



## the backup plan

How to create a sound freight transportation security program

**T**he safety and dependability of your company's supply chain can "make or break" your company. A supply chain is only as strong as its weakest link. A failure to deliver your company's products on time can shut down an assembly line and result in fines and lost revenues. While product recalls (i.e. toys, pet food, cars) have recently been receiving front page attention, service failures caused by poorly designed freight transportation programs happen every day across North America. Are you doing everything possible to ensure the dependability of your freight transportation program?

During the course of my consulting work, I meet with many shippers. I come across opportunities to improve and protect the integrity of a company's supply chain. Here are a few things to consider:

The first and most obvious opportunity to reduce your company's vulnerability is to have a Backup Plan. Just as your company has a plan in case of fire, power failures and other emergencies, you need to have a backup plan in the event of a carrier work stoppage or bankruptcy. Under no circumstances should you give all your freight to one carrier. Look at all the "name brand" companies that have disappeared from the industry. What will you do if there is a labour disruption at the Port of Vancouver, if CN Rail goes on strike or if your current carrier goes out of business?

I encourage you to look at alternate modes, ports and carriers for every lane of traffic you have. If you don't have a backup carrier for a certain block of business, keep looking. Keep in mind that in addition to other modes (i.e. intermodal instead of truck), freight brokers often use a stable of carriers, some of them "mom and pops", that you may not be aware of. In addition to asset-based carriers, they may be able to find additional capacity.

The next thing to consider is the size and quality of the fleet of your carriers. Do they have "late model" equipment or do they still have 1995 tractors and trailers in their fleet? You should ensure that your carriers have adequate capacity to service your requirements and they have equipment that is no more than three or four years old. Why jeopardize your customers' requirements by using a carrier that keeps experiencing breakdowns?

To protect against overages, shortages and damages, you should ensure your company has procedures in place to obtain a driver's signature on the number of pallets or cases leaving your premises and that they are properly braced in the trailer. If you ship full loads, trailer seals are a must to ensure your freight

is not manipulated while en route to your customers.

Do your carriers all have satellite tracking? Is their website information kept up to date? Can your carriers' dispatchers reach their drivers quickly if a shipment needs to be redirected or if a new appointment time needs to be established? Your carriers should be utilizing the latest technology.

You also owe it to your company to obtain from your carriers, a copy of their operating certificate, cargo insurance and safety record. Every carrier should be able to supply these to you upon request. This will provide you with another level of assurance that your company is entrusting its freight to reputable carriers. Certain industries have unique requirements. For example, a HACCP (Hazard Analysis and Critical Control Point) certificate is becoming the standard for transport companies wishing to move frozen food products. If your trucking company is not HACCP certified, it should, as a minimum, be able to produce a written procedure to ensure the trailers your company receives are clean and odor free every time.

If your company ships cross-border, a C-TPAT certificate is a must. Why take a chance in having your goods held up at a border crossing by using a carrier that is not following the latest (FAST, ACE) procedures?

To monitor the performance of their carriers, I encourage all of my clients to develop and utilize a carrier scorecard and measure their carriers on an ongoing basis. The scorecard should be custom tailored to your business. Since we now live in an era where fines are imposed for late deliveries, can your carriers drop enough trailers in your yard on a daily basis, do they pick up your freight on time, do they deliver on time, are your shipments delivered intact, is their billing accurate? A carrier scorecard is an effective tool to create an ongoing dialogue with your transportation providers and to weed out those providers that are the "weak link" in your supply chain.

Last, but not least, capture your Transportation Security Plan in writing. Traffic Managers and dispatchers come and go or get sick. Just as your company has a written plan in case of a power failure, create a Transportation Security Plan. The plan should include a copy of your up to date routing guide with all of the carriers listed. It should contain the names and telephone numbers of your carrier contact people so you know where to go if there is an emergency. In addition, it should include all of your carriers' rates and their scorecards. If you follow these simple steps, you will ensure your company has a much more secure supply chain. **CT&L**

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