

# Transport Topics

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## Execs Say Cross-Docking Can Help Build Business

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SAN DIEGO — Daytime cross-docking jobs can help cement business relationships with shippers and increase the utilization rate of terminals, a logistics consultant told a group of less-than-truckload executives meeting here.

Cross-docking — a one-day, hands-on version of warehousing — is highly desired by shippers, said Kenneth Weinberg, vice president of transportation software company Carrier Logistics. He said the work fits well with LTL carriers because their terminals often are quiet during the day after the rush of sorting freight overnight is done.

"I talk to shippers and they tell me they can't find enough cross-docking services, and they're willing to pay for this. Providing services like this locks a shipper in with a carrier.

"He won't be able switch to some-

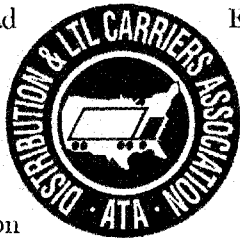
one else over a penny a pound for rates," Weinberg said Feb. 19 at the Distribution & LTL Carriers Association annual meeting.

"We do cross-docking in the daytime and LTL work at night. It helps maximize the value of our assets," said Robert Kortenhaus Sr., chief executive officer of Bilkays

Express. Kortenhaus said his company has been doing cross-docking since 1962 and that it now brings in about 30% of the revenue for his Elizabeth, N.J., firm.

As examples, Kortenhaus said his employees receive cargo containers filled with floral vases, which they break down and prepare as smaller shipments to individual florists. They also do similar breakdown/transship jobs on end-of-aisle displays found in many grocery stores.

"We've done cross-docking for more than 10 years and would like to do more of it," said Glen Merkel,



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## Cross-Docking Advocated

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president of Davis Cartage Co., Corunna, Mich., and the trade association's re-elected chairman.

Weinberg said for shippers, the appeal of cross-docking is that it saves on warehousing charges, offers quicker access to market for products and usually entails less handling of merchandise, which means fewer chances for it to be broken.

He said that a wide variety of products can benefit from cross-docking, including high-value goods that merchants do not want sitting around unsold, perishable items that must move quickly and staples with very predictable and high rates of turnaround.

Assuming that an LTL carrier already has terminal space available, he said, the additional investment required would include a supply of bar-code scan-

ners, a dock-management technology system — often an add-on to a carrier's freight-management system and technological connectivity with other transportation providers.

"Shippers are used to the tracking and tracing they get with FedEx and UPS, and they expect it from others, too. They don't want their supply-chain monitoring broken, even for a while," Weinberg noted.

He said the additional revenue and increased efficiency should be compelling arguments by themselves, but he also stressed the notion of value-added services.

"Shippers complain to me that carriers don't come in to discuss what else they can do. This is an opportunity to lock in those customers. . . . You don't want to be forced into competing on rates and quality of service," Weinberg said.