THE MRI PERSPECTIVE: FREIGHT POLICY MONITORING AND ADHERENCE

Freight spend is not determined by carrier rates alone. It is also the result of operational decisions that occur across the organization. Carrier contracts certainly define expected pricing, but freight policy adherence determines realized cost. Without oversight and enforcement, freight execution gradually diverges from financial intent. Uninformed execution allows undetected margin erosion that quietly and unintentionally reshapes the cost structure. Over time, this subtle erosion becomes the new normal.

Real-World Impact

Organizations often question why revenue growth fails to translate into margin improvement. In many cases, freight strategy is the hidden disconnect. Policies such as free freight programs or freight cost recovery models may no longer reflect current economic conditions, or they may be inconsistently applied in pursuit of revenue. Over time, these unmanaged exceptions erode the financial intent behind the strategy. Without structured monitoring and adherence, freight execution drifts from policy, allowing preventable margin leakage to accumulate unnoticed.

The MRI Impact

Within KDL's Margin Recovery Index (MRI), Freight Policy Monitoring and Adherence tools ensure freight execution remains aligned with financial intent. It brings visibility to decisions, measures adherence, and creates accountability. This oversight transforms freight from an unmanaged operational expense into a governed financial system where savings are preserved and cost remains controlled.

FREIGHT POLICY ADHERENCE OUTCOMES

With Strong Adherence	Without Adherence
✓ More Stable Freight Spend	✗ Gradual Cost Increases
✓ Improved Forecast Accuracy	✗ Unpredictable Cost-to-Serve
✓ Sustained Savings Realization	✗ Savings Erosion Between Bids
✓ Reduced Margin Leakage	✗ Reduced Margin Integrity

What This Means for Executives

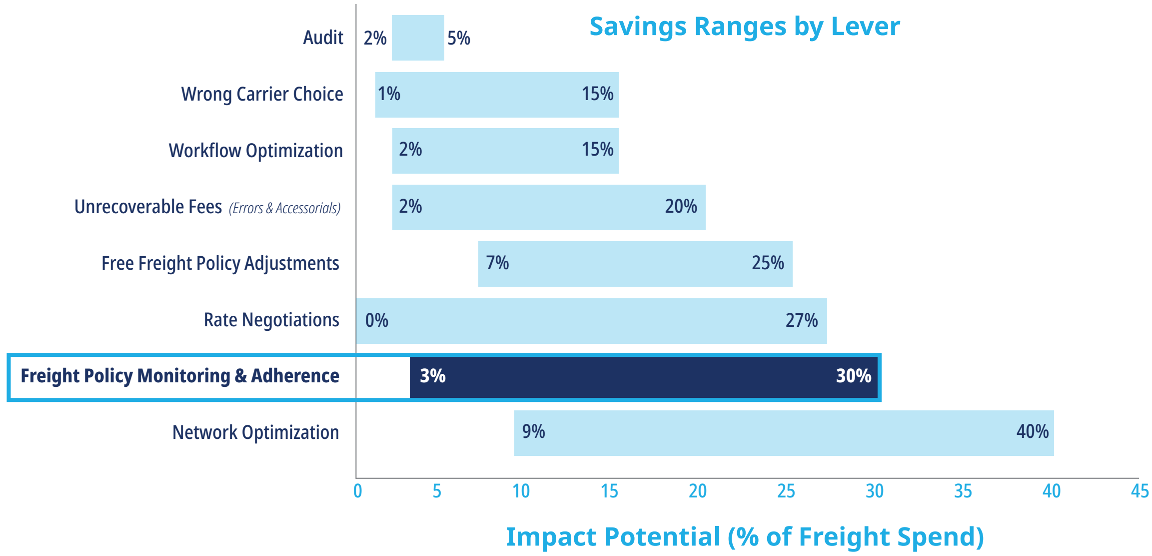
Freight is one of the few major spend categories where financial outcomes are determined largely outside traditional financial controls. KDL's MRI brings freight into the same governing framework applied to other financial expenditures. This allows finance leaders to ensure freight decisions align with financial objectives, protect negotiated savings, improve cost predictability, and strengthen overall margin performance.

Final Take

Freight savings do not disappear suddenly. They erode through everyday behaviors and decisions. Organizations that monitor and enforce policy adherence protect their margin and their financial strategy. The MRI provides the framework to ensure savings are realized, not just negotiated.

Our Margin Recovery Index evaluates seven additional areas of hidden opportunity. Allow us to show you where your margin may be silently waiting to be reclaimed. Contact KDL to schedule a complimentary MRI assessment and start unlocking both savings and strategic advantage.

KDL LOGISTICS | MRI **MARGIN RECOVERY INDEX**



TO SEE HOW ACCOUNTABILITY CAN DRIVE STRATEGIC ADVANTAGE, SCHEDULE YOUR SCAN.

Contact **info@kdlog.com** to find out how a complimentary Margin Recovery Index scan can expose the hidden costs of unmonitored freight decisions.

KDL LOGISTICS

People Drive Logistics