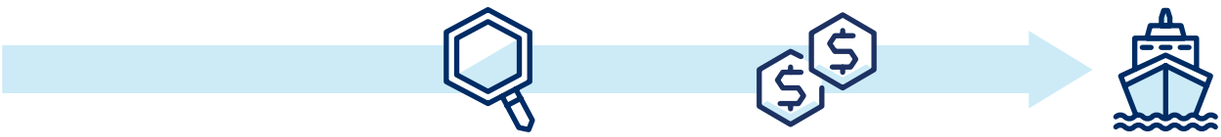


WHO PAYS THE FREIGHT?
HOW CONTROLLING FREIGHT DECISIONS CAN UNCOVER HIDDEN COSTS AND PROTECT MARGIN



Why is “Who pays the freight?” such a common expression, and why does it matter? Because the party responsible for paying the freight controls the visibility, execution, and oversight of transportation decisions. When that control is absent or poorly managed, small operational errors can result in undetected profit leaks. Over thousands of orders, they can compound into substantial profit erosion.

When Simplicity Comes at the Expense of Control



Many companies instinctively prefer not to pay the freight. Delegating transportation seems simpler and removes an operational task. However, that simplicity often comes at the cost of visibility, control, and margin. The paying company must apply resources to ensure:

- Delivery expectations are met
- Risk is considered and minimized
- Shipping variables are understood and controlled
- Hidden transportation costs don't erode profit

At first glance, this responsibility appears burdensome. In practice, it is a significant financial lever.

Control Creates Predictability and Savings



Organizations that "pay the freight" gain the power to measure and manage transportation decisions, often uncovering opportunities that were previously hidden within transactions.

Questions that frequently reveal margin opportunities:

- Does my company or the counterparty have better carrier pricing?
- Is the other party marking up freight or charging handling fees?
- Would controlling more freight increase my total volume and improve pricing?
- Are freight markups consistent with current costs?
- Do outdated "free freight" sales policies exist that quietly erode margins?
- Do sufficient controls exist to prevent shipping or policy errors?

When these questions are clearly measured and managed, freight decisions can contribute to profitability rather than simply adding operational work.

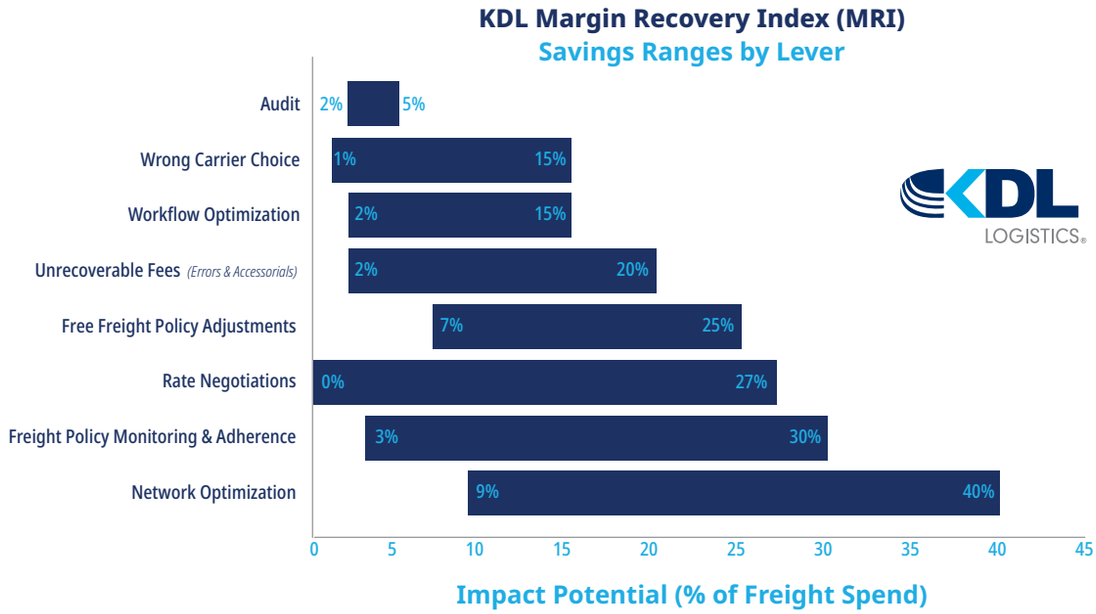
The Hidden Cost of the "Easy Button"



Companies may think they avoid costs by letting the counterparty control freight. In reality, they often still pay the freight expense, albeit indirectly. Without control, a company is entirely dependent on the other party's transportation and pricing decisions. That dependence often introduces hidden costs embedded within invoices or product pricing. Organizations that do not actively measure these dynamics often lose money with no way to see where the loss originates.

Freight as a Margin Opportunity

When margins compress due to macroeconomic conditions, organizations often search for complex solutions. Freight is commonly viewed as a burden, yet for those willing to manage that burden, it often becomes a meaningful source of savings and profit improvement. Companies that actively control freight gain greater visibility into transit and costs. They hold more leverage in carrier pricing negotiations and can drive more predictable landed and delivered cost structures. The result is improved margin stability and fewer hidden surprises within financial performance.



IF YOUR FREIGHT COSTS FEEL UNPREDICTABLE OR YOUR MARGINS ARE ERODING, IT'S TIME TO SCHEDULE YOUR SCAN.

Contact **info@kdlog.com** to begin yours and see how quickly hidden margin can be uncovered.

People Drive Logistics

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