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HIDDEN COSTS IN FREIGHT PROCUREMENT:

# WHAT MANUFACTURERS MISS (AND HOW TO ELIMINATE THEM)





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Freight spend visibility shouldn't stop with manufacturer invoices. There are deeper causes and more hidden costs than that surface will touch. Invisible resources—time, energy, and missed opportunities—are buried along the course of procurement workflows, and they never make a line item.

Most organizations track invoices carefully, but rarely will they measure the cost of producing them: where are they sourced, how is the data handled, and what approvals are needed.

Considerable costs like these hide in plain processes that seem impervious to inefficiency, and it's time to reveal them.

## **WHERE HIDDEN COSTS LIVE**

Where is your first great cost (time) hiding? Manual quotes, long threads, and spreadsheet slow downs consume labor that could be focused on strategy. Lost hours accumulate gradually, often without visibility, until scheduling or production teams begin to feel the delay as a real, material burden on operations.

Budget leakage is the second largest hidden cost. When teams accept lane rates without critical context, they overpay by lane, by mode, by season—and freight benchmarking exists specifically to compare rates against real-time data. Shippers can spot where they are above market, across multiple regions or suppliers. Such small deviations quietly build or erode margins over time.

The third is missed opportunities to save. Markets move, carriers update rates, and relationships shift. Benchmarking can help reprice and strengthen negotiation by replacing gut feelings with lane-specific evidence. The impact is saving money and not losing opportunities to save.

## **THE FIX**

The answer to lost time, dollars, and business advantages is not always simple. As a solution, it all starts with the freight procurement process: live market benchmarks, unlimited quoting, and centralized reporting. Each decision must be grounded in lane data rather than stale and outdated assumptions about market trends or tendencies.



Unlimited quoting removes the artificial constraints that suppress competition. But, when teams can source more broadly and compare their options without a process break, everyone has a better chance of securing a sharp rate and great fit..

Expanding the quote pool also supports diversity in carrier selection. A more diverse set means more balanced service reliability with cost control. Dashboards and reporting matter because leadership needs procurement trends and logistics benchmarks—not fleeting feelings.

Modern firms emphasize cycle time, cost effectiveness, and staff productivity, which aligns with the need to track how much work the team is doing just to buy freight. Consistent metrics make it easier to capture incremental gains and sustain them across cycles.

Live benchmarks change the conversation from the lane level and up. Instead of asking whether a rate “seems” right, teams compare real market movement, identify outliers, and initiate renegotiation where savings are possible and high. Over time, instant comparisons turn pricing into a continuous relationship rather than a periodic correction.

## **WHAT IT LOOKS LIKE**

Look at the mid-sized manufacturer that manages freight with a couple dozen spreadsheets, shared inboxes, and a handful of contractual, regular carriers. Every lane is re-quoted, but inconsistently, and none has a true market benchmark. Procurement spends hours chasing emails, finance sees the final invoice, and whatever happens in between is probably a hidden expense.

The process may sound familiar, but after moving to a digital freight procurement workflow, every lane decision can be better compared. Before award, quotes can be centralized, reporting forced into consistency, and leadership helped to see which lanes are drifting and which carriers are performing.

Visibility gives managers a measured way to prioritize work and prove the rate of progress. The outcome isn't lower freight rates by themselves, but it's better negotiations, fewer surprises, and lower friction.

## **WHY IT MATTERS**

Freight markets can not and will not stand still. Procurement needs more than historical rate sheets, because market sources consistently show ongoing rate raises and capacity pressures.



Static buying approaches are increasingly risky for manufacturers who are trying to protect margins with more aggressive stances. Predictability requires real-time data, methodical review, and repeatable processes that adapt with markets.

Real-time benchmarking and digital workflows compound these benefits over time. Teams spend less time on admin and more effort on strategy. They balance days with repeatable processes which improve business results after each cycle. The compounding advantages are steady and structural, using market conditions to improve financial realities.

## **GET CLARITY AND CONTROL OVER FREIGHT PROCUREMENT**

Really persistent, problematic, and hard-to-reveal freight costs are not on invoices. They are hidden in the process that produces them, and manufacturers that learn to modernize procurement soon see this.

You can build a durable margin advantage through better data, faster quoting, and clearer decision-making. ShipperGuide will help your teams replace guesswork with benchmarks to clarify and control freight procurement.



## 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

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