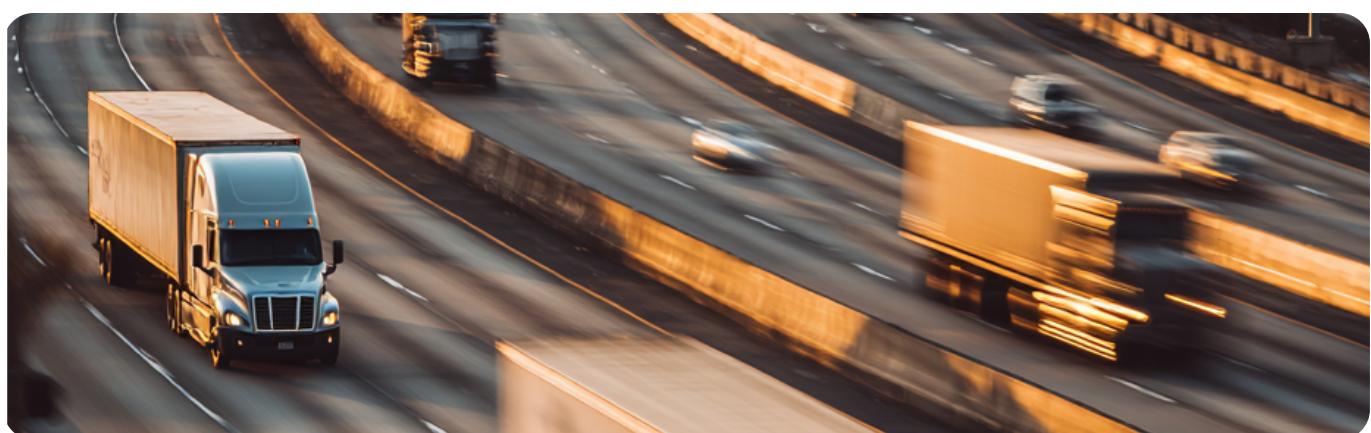
5. IMPROVE SUPPLIER RELATIONSHIPS AND CUSTOMER SATISFACTION

Effective procurement brings organization and visibility, strengthening supplier relationships through trust and collaboration. Optimized freight procurement ensures reliable deliveries, enhancing the end-customer experience. Reliability drives satisfaction, and satisfied customers are more likely to return.



6. ELIMINATING COMMON RISKS

An inflexible freight procurement process opens you up to disruptions and seasonal fluctuations that impede supply chain efficiency. This is why it's critical to continuously evolve your freight procurement process. Diversifying carriers and leveraging data (often collected on your behalf by effective software tools) reduces exposure to delays, market swings, and capacity shortages.





RECOGNIZING THE FOUNDATION OF A STRONG SUPPLY CHAIN

Freight procurement isn't just a single step in logistics—it's the foundation that keeps your entire supply chain running efficiently, sustainably, and reliably. From reducing costs to improving delivery performance, strong procurement practices touch every part of your operations. Understanding its importance is the first step toward building a process that supports long-term success.

In the next chapter, we'll explore who plays a role in freight procurement, from internal teams to external partners, and how collaboration among these stakeholders ensures that your strategy works seamlessly from planning to execution.





// CHAPTER 04

WHO IS INVOLVED IN FREIGHT PROCUREMENT?



Freight procurement may seem like a behind-the-scenes function, but it actually relies on a network of people, organizations, and technology working together. From the companies that ship goods to the carriers that move them, every participant plays a critical role in keeping the supply chain running smoothly.

Technology, particularly Transportation Management Systems (TMS), increasingly ties these pieces together, helping teams make smarter, faster decisions and improving collaboration across the board. In this chapter, we'll break down the key players—shippers, carriers, and TMS solutions—and show how each contributes to an effective freight procurement process.

UNDERSTANDING THE ROLE OF SHIPPERS IN PROCUREMENT

Freight shippers are at the center of keeping goods moving, whether in retail, food transportation, manufacturing, or any other industry. Their work ensures that operations run smoothly and efficiently.

In the procurement process, shippers analyze rates, anticipate capacity needs, and watch for potential delays, labor challenges, or policy changes. Their decisions are guided by the insights they gather, often made clearer and more actionable through TMS dashboards.

Today, shippers face constant pressures: stakeholders expect cost savings, clients demand reliability, and competitors are ready to seize any opportunity. Balancing these demands while keeping operations efficient and costs under control is a continuous challenge—and one that effective freight procurement helps navigate.



COMMON EXAMPLES OF SHIPPERS

Despite their diversity, freight shippers are increasingly aligned on business development, including digitizing operations, rebalancing inventory, and analyzing big data with cloud-based solutions.

These examples are united in their responsibility for intelligent transportation that effectively mitigates risk and supports complex, cooperative supply networks:

- **DISTRIBUTING MANUFACTURERS:** Allocate inventory across warehouses
- **CONSUMER RETAILERS:** Move goods from fulfillment centers to stores
- **ECOMMERCE PLATFORMS:** Arrange efficient and trackable deliveries
- **HOSPITALITY COMPANIES:** Arrange perishables and other supplies
- **THIRD-PARTY LOGISTICS:** Optimize freight for multiple clients
- **AUTOMOTIVE PRODUCERS:** Distribute components to dealers

A SHIPPER'S ROLE IN FREIGHT PROCUREMENT

Freight shippers monitor volumes, delivery trends, and customer needs to continuously optimize transportation strategies. Using reviews and KPIs, their role demands measured data, adaptive change, and strategic decision-making.

While they rely on carriers and brokers for reliable, competitive service, freight shippers need to coordinate shipping, scheduling, documentation, compliance, and payments. These partnerships allow them to access carrier networks for faster freight movement.

FROM SHIPPERS TO CARRIERS: KEEPING FREIGHT IN MOTION

If shippers create the plan, carriers make it happen. Freight carriers move goods in different ways—some handle international shipments across global trade lanes, while others focus on regional routes or specialize in a single mode of transport.

Recognizing these differences is essential when building a reliable, cost-effective supply chain. In this section, we'll look at what carriers do, the main types you'll encounter, and how each one fits into the freight procurement process.



COMMON EXAMPLES OF CARRIERS

The right carrier depends on what's being shipped, how far it has to travel, and how fast it must arrive. Common types include the following:

- **TRUCKLOAD AND LESS-THAN-TRUCKLOAD (LTL) CARRIERS:** Trucking remains the backbone of domestic logistics. Full truckload carriers move large, dedicated shipments, while LTL carriers consolidate freight from multiple shippers, making smaller shipments more economical.
- **RAIL FREIGHT CARRIERS:** Rail operators are particularly effective for bulk commodities, heavy goods, and long-distance inland transport. They often cost less than road transport in many markets, though schedules can be less flexible.
- **OCEAN FREIGHT CARRIERS:** Container shipping lines handle the bulk of international trade. They move massive volumes across global trade lanes, making them indispensable for importers and exporters managing large or recurring shipments.
- **AIR FREIGHT CARRIERS:** Airlines that handle cargo provide the fastest transit times, which are ideal for high-value or time-sensitive goods. The trade-off is higher cost compared to sea or land transport.
- **COURIER AND PARCEL CARRIERS:** Companies specializing in small package delivery (often the household names in logistics), focus on speed, tracking, and last-mile distribution. They serve both businesses and consumers directly.

A CARRIER'S ROLE IN FREIGHT PROCUREMENT

Carriers aren't simply transport providers—they're strategic partners. In procurement, shippers evaluate them across cost competitiveness, service quality, compliance standards, and flexibility. These criteria determine not just who moves freight, but who can be relied on when markets tighten.

A carrier's role extends beyond moving goods. They guarantee timelines, uphold safety standards, and commit to contract terms that stabilize costs. Dependable carriers create supply chain resilience, ensuring procurement teams avoid disruptions while still managing spend effectively.

Today, digital procurement platforms are reshaping how these relationships work. By automating bids, benchmarking performance, and surfacing real-time capacity, shippers gain faster insights and stronger partnerships with the carriers that matter most.

With strong, tech-enabled carrier relationships, flexibility follows: when demand spikes or conditions shift, trusted partners can adjust schedules, free up equipment, or provide alternate routes—keeping freight flowing without compromising cost or service.

BRINGING IT ALL TOGETHER WITH TECHNOLOGY



Transportation is a cornerstone of the global economy, driving innovation and efficiency across industries. Over the decades, transportation management systems have evolved to meet those growing demands—from early digital tools to today’s AI-powered platforms that enhance visibility, automate decisions, and strengthen collaboration between shippers and carriers.

A modern Transportation Management System, or TMS, is now central to how organizations manage freight procurement and day-to-day logistics. In the next section, we’ll explore how a TMS shapes the way companies plan, execute, and optimize their transportation strategies.

HOW A TMS DIFFERS FOR SHIPPERS VS. CARRIERS

Most systems offer a combination of tools for both carriers and shippers. Some platforms might be best suited for small to mid-sized businesses, while others offer an enterprise-grade level of support.

Shippers and carriers benefit from TMS software in different ways. Let’s briefly examine how TMS software helps shippers and carriers separately:

- **The main role of transportation management systems for shippers** is to help them optimize procurement, manage contracts, conduct freight execution, and audit freight. Analyzing and optimizing logistics costs is also among the main benefits of TMS systems for shippers.
- **Transportation management solutions are used by carriers** to dispatch loads, manage fleets, optimize routes, and manage billing. The powerful analytics offered by TMS software make it

THE TMS FEATURES THAT SUPPORT FREIGHT PROCUREMENT

Freight procurement is a complex process. TMS platforms offer multiple ways to simplify and optimize procurement. Thanks to the innovative features of transportation management solutions, companies can manage their freight procurement operations more easily. Here are four TMS software features that help:

- 1 **Automated bidding and rate benchmarking** streamline RFPs and improve spot procurement decisions.
- 2 **Carrier management and contract storage** allow shippers to track performance and keep all compliance documents in a centralized system.
- 3 **End-to-end shipment tracking** gives procurement teams real-time visibility into freight movement.
- 4 **Automation and efficiency tools** reduce or eliminate email communication, manual spreadsheets, errors, and administrative workload.



WORKING TOGETHER FOR SMARTER PROCUREMENT

Freight procurement depends on collaboration. Shippers plan and coordinate shipments, carriers bring those plans to life, and via tech solutions like TMS software, everything remains connected and visible. When these players work in sync, supply chains run smoother, decisions get faster, and results improve across the board.

In the next chapter, we'll move from who is involved to how they can operate more effectively. You'll learn best practices for freight procurement, along with critical steps to strengthen coordination, reduce costs, and build resilience in every shipment.



// CHAPTER 05

BEST PRACTICES FOR THE FREIGHT PROCUREMENT PROCESS

Shipping costs continue to climb, and supply chains have grown increasingly complex. Traditional methods of selecting carriers no longer deliver consistent results. To stay efficient and adaptable, companies need stronger, more strategic approaches to procurement.

Effective freight procurement helps control costs and ensures reliable delivery performance. Organizations that excel in this area respond faster to disruptions and maintain stronger customer relationships.

The most effective procurement approach finds the right balance between cost and service. This chapter outlines practical ways to strengthen shipping operations and build resilience in changing market conditions.





FREIGHT PROCUREMENT STRATEGIES IN SUPPLY CHAIN MANAGEMENT

Looking for practical ways to strengthen your freight procurement process? Below are six proven strategies that help teams operate more efficiently and prepare for change.



1. DEFINE CLEAR GOALS

Strong procurement strategies begin with clear objectives. These might include improving sustainability, broadening your carrier network, or enhancing delivery reliability. Cost savings matter, but so do service quality and consistency.

Consider what success looks like for your organization. Do you want faster delivery times, measurable cost reductions, or greener options? Write these priorities down and share them across your team.

Service quality should always be part of the equation. Low costs mean little if shipments arrive late or damaged. Define specific expectations for speed, safety, and reliability so progress can be measured later.

When goals align with broader company priorities, your team can make better, more consistent decisions.



2. USE AUTOMATED TOOLS

Technology has reshaped freight sourcing. Automation can handle time-consuming tasks, such as comparing carriers, tendering loads, and monitoring performance. This reduces manual work and improves accuracy.

A Transportation Management System (TMS), such as ShipperGuide, can evaluate hundreds of carrier options in seconds based on cost, service level, and timing. Once in place, automation can route tenders to the right carriers, track shipments in real time, and alert teams to potential issues before they escalate. Decisions become faster, more consistent, and data-driven rather than guesswork.



3. LEVERAGE DATA ANALYTICS

Data turns logistics procurement from reactive to strategic. It reveals how carriers perform, where money is spent, and where savings can be found.

Review historical shipping data to spot patterns—such as which carriers perform best on specific routes or when rates typically rise. Benchmarking your results against market data helps you see if your pricing and performance are competitive.



FREIGHT PROCUREMENT STRATEGIES IN SUPPLY CHAIN MANAGEMENT

Analytics also help anticipate challenges, like seasonal slowdowns or equipment shortages. Track key metrics such as delivery speed, damage rates, and customer feedback to guide your sourcing decisions.



4. KEEP UP WITH MARKET TRENDS

The freight market changes constantly. Fuel costs fluctuate, regulations evolve, and capacity tightens or loosens depending on demand. A flexible procurement approach adapts to these shifts rather than reacting to them.

Monitor fuel price movements and factor them into contracts. Recognize seasonal or regional capacity patterns so you can plan shipments and secure space before demand peaks. Stay informed on regulatory updates that affect cost and service through reports, industry groups, and carrier communication.



5. BUILD STRONG CARRIER AND 3PL RELATIONSHIPS

Successful procurement isn't just about finding the lowest rate—it's about building dependable partnerships. Carriers and third-party logistics providers (3PLs) who value your business often deliver better service and prioritize your loads during tight market conditions.

Long-term contracts can strengthen these relationships and create more stable pricing. At the same time, avoid relying on a single provider. A diverse network spreads risk and ensures flexibility if a partner faces issues.

Meet regularly with carriers to review performance, discuss challenges, and align on expectations. Keep pre-approved backup carriers ready to maintain operations without disruption.



6. PLAN FOR DISRUPTIONS

Unexpected events—weather, market volatility, or carrier shutdowns—are part of freight management. Preparation is the best defense.

Develop contingency plans for common disruptions. Maintain updated contact lists, emergency procedures, and alternate carrier options. Include communication plans for keeping customers informed about delays.

Test these plans regularly and refine them as conditions change. Building in small buffers to schedules and budgets helps absorb shocks and keep shipments moving.



LOOKING AHEAD: OVERCOMING FREIGHT PROCUREMENT CHALLENGES

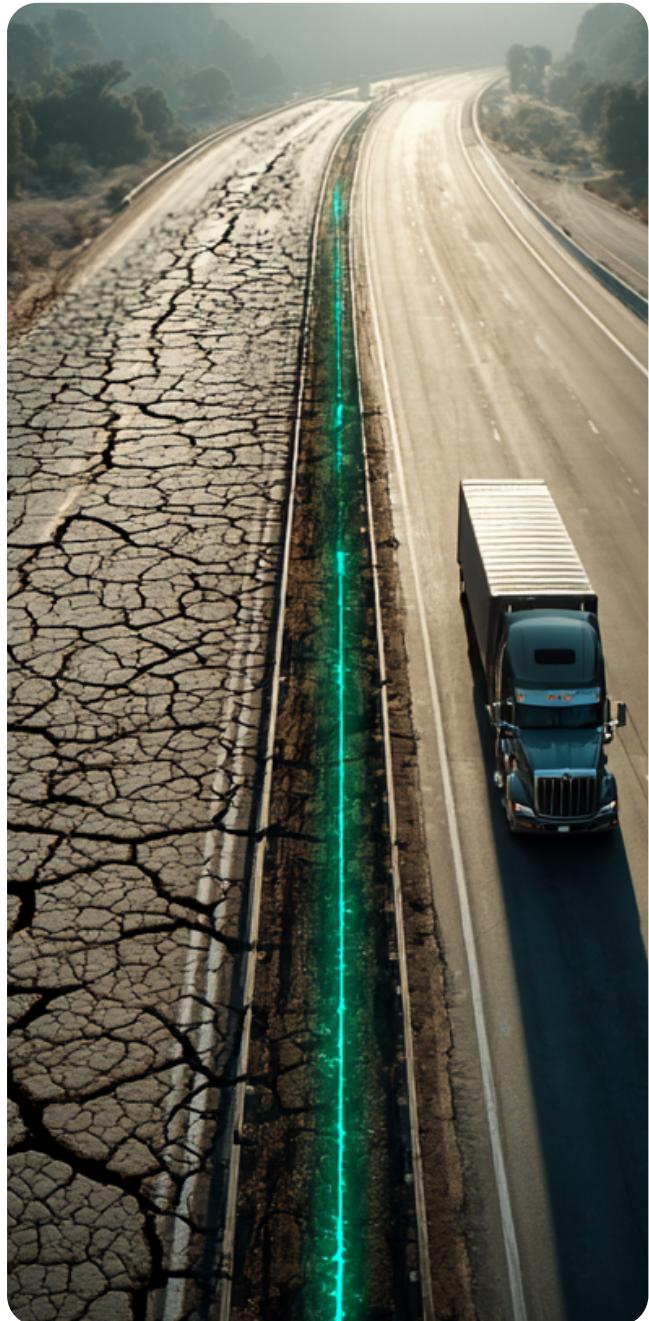
Implementing strong strategies is just the first step. Even the most well-planned procurement approach can face obstacles—market fluctuations, capacity shortages, and unexpected disruptions are common. The key is knowing how to respond and adapt.

In the final chapter, we'll explore the most frequent challenges teams encounter in freight procurement and offer practical solutions to keep your operations running smoothly. By combining the strategies covered here with problem-solving tactics, your organization can maintain cost efficiency, service reliability, and resilience in a constantly changing logistics landscape.



// CHAPTER 06

COMMON CHALLENGES IN FREIGHT PROCUREMENT



Supply chain issues like fuel costs, capacity shortages, and weather disruptions directly impact freight procurement. Unfortunately, they occur every day, drive up costs, slow down deliveries, and complicate freight buying decisions.

Transportation managers have a lot to manage. Fuel prices change. Trucks aren't always available. New regulations make things harder. Bad weather blocks shipments. Busy seasons increase prices.

Smart planning means preparing for these problems before they happen. Companies that plan for these logistics issues save money, keep customers happy, and get ahead of competitors who react too late.

Knowing the most common supply chain issues helps your logistics team work better. With good planning you reduce costs, improve service and stay strong when things go wrong.



SUPPLY CHAIN ISSUES THAT IMPACT FREIGHT PROCUREMENT

There are a number of supply chain issues that can impact freight procurement and the entire process. Learn about five of the most common ones below.



1. FUEL COSTS

Fuel prices shift often, creating planning and budgeting challenges. When diesel becomes expensive, carriers raise rates quickly. In some cases, fuel surcharges can make up as much as 20-30% of total freight costs.

Carriers apply surcharges when prices climb, and base rates often follow. Transportation teams must plan around these swings, which can make cost forecasts unpredictable.

Fuel expenses also differ by region. Carriers operating in higher-cost areas tend to charge more, while those in lower-cost regions charge less. This creates lane-by-lane rate differences.

Teams that track the fuel market closely and use flexible contracts—sharing risk between shippers and carriers—can create more stable pricing. Real-time data is key; those monitoring daily price changes can adjust faster and avoid unexpected cost spikes.



2. CAPACITY SHORTAGES

When there aren't enough trucks to meet demand, rates increase quickly and service levels decline. The industry continues to face a shortage of qualified drivers—over 80,000 positions remain unfilled—putting further pressure on available capacity.

Equipment availability compounds the problem. Specialized trailers, like reefers, are especially limited during busy seasons. To secure reliable coverage, procurement teams often need to lock in contracts well ahead of time or pay higher spot rates.

In tight markets, cost alone can't guide decisions. Strong relationships with carriers and volume commitments are critical to maintaining access to trucks. Expanding the carrier network to include regional and specialty providers also provides flexibility when primary carriers are full.





SUPPLY CHAIN ISSUES THAT IMPACT FREIGHT PROCUREMENT



3. REGULATION CHANGES

New regulations continue to alter how transportation teams operate. Hours-of-service limits, safety requirements, and environmental standards all add complexity and cost.

Electronic Logging Devices (ELDs) improve safety by automatically recording driver hours but can reduce available drive time, tightening overall capacity. Environmental initiatives—like clean truck rules and emissions reporting—bring new compliance demands and regional cost differences.

Procurement teams that stay informed and adjust early avoid the disruptions and fines that can follow sudden regulatory shifts.



4. WEATHER AND NATURAL DISASTERS

Severe weather can quickly disrupt transportation networks. Hurricanes, floods, and winter storms close ports, damage infrastructure, and delay shipments.

When major routes close, carriers are forced to take longer paths, increasing mileage and costs. Even predictable winter weather can slow deliveries and limit service availability. After large-scale events, recovery periods often extend the disruption as roads and fleets return to normal.

Working with carriers across multiple regions helps reduce these risks and improves resilience during unpredictable conditions.



5. SEASONALITY

Fluctuating demand throughout the year affects freight pricing and availability. During busy periods—such as retail holidays or harvest seasons—rates rise and trucks become scarce.

Retail and e-commerce surges, especially around holidays or back-to-school seasons, strain capacity across networks. Agricultural cycles add another layer, drawing equipment to specific regions and leaving shortages elsewhere.

Weather also influences demand; for example, produce shipments from warm regions during winter combine high urgency with weather risks.

Planning ahead is the best defense. Many procurement teams, particularly in food and beverage, reserve capacity months in advance to avoid last-minute shortages.



NAVIGATE CHALLENGES WITH SMART PROCUREMENT

In a market shaped by constant change—rising fuel costs, shifting capacity, new regulations, and unpredictable seasons, procurement teams succeed when they stay adaptable. Smart procurement isn't about avoiding challenges; it's about anticipating them and building strategies that turn volatility into opportunity.

By combining real-time data, strong carrier relationships, and flexible contracts, logistics professionals can maintain stability even in uncertain conditions. The most resilient teams use insight, not instinct, to keep freight moving efficiently and cost-effectively.



START STREAMLINING FREIGHT PROCUREMENT

Discover how ShipperGuide can transform the way you manage freight. Streamline carrier selection, optimize shipping costs, and gain real-time visibility—all from a single, easy-to-use platform.

WITH SHIPPERGUIDE, YOU CAN:

- Compare rates and modes in real time
- Automate RFPs, bids, and tenders
- Optimize FTL, PTL, LTL, and intermodal shipments
- Reduce manual work and improve decision-making

Trusted by shippers and logistics teams nationwide to simplify freight procurement and boost supply chain efficiency.

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