

Potential criterion for selecting a freight management provider

When evaluating a freight management provider, it's important to look at many factors. Below is a list of criterion to consider as you complete your research. Select the freight management provider that checks the most boxes to ensure you receive the best value and most comprehensive service.

Company credentials

- Experience providing freight management services to the healthcare industry for at least five years.
- Share of the healthcare freight management market.
- Number of packages that are shipped through the program annually and average cost per package for customers. Aggregated volume will ensure the deepest discounts with a freight carrier can be offered.
- Clear articulation of competitive advantage. Ask how many competitive conversions were completed in the last six months.
- Customer satisfaction scores above 95%.

Vendor management

- Ability to implement business process changes with both the health system and vendor to successfully manage freight.
- Automated process for activating vendors that works with vendor billing systems.
- Continuous activation of new vendors after implementation.
- Processes for continual monitoring of vendor compliance. Ask for a description of the process and a sample vendor compliance report.
- Dedicated vendor team responsible for continually activating new vendors as well as driving ongoing vendor compliance after implementation.
- Online vendor portal used for automated vendor activation and vendor compliance. Ask for a description of the benefits.
- Typical vendor compliance over 98%.
- Validation process for vendor compliance on inbound shipments. Request a definition of this process.
- More than 900 vendors who have confirmed their willingness to do the following:
 - Store the hospital's third party shipping number electronically in their system.
 - Confirm setup of hospital to ship using their freight management program.
 - Perform compliance on an ongoing basis.
- No fees or costs associated with the vendor compliance program.
- Established process for reviewing the hospital's itemized freight expense file to proactively identify and implement new cost reduction opportunities on a weekly basis, including non-compliant shipping practices and "hidden freight costs". Ask for examples of how these opportunities are presented to customers.

Billing and audits

- Departmental cost allocation capabilities, including a process to ensure shipping charges have all the correct information to charge back to appropriate cost centers.
- Defined audit process.
- Automated auditing tools to ensure billing accuracy
- Audits on the following:
 - Invoice lines for verification of individual shipments, rates, and hidden fees.
 - Duplicate carrier invoices.

- Duplicate airbill and tracking numbers (based on historical information).
- Validate duplicate tracking numbers.
- Proof of delivery (POD).
- Voided shipments.
- Dimension and weight errors.
- Supplemental or ancillary charges.
- Special handling charges.
- Valid company location for shipment origin or destination.
- Web quote (ensures amount billed matches quote received from an online shipping system).
- Validations (field level).
- Transaction validation process (researches all transactions not identified with a valid company location for the most accurate validation process available).
- Duplicate invoicing (from vendor and freight management company).

Technology and data

- Customer website with outbound shipping capabilities, proactive shipping advice and access to reports 24/7.
- Program to benchmark usage of program against peers and actionable opportunities to improve.
- Standardized and customizable reports. Request samples of the most frequently used reports.

Breadth of services and channels

- Full suite of logistics solutions (LTL, truckload, parcel) with multiple carriers to capture the greatest percentage of your overall freight spend. Services should include:
 - Inbound small parcel.
 - Outbound small parcel.
 - Ability to tie shipments back to the cost center.
 - Block specific accessorial costs to save additional money.
 - Mode optimization advice with visible service costs.
 - Large or specialty shipments with access to multiple carriers to ensure the best service at the best price.
 - Ask for a list of carriers.
 - Freight management for capital or construction projects.
- Multi-channel offering to support the entire continuum of care (i.e. acute care, laboratories, blood centers, clinics, surgery centers, etc.).

Consulting

- Dedicated account manager to provide supply chain expertise and maximize savings.
- One point of contact to drive the implementation process. Request a definition of this process and a list of responsibilities for the customer and the freight management provider as well as the time commitment involved for each task.
- Ongoing training, consultation, and best practices to promote continuous improvement and additional cost savings. Best practices should include:
 - Mode optimization.
 - PO comment.
 - Freight history.