



## Challenges of Freight Claim Management

Freight claim management is a challenge experienced by all shippers. Unfortunately, when managing freight claims, shippers are often at a disadvantage compared to their carriers. For carriers, logistics is their entire business, and managing claims is a core element of that business. Therefore, they become highly skilled at declining claims.

However, for shippers, claim management is just one aspect of the logistics portion of their business. It is little wonder then, that once a claim is denied, most shippers simply accept the loss. This is just one way that shippers lose more than they should in the freight claim department.

Freight claim clerks are typically limited in their training, usually because the company does not have access to anyone to train them. Even if claims are not denied, inexperienced clerks often file a claim for less than the company is entitled to, resulting in hundreds or thousands of dollars going unrecovered.

## Knowledge is Power

Shippers who want to rein in their freight claim expenses only need the right process and training to gain the skills they need to manage their freight claims effectively. Carriers who decline claims can often be convinced to pay if given the proper evidence or argument. On top of this, claims staff who are given the right tools and processes can dramatically improve their claim acceptance rates, efficiency, and dollars recovered.

This is where the Freight Claim Assistance Program comes in.

## About the Freight Claim Assistance Program

The freight claim assistance program has been designed to help claims managers more effectively manage their freight claims through external coaching from the freight claim experts at CDS.

The program allows companies to access the highest level of freight claim expertise at a low cost, and without having to terminate any in-house claims staff. Instead, the program helps to re-train claims staff, provide support with difficult claims, and set up processes that improve the success of filing with carriers. The program can also be used with third-party contractors.



## Program Overview

The freight claim assistance program consists of 3 major parts.

First, CDS will implement MyEZClaim, the most advanced freight claim software system on the market. This is essential for improving productivity and organization.

Second, CDS will provide you with their coveted Freight Claim Assistance Guide - this guide contains the same material that CDS uses to train their best claim analysts. This guide will allow you to take control of your freight claim management and eventually manage your claims independently of CDS.

Finally, CDS will provide ongoing one-on-one guidance in order to ensure that you implement all of the systems needed to minimize your exposure to freight claim damages.

## Freight Claim Software Implementation

At CDS, we manage all of our clients' freight claims using MyEZClaim freight claim software. MyEZClaim provides features such as:

- ✓ Automatic generation of carrier reminder letters
- ✓ Storage for photos and supporting documents with the claim record within the system
- ✓ Ability to email carriers from within the system - allowing you to keep carrier emails stored with the claim record
- ✓ Ability to upload carrier and product information from your database, allowing your claim forms to pre-populate with the data

You will also receive individualized, one-on-one training to ensure that you are comfortable with the system.

## Freight Claim Assistance Guide

The key to effective freight claim management is knowledge of the proper procedures and claim laws. Here is what you will receive with the full Freight Claim Assistance Guide - the same material that we use to train our own staff.

# FREIGHT CLAIM ASSISTANCE PROGRAM



## Full Instructions for Each Department

The next step is to implement a full claim management process and define each department's role in the process. While freight claims might be delegated to the claims clerk, in reality, several departments must coordinate their efforts in order to effectively manage freight loss and damage.

CDS provides a Freight Claim User Manual outlining detailed instructions with the do's and don't's and responsibilities for each department:

- ✓ Shipping
- ✓ Receiving
- ✓ Quality Control
- ✓ Customer Service
- ✓ Accounts Payable
- ✓ Accounting
- ✓ Purchasing

In order to cater to varied learning styles, the information is provided as a narrated PowerPoint presentation.

## Streamline Claim Management With Pre-Written Forms

In order to streamline your freight claims processes, we provide all the forms that you will need in order to successfully file your claims, including:

- ✓ OS&D Report
- ✓ Letter of Intent
- ✓ Request for Inspection
- ✓ Carrier Waiver of Inspection
- ✓ Request for additional Information
- ✓ Glossary of Transportation Terms

Because all of these forms are laid out in a way that all carriers will accept, there is no need to look up individual forms for each carrier.

## Carrier Master Agreement

The Carrier Master Agreement is a key step in freight claim control. This agreement will help to prevent your carrier from declining claims based on liability limits.

*I can truthfully say that in my career, CDS is one of the greatest professional organizations I have been fortunate to work with. CDS's industry knowledge, business acumen and technical know-how positively impacted not only our P&L but ultimately our business processes.*

*- MW, Director of Finance  
Heavy Equipment Manufacturing*

# FREIGHT CLAIM ASSISTANCE PROGRAM



The Carrier Master Agreement will help you build a contract with your carrier.

- ✓ Ensure you are reimbursed fairly for damages - learn how to negotiate better liability limits
- ✓ Avoid harm to your brand & reputation - determine *in advance* how and when your carrier is allowed to sell your damaged products for salvage
- ✓ Improve cash flow by laying out expected response times
- ✓ Increase claim acceptance by setting contract precedence

## Argue Declined Claims with Legal Evidence

Carriers are highly skilled at declining claims, and it's typical for shippers to accept the declination.

However, if you have the right legal argument, carriers will pay the claim that they initially declined. We provide a series of form letters, complete with court precedents for various situations. This allows you to make highly effective legal arguments, without any formal legal training.

Here are the form letters provided:

- ✓ Poor Packaging
- ✓ Freight Bill Exceptions
- ✓ SL&C
- ✓ FA Processing
- ✓ Released value shipments

## Glossary of Uncommon Transportation Terms

Carriers may use uncommon transportation terms in order to increase confusion, and reduce the likelihood that you will attempt to argue a declined claim. For this reason, we provide a *20 page* glossary of uncommon terms in order to increase your confidence in handling declinations from carriers.

## Monthly Freight Claim Tips

In addition to the standard material, CDS continuously provides new claim advice in the form of a monthly blog. Each month we'll publish a new tip or piece of advice to help with your freight claim management.

*Your years of transportation knowledge and technology were far ahead of what our company had experienced with previous firms.*

*Your company has made my department look exceptional in the eyes of our upper management.*

*- AM Manager Logistics Business Unit – Energy*



## One-On-One Program Implementation

In addition to the above guide, we will also provide you with individualized support in setting up the following programs:

### Stop Giving Profits Away

If a customer does not receive their shipment, it is common for shippers to credit them for the lost shipment. Then you would file a claim against your carrier to be reimbursed for your loss.

However, oftentimes the shipment arrives after the customer complains and is given a credit for the shipment. The carrier then declines the claim. We will help you to implement a process to track these declined claims and rebill the customer for the shipment that they later received.

### File Claims Against Other Parties

Sometimes carriers decline claims because they are not responsible for the damages - but that does not mean that you *are*. Sometimes your supplier or dealer has sent a damaged or poorly packaged product. As part of this program, we will help you to set up processes to file claims against your dealer or supplier, as necessary.

### Prevent Damages by Suppliers

While sometimes it is necessary to file a claim against a supplier, oftentimes these damages can be avoided entirely. CDS will help you to implement a supplier compliance program to help your suppliers properly ship and package their products to avoid loss and damage.

### Claim Prevention Analysis

After the necessary procedures are put in place, the next step in a successful claim program is prevention. Most claim professionals are too busy with day to day tasks to take the time to review the overall trends in the claims data. Therefore, as part of our program, CDS will establish and review a series of reports to be generated on a regular basis. They will then review the reports to identify root causes and advise on how to reduce freight claims based on the data.

## Monthly Coaching

It is very easy to purchase a claim guide - the difficult part is making the necessary changes and sticking with the program. Just like a new fitness program, it can be difficult to maintain the necessary activities to generate claim success.

*CDS is the first company we reach out to when clients are looking to outsource claim management.*  
*- JC, Principal, Logistics Software*

To help ensure your success, we offer a monthly, one-on-one coaching session. During this time, you will meet with CDS via phone or WebEx. During these sessions, we can review your filing process, help you mine your data to track trends, or answer any questions you have about your claims or procedures.

# FREIGHT CLAIM ASSISTANCE PROGRAM



## Extra Help for Difficult Claims

The above materials and services will help you with the vast majority of your freight claim resolution and prevention. However, if there is ever a difficult claim that you want us to handle, we are always available to take over the claim processing for you as an add-on service.

*CDS is an extraordinary logistics partner, bringing perspective, opportunity, and results.*

*When our organization has had an internal view that we have done all that is possible with a financial or logistics solution, CDS proves otherwise. CDS is able to interrogate financials or business processes and find even more dollars, streamline processes, or suggest solutions that bring mutual advantage.*

*I highly recommend CDS for their willingness to educate users to self-serve, using knowledge, keen business sense, and sincere interest in helping business' excel.*

*CDS knows how to construct information and solutions for impact, good analysis, and even better results. They are a proven partner providing solutions for multiple industries and scenarios. Highly recommended!*

*- CT, High Tech Energy Industry*

## Want to see what we can do for your company?

Email us at [dickl@freightclaim.com](mailto:dickl@freightclaim.com) or call us at **847-397-1993** to learn more.

## Not Convinced?

See how we've helped other companies below.



## Case Study #1

- ✓ The company was using a 3PL with a manual claims system. CDS was asked to audit the 3PL program and internal freight claim management procedures.
- ✓ CDS implemented a freight claim software system to improve efficiency and transparency.
- ✓ Upon review, CDS identified several packaging problems which the client was then able to correct.
- ✓ CDS also found two filing cabinets of credit memos given to clients for shipments that had not arrived. Claims could then have been filed against the carrier to recover these credits, however, that was not being done. CDS implemented this as a new procedure.

**Results & Customer Comments:** "I have worked with CDS on two occasions with tremendous success. Most recently, CDS was able to identify lacking process and issues within our transportation/logistics department, specifically Freight Claim Management. CDS provided corrective action effecting internal procedures as well as our 3PL. Based on their work, we discontinued our contract with the original 3PL and we contracted with CDS to manage our Freight Claims Program. Since taking over the management of the freight claims program, CDS has increased recoveries by 700%."

- Manager of Transportation Finance.

## Case Study #2

- ✓ This client, a major food manufacturer, contracted CDS to review their filed claims along with the current procedures and processes.
- ✓ The client filed and recovered less than \$100,000 in 2012. CDS made changes in calculating the correct claim amount and modifying their existing processes and procedures. As a result, CDS recovered \$500,000 in six months.
- ✓ With training, the process was successfully turned back to the client for ongoing management.

**Results & Customer Comments:** "I requested CDS to review our freight claims process as we weren't capturing the value that was supposedly there. Dick and his team delivered in a short period of time. CDS found \$950,000 in freight claims that had not been filed. They collected more than \$500,000 in six months! In addition to the found money, our carrier base acknowledged the professional approach in working with CDS."

Senior Director, Customer Fulfillment.

**Want to see what we can do for your company?**

Email us at [dickl@freightclaim.com](mailto:dickl@freightclaim.com) or call us at **847-397-1993** to learn more.