

## **WHY SHOULD A MANUFACTURE CONSIDER A DEDICATED CARRIER FOR OUTSOURCING THE DELIVERY OF THEIR PRODUCT?**

**Why would a company consider turning over what is obviously a vital function to a third party when distribution represents the final touch of its product to the customer?**

- Companies should focus its energies exclusively on the core business of manufacturing top quality product to remain competitive and acquire a profitable operation.
- It frees up capital for use elsewhere in the business.
- Frequently, the outsourced provider costs of performing logistics and distribution is less than the company expended in labor and management.
- Companies can often negotiate for performance guarantees from the outsourcing provider relative to accuracy and throughput capacity, ensuring a high level of reliability, which they can leverage as a market differentiator.
- Company can remove itself from the operational & regulatory complexities of operating a transportation business that threatens to take too much time and attention away from the main task of manufacturing.
- Companies can shield itself from the significant potential liability inherent in operating a transportation business in today's environment.
- Company will have immediate access to additional drivers and equipment during the peak times of the year.
- Company will have immediate access to a team of transportation experts who can plan, develop and implement a comprehensive delivery system to meet the distribution needs.
- The Logistics Provider, in most instances, will reliably perform to the specific standards required by the manufacturer and the contract.
- Improves the budgeting process planning and cost controls, through guaranteed price protection.
- Company immediately eliminates labor relation concerns and other personnel problems.
- Company receives protection from the risks of workmen's compensation claims.

## **QUESTIONS TO ASK YOURSELF**

- Is service to our customers as good *as it should be*?
- How can we know that our shipments are delivered most *efficiently* and *economically*?
- How can we *eliminate* expensive driver recruiting, hiring, supervising, turnover *problems and costs*?
- What are *other benefits* of not having to employ drivers?
- How much does our private fleet really *cost*?
- What are the potential *risks* in managing our transportation fleet?
- Are our managers and supervision in compliance with and are they conversant with all of *the government rules and regulations* pertaining to highway safety?

## **CUSTOMER IS RELEASED FROM ADDITIONAL RESPONSIBILITIES**

- Vehicle Accident Reports (Federal and State Filings)
- Accident investigations (working along side the insurance underwriter)
- Driver Injury Reporting (Federal OSHA and Insurance Filings)
- Driver Injury Claims (follow up through completion)
- Unemployment Compensation Claims
- Compliance with Employee COBRA Insurance
- Worker's Compensation Claims
- State Department of Labor Claims
- Federal Wages and Hours Claims
- Unfair Labor Practice Claims
- Discrimination Claims
- IRS Payroll Audits
- Road Side Vehicle and Driver Inspection Reporting Procedures
- State Department of Revenue Audits
- Highway Fuel Tax Reporting
- Department of Economic Security Audits
- Wrongful Termination Compliance Audits
- Changing legal and Regulatory Requirements:
  - *Federal Highway Administration*
  - *Department Of Transportation Safety Compliance Audit*
  - *OSHA Rules and Regulations*
  - *Federal and State Licensing and Permit Filings*
  - *Drug and Alcohol Compliance Testing*

Handle all driver and supervision compensation and fringe benefit package with includes:

- *INSURANCE: Workers Compensation, Health, Life, Negotiate Rates, Inquires, Claims, COBRA, Pay Premiums.*
- *OTHER FRINGE BENEFITS: 401K, Credit Union, Incentive Bonuses, Car Allowance or Company Car, Expense Account Reimbursement*
- *PAYROLL: Report Hours, Compute Pay, Compute Tax withholdings, Compute Deductions, Tract: Vacations, Eligibility dates for Benefits, Probationary period, Anniversary dates, and management reports.*
- *TAXES: FICA, Federal withholding, State withholding, Federal Unemployment, State Unemployment, 940, 941 and W-2 Preparation.*
- *SUPERVISION: Pay Increases, Discipline Notices, Review Management Reports...Overtime...Production Costs..., Conduct Staff Meetings, Design and implement and employee handbook.*
- *HIRING & TRAINING: Advertise, Screen Applicants Calls, Review Applications, Conduct background check and references, Facilitate employee orientation and training.*