

Best Practices In Shipping Management: Guide to a Successful 2020



Introduction

The world heavily relies on the shipping industry. International trade has seen a significant boom with the growth in the shipping industry. It has contributed significantly to the economic growth and sustenance of the nation. Moreover, the shipping industry has helped many businesses expand their operations and enhance their trade on a global level. With the growth of business operations, it is essential to educate everyone about the importance of shipping management's best practices. You never know what tips may help you save a little from your expenses or increase your profits.

“Behind every great leader, there was an even greater logistician.” – M. Cox

Before we get to the best practices of shipping management, let us understand the best practices can only be performed when the foundations have been laid efficiently. The foundation of a successful shipping management business practice is to select the right shipping partner. You need to understand once you choose a shipping company, the process starts from there. So, to ensure the rest of the process is smooth, you need to have the right shipping partner.

Foundation of Best Practices in Shipping Management

“You can’t build a great building on a weak foundation” Gordon B. Hinckley

Only when you have strong fundamentals and firm foundations, only then you can build yourself into a strong organization. Thus, it is imperative to know your base pillars (aka foundation). We have analyzed and studied shipping management in-depth and identified these to be the base pillars for a strong foundation. Let us understand these points in detail.

1. Choose the Right Shipping Partner

It all starts with the shipping company. Once you plan to ship your goods, you first have to approach a shipping company. So, make sure you choose the right one in accordance with your shipment, costs, and expectations. Once this step is done, the rest of the process gets smoother. Also, take your time to do some research. Don’t rush the process. Approach a few of the shipping companies and compare the costs before settling down with the most realistic choice.

2. Shipment Weight and Quantity

Every shipment company has different rules and regulations for shipment sizes. Many companies also provide discounts on bulk shipments. The weight, dimensions, and

quantity of the goods directly affect the shipping costs. Most companies usually have a shipping cost calculator where you can find out your estimated shipping cost. This way, you are well-prepared for shipping. Make sure you also learn about flat rate shipping, this is highly recommended if you are a small business owner.

3. Know your Shipping Types and Shipping Methods

Shipping Industry has evolved over the years. There are a number of ways you can ship your goods as well as there are types of shipping process. The shipping method may differ for every shipment and thus, it is important to know the **types of shipping** and various **shipping methods**.

Shipping Method

It is important to know the shipping method and the best suited shipping as per your convenience. This will help you save on costs and help you understand how shipping costs work. There are mainly three types of shipping - Flat Rate Shipping and Expedited (Priority) Shipping.

a. Flat Rate Shipping

It is when there is a fixed value for all kinds of goods. To make the shipping process simpler, the shipping companies have set different slabs of the kind of weight and dimensions of goods that are accepted and rates for each of them. No matter the content, if the parcel falls under a particular dimension (set by the shipping company), they need to pay a flat rate shipping cost. It is really beneficial for large shipments. The factors that affect flat rate shipping costs are the dimensions, weight, and time zone.

To help you understand better, let us take a look at the Flat Rate Shipping Chart of USPS.

Rate Products	Shipping Prices	Fixed Dimensions	Best Suited For
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Flat Rate Envelope	\$22.68 – Commercial Base \$25.50 – at Post Office & Online	12 1/2" x 9 1/2"	Documents Manuscripts
Legal Flat Rate Envelope	\$22.80- Commercial Base \$25.70 – at Post Office & Online	15" x 9 1/2"	Legal Documents
Padded Flat Rate Envelope	\$23.18- Commercial Base \$26.20- at Post Office & Online	12 1/2" x 9 1/2"	Clothing Books Boxed Jewelry

(Image Courtesy: WooCommerree.com)

b. Priority Shipping

When a company wants to deliver their products within a day or next-day delivery, it is known as Priority Shipping. Though priority shipping is a bit costlier than flat rate shipping, but, it helps the customer receive the goods within a short period of time. This way, the customer builds trust over the company and in return, the company gets one happy and satisfied customer.

c. Free Shipping

When a company advertises as 'Free Shipping', it means they do not charge the customer with any shipping charges. It is a huge attraction for the customer and in most cases, customers do buy the product because of the 'Free Shipping'. In reality, though the customers are not charged for the shipping, the seller does have to pay for it.

Free Shipping brings in more customers and builds a sense of relationship with them. It helps gain trust and new customers. Mostly, free shipping is provided on large items and also in most cases, the cost of the product is inclusive of the shipping cost.

For eg.: Day Coffee sells coffee brewing machines for \$200 including free shipping. In most cases, the seller has already included the shipping costs (let's say \$18) in the product's total cost. But, there are times when the sellers themselves pay off the shipping costs without burdening the customer for the same.

Types of Shipping

Types of Shipping reflect the means of transportation surrounding the shipment. There are mainly four shipping methods - Rail, Road, Air, and Sea Shipments. Each method has its own benefits and disadvantages. It really depends on the consignment details, costs, dimensions, and delivery time.

a. Rail Transportation

Rail Shipping is considered to be the most chosen form of transportation. It is quick, economical, and highly efficient. Rail Shipment also has huge storage capacities, thus, they can easily carry large shipments.

b. Road Transportation

Road Shipping is popular for its ease of transport, approachability, and easy accessibility. Just as rail shipping, road shipping is also economical. There are a lot of options available while opting for road transportation, such as different types of trucks and different sizes of goods carriers. This way, you can book the road transportation as per your convenience and number of consignments. Also, road transportation is easily maintained and involves lesser operational costs in comparison to others.

c. Air Transportation

Air transportation is popular when the goods need to be transported within a day, popularly known as priority mail. Air transportation is also recommended for overseas

trade as it is convenient and the fastest form of transportation. Yes, it is true, that air transportation is a costly affair, but, it falls under budget when the goods are sold in bulk or when the goods are of a higher value.

d. Sea Transportation

Sea transportation has seen a lot of growth. It started off with hand-rowing ships and upgraded to powered ships. There are various types of cargo vessels and all of them have their own advantages. Moreover, sea transportation is greatly popular for long-distance transportation and economical in comparison to air transportation.

4. Shipping Documentation and Costs

Shipping documents are a very important part of the foundation of a successful shipping management system. These documents should contain the following information:

- Type of Shipment
- Weight and Dimensions
- Cost of Shipment
- Shipment Method
- Mode of Shipment Transportation
- Commercial Invoice
- Shipment Insurance Details
- Packing List

A well-drafted shipping document brings clarity and transparency between the shipping company and the customer. It helps organize the shipping management process and brings a sense of fulfillment to the customer. Moreover, it helps in tracking the product.

Tips for the Best Practices of Shipping Management

When we lay down the foundations, just like we did above; it is also helpful to learn a few tips to save on money or time or even help you find a suitable shipping partner.

Here is a consolidated list of tips that may come in handy to you in some form or another.

1. Be Well Prepared and Well Planned

**“Let Our Advance Worrying Become Advance Thinking And Planning.”
Winston Churchill**

When we go to our office, we always prepare in advance. The night prior to our office, we lay out of formal wear, shine our shoes, complete the given assignments, and prepare semi-cooked meals. This is done so that we don't waste any time the next day and so that we can smoothly get ready for office. So why not do the same for your shipping? Plan ahead of time. This way, you don't have to indulge in any last-minute planning. You can also smoothly finalize the entire shipment process instead of running around when things are in motion. It not only saves your time but also helps save money.

2. Choose the Correct Container

Every container should rightly fit your product dimensions. This way, there won't be much difference in the final product weight. Imagine you use a medium-sized container for a small shipment such as an iPhone. The container will take up a lot of weight, and hence, the final weight will be much higher than expected.

For delicate goods, make sure the container is well-packed and filled with proper wraps and cushions. This way, the product is safe and secure. So, it is very important to choose the right size of container, which will help in reducing the shipping cost and shipping weight.

3. Use Shipping Labels

Shipping Labels are not a legal piece of documentation. Nevertheless, it is very important for the business to run smoothly. Shipping Labels is a label stuck to the shipment and it reflects all the necessary information about the product and delivery destination.

Tip: Don't forget to remove the old packing slip to avoid any sort of confusion. Remove the old shipping label so that the employees do not get confused with the new ones.

Conclusion

Shipping Management is definitely crucial for the business. It helps the business work on smoother grounds and ensures that the goods are transported with utmost care and proper documentation. Moreover, with the growth of technology, the shipping management has become highly transparent and helps to trace, track, and update your shipping information.

References

[WooCommerce Flat Rate Shipping](#)

[Learn to Manage Shipping Logistics](#)

[Best PRactices for Keeping your Goods out of Danger](#)