Optimize Your Freight Shipping with the Multimodal Capabilities of Third-Party Logistics Providers (3PLs)

How 3PLs Can Help You Leverage the Right Shipping Modes for Your Business
Here’s How 3PLs Can Help You Choose the Right Shipping Modes to Enhance the Way You Ship Your Freight

By Exploring Your Transportation Options with a 3PL, You Can Increase Efficiency, Reduce Costs, and Save Time within Your Freight Shipping Operations

With so many different transportation options available to freight shippers, including truckload, partial truckload, less than truckload (LTL), intermodal, expedited, and more, it can be difficult for shippers to know which mode of transportation is best for each shipment. To make the right choice, shippers need to thoroughly understand each shipping mode and how the modes complement or clash with the type of freight they are shipping.

This can be challenging for many businesses that do not have in-depth expertise in freight shipping. In fact, in a survey of over 1,400 shippers within Echo’s network, 80.4% of respondents consider themselves to be “not at all knowledgeable” or “somewhat knowledgeable” about the freight market.

Here lies the value of working with a 3PL that offers an array of multimodal shipping capabilities. With expertise in coordinating freight shipping, transportation partners like Echo Global Logistics will be able to recommend the best shipping options for your freight in order to optimize your logistics operations.

Below are some reasons why you should consider working with a 3PL that has multimodal shipping capabilities:

**Industry Expertise and Better Strategic Execution**

Shipping freight can be complex and nuanced, so in an attempt to streamline their shipping operations, a common mistake many companies make is utilizing the same transportation mode or partnering with the same carrier for all of their shipments without considering other shipping options that may be more beneficial in certain cases. However, by working with a 3PL that has multimodal shipping capabilities like Echo, you’ll have the opportunity to explore all transportation modes.

3PLs specialize in finding the most efficient ways to transport freight, so they will be able to
help you better plan and execute your shipping strategies. For example, if a 3PL has visibility into all your upcoming freight shipments, they can recommend more elaborate shipping solutions beyond just one shipment at a time. Depending on your shipping schedule, a partner may suggest that you leverage a particular shipping mode over another or use a combination of shipping modes in order to achieve the best results. This can not only streamline your shipping operations but also improve your company’s bottom line.

**Balance of Cost, Service, and Efficiency**

Many companies feel constant pressure to keep transportation costs low and may be inclined to choose the shipping mode that costs the least. In fact, this idea was supported in Echo’s shipper survey, in which respondents ranked competitive pricing the most important factor they consider when selecting a carrier. However, the cheapest rates do not necessarily equate to the most optimal routing or best service, and shippers may end up spending more on fines or chargebacks from consignees if service issues arise.

3PLs are experts at balancing cost, service, and efficiency within freight transportation. At Echo, we know that each shipper’s industry has its own complexities and each client’s supply chain total cost of ownership (TCO) can vary greatly, so we work closely with each of our clients to evaluate their unique transportation needs, discover efficiencies, and deliver the best value. With a 3PL partner, you’ll receive the right mix of cost, service, and efficiency to meet your business needs.

**Increased Visibility and Streamlined Communication**

There are some shippers who know the value of exploring different shipping modes and work directly with multiple carriers to access a variety of shipping solutions. However, when shippers work directly with many different carriers, they will likely find it difficult to quickly and easily access all their key shipment information (e.g., load status, tracking updates, etc.), since these details come from multiple sources. Typically, this would require shippers to manually search or reach out to individual carriers for shipment information, which can be time-consuming and labor-intensive for businesses. But by partnering with a 3PL that is responsible for managing all shipments across all transportation modes and works directly with carriers on your behalf, you will only need to communicate with one partner, the 3PL, to get details on all your shipments.

In addition, 3PLs can provide technology to further increase visibility and streamline communication for shippers. At Echo, shippers can leverage our self-service shipping platform, **EchoShip™**, which allows them to quote, book, ship, manage invoices, and track shipments in real time. With all shipment information in one easy-to-use online portal, shippers can access key details whenever they need and wherever they are.
The Power of Scale

Size and scale matter when it comes to leveraging a multimodal shipping strategy. As a single shipper working directly with carriers, it would be challenging to execute a multimodal shipping strategy without partnering with an established 3PL. For example, LTL rates are largely based on the volume of freight shipped with an LTL carrier, so if a shipper chooses to utilize a truckload carrier for some of that volume, their negotiating leverage with the LTL company diminishes.

However, if a shipper’s multimodal strategy is executed in partnership with a 3PL, this would not be an issue. In the above scenario, if a shipper moved some freight from an LTL carrier to a truckload carrier, the 3PL would not lose negotiating power with the carrier because they would have many other clients that would offset this shift. In addition, 3PLs can actually gain incentives or negotiate an individual shipment’s pricing based on the volume and frequency of shipments they book with a carrier for all of their clients overall.

By working with a prominent 3PL like Echo, you have the freedom to use the shipping mode that will be best for any given shipment while also leveraging the 3PL’s carrier network and access to capacity to get the right transportation solutions for your business at a great value.

Optimize Your Shipping with Help from a Transportation Partner

Shippers can operate more efficiently by working with 3PLs that offer multimodal shipping capabilities. These partners do not just provide better options, but they offer expertise that can improve shipping operations in both the short and long term.

At Echo Global Logistics, we leverage a unique combination of industry expertise, best-in-class technology, and award-winning customer service to simplify transportation management for our clients so they can focus on what they do best. We offer clients shipping solutions across all major modes, including truckload, partial truckload, LTL, intermodal, expedited, and more.

Echo has built strong partnerships with over 50,000 carriers, creating a robust network that allows us to move more than 16,000 shipments every single day for our more than 35,000 clients. Since our founding in 2005, Echo has moved more than 26 million shipments across the country and the world.

Our team of logistics experts can work with you to ensure you’re leveraging the right transportation modes for your business. To start optimizing your freight shipping with Echo, contact a representative today at 800-354-7993 or info@echo.com, or request a quote for a shipment.
About Echo Global Logistics

Echo Global Logistics, Inc. (NASDAQ: ECHO) is a leading Fortune 1000 provider of technology-enabled transportation and supply chain management services. Headquartered in Chicago with more than 30 offices around the country, Echo offers freight brokerage and Managed Transportation solutions for all major modes, including truckload, partial truckload, LTL, intermodal, and expedited. Echo maintains a proprietary, web-based technology platform that compiles and analyzes data from its network of over 50,000 transportation providers to serve 35,000 clients across a wide range of industries and simplify the critical tasks involved in transportation management.

For more information on Echo Global Logistics, visit: www.echo.com.