

HOW TO REDUCE  
**COSTS IN**  
**TRANSPORT**

Guide for carriers

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# Sources of savings in a transport company

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Carriers do not always have a firm grasp on the costs of their own operations. Thus, they do not know where they can look for savings. And they often operate below break-even.



## Where to look for sources of savings in a transport company?

As carriers operate on tighter and tighter margins, it is necessary to look at all sources of expense, even those that may seem less important. On the one hand, it is good to calculate the cost of each order, calculate the predictable profit, and on the other hand, to take care of, for example, the **monitoring of moving trucks**. This allows you to check many important parameters, such as the driver's driving style and fuel consumption. Research by the [International Road Transport Union](#) shows that **an economical driving style can reduce fuel consumption costs by up to 15%**.

The financial health of a carrier is affected by many cost factors. Importantly, small and medium sized businesses in particular do not know where their money is going. **Therefore, the first step is a thorough financial audit and identification of the sources of your largest expenses.** Auditors and accountants are telling all their clients that the cost of each truck and driver must be counted separately. Only then can we see which jobs are profitable and plan the trucker's work better.

### **Empty runs**

From the smallest to the largest, this is probably the biggest problem for every carrier. It is estimated that they currently account for nearly 20% of all transportation. You can reduce the number of these

wasteful shipments by using a **freight exchange** and the tools it provides.

### **Fuel costs**

A transport manager cannot influence fuel prices on global exchanges, but he can **negotiate prices with the company's suppliers**. Reducing the rate per liter by just 3–4 cents is going to save several or tens of thousands of euros by the end of the year.



# 20%

This is the percentage of international carriers in the EU running empty



Economic driving style can reduce fuel consumption costs by up to **15%**.

## Payment monitoring

Being able to manage liquidity helps reduce the cost of doing business. The growing debt of the transportation company creates additional burdens related to interest, penalties in lease agreements, etc.

Carriers are often afraid to collect from their customers, even if they are months behind on their payments. This is a big mistake, because with larger orders, the transport company may be on the verge of bankruptcy. To avoid this, you need **to control costs on an ongoing basis, even before problems arise**. This means reminding the customer of upcoming payments, sending reminder emails, etc.

## Servicing the truck fleet

Seems trivial and obvious? Sure. But some trucking companies only show up for service in the event of a major

breakdown. And then the cost of repair can run into thousands of dollars. For example, regular tire replacement and taking care of the correct pressure level **reduces the vehicle's fuel consumption costs by 3–4%**. No carrier should underestimate this source of savings.

## Building good relationships with drivers

Okay, but what does that have to do with reducing costs? A whole lot! According to the International Road Transport Union, **there is currently a shortage of approximately 420,000 truck drivers in Europe**. Also, some of them are about to retire. If a carrier fails to take proper care of an employee, they will quickly be looking for a new place to work. And for the vacancy the carrier has to find a new driver (which is not easy). And pay for their onboarding. This is in addition to the fact that the transportation company may not complete all of the orders on the schedule.

By correctly **identifying the main sources of costs**, a transport company manager can ensure the profitability of orders. At present, in a difficult period of the transportation market, there is probably no carrier who would not use a freight exchange. [Trans.eu](https://www.trans.eu) is the ideal solution for carriers. The platform is Europe's largest and most modern international freight exchange. It has over 100 thousand users and processes 9.5 million domestic and international orders per month. Thanks to Trans.eu, carriers can eliminate their biggest problem – empty runs – as soon as possible.



Controlling costs will help avoid financial problems.



Regular vehicle inspections reduce operating costs from repairs.



Good relationships with drivers reduce implementation costs.

# Key takeaways:

- 1.** **Do a thorough financial audit** and identify the sources of your largest expenses. You have to calculate the costs of each truck and driver separately. Only then can we see which jobs are profitable.

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- 2.** **Empty runs** account for nearly 20% of all transportation. By using a freight exchange and the tools it provides, you can make your company more profitable.

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- 3.** **Make sure your trucks are serviced regularly.** Systematic maintenance is less expensive than emergency repairs due to breakdowns. Just taking care of the correct pressure level reduces the vehicle's fuel consumption costs by 3–4%. No carrier should underestimate this source of savings.

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- 4.** **Tolls in Europe** increased by 80% in 2024. Finding alternative routes using dedicated tools can save up to 2,000–3,000 euros per truck per year.

# Build route and profits with full load from Trans.eu

We have the loads you need:

-  suited to your vehicle;
-  along your route and with an approach to loading, wherever you are.

[CREATE AN ACCOUNT](#)

# How to maintain **financial liquidity** in a difficult market

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Keeping track of costs, monitoring contractors, and reviewing contracts are important in any transportation business. In order for a company to win new business, it must be able to pay for its operations at all costs.







See the cost-saving tool

Solid cost control is the foundation of liquidity management. Fixed and variable, internal and external, financial and operational costs should be considered. The costs can be divided in many ways. One of the simplest ways to do this is to distinguish between costs associated with performing the transportation itself and other costs associated with running the transportation business.



### Expenses directly related to the transportation provided:

Fuel, vehicle depreciation (e.g., specified life of clutch or suspension parts), tolls (including toll bridge and pass crossings), ferry crossings, liability, AC and ancillary vehicle insurance (e.g., assistance package), carrier liability, driver compensation, per diem, business travel, flat rates, consumables (e.g., oil, windshield washer fluid, AdBlue), tires, environmental fees, costs related to factors affecting service delivery time, e.g., traffic congestion.



### Business expenses (fixed costs):

Maintenance of the office and transportation base: rent, lease/taxes on land occupied, salaries of employees in the office/base, payment for Internet, telephone, utilities, financing of vehicles and semi-trailers (usually leasing) and fleet replacement costs, insurance and taxes, ancillary costs (exchange rate differences, damages, fines, factoring or collection costs).



### Other issues that affect the total cost of transportation:

The distance of transportation, the size and type of cargo, the type of route chosen and the resulting restrictions and charges, the time of transportation and the time constraints of the service provided, the economic situation and the resulting sudden changes in prices.

Supply chain specialists point out that the basis for assessing a carrier's expenses

is to record the cost of each vehicle and driver. It turns out that entrepreneurs often don't do this. They plan routes incorrectly, which results in increasing losses. It is worth calculating the cost of the vehicle and driver per mile driven. This makes it easier to assess the order's profitability.

And the idea that vehicles that aren't moving aren't making money isn't always true. Sometimes it makes sense to leave some trucks in the lot. A vehicle that is not in use – even if it is still on lease – is only subject to a lease payment. Meanwhile, a moving vehicle generates additional costs for the driver, fuel, and road tolls. For all these costs, the carrier needs a sufficiently high income.

However, maintaining financial liquidity begins at the moment a transportation contract is signed. Although today's clients dictate the terms of cooperation, the contract should always be negotiated to ensure clear rules of engagement and to minimize risk. You still need to check the credibility of the future contractor before signing the contract.



Download a client verification guide [here](#).

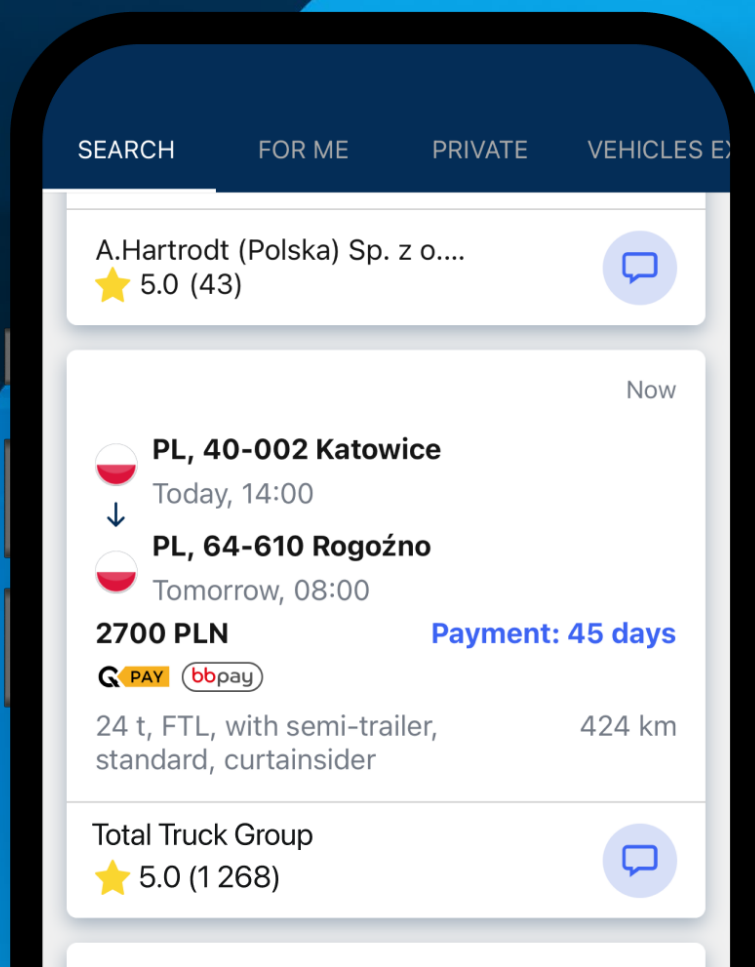
# 60-75%

This percentage of costs is related to salaries of drivers, consumption of fuel, oil and lubricants, and depreciation of transport equipment. When calculating the costs of a company, this group of expenses should be considered first. The biggest savings should be found where the biggest expenses are.

# Loads2GO! – loads along your route

Use every cm<sup>2</sup> of your loading space!  
Build long routes with the Loads2GO! application,  
that matches offers to your current location

DOWNLOAD THE APP



# Maintaining financial liquidity. Step by step



## A good deal

By verifying the customer and avoiding unclear terms, the carrier can start working with the shipper more confidently.



## Ongoing monitoring of payments

The procedures developed within the company will reduce the number of overdue payments. Sending information about the upcoming payment deadline, contacting by email, then by phone, sending a payment reminder, then a pre-court summons increase the chances of collecting the debt.



## Effective debt collection

Time is the most important factor in recovering funds. Immediate action must be taken through a collection agency if the client continues to evade payment. Or a petition should be filed with the court through a law firm.



## Reliable cost analysis

Without an audit, either by yourself or with the help of an independent expert, it is difficult to know the true situation of a company. A profitability analysis is necessary, where you need to look at the biggest sources of costs and revenues. A thorough audit will identify potential savings.



## Reorganization rather than restructuring

If the company has lost liquidity, corrective action should be taken without hesitation. Not all trucks have to go, sometimes it is better to leave part of the fleet in the yard to avoid additional costs. Restructuring of a company is a last resort, as it is a court process and often takes years.



## Better route planning

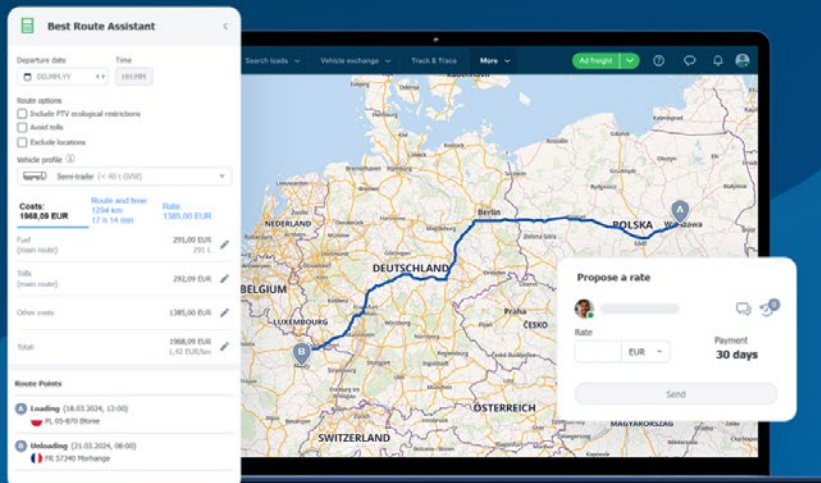
Trucks and drivers need to be better scheduled to reduce costs and maintain profits. The carrier should not take orders at any cost. It's worth using the tools offered by the Trans.eu freight exchange. For example, you can reduce the number of unprofitable orders.

# Best Route Assistant

Get loads and determine the most favorable routes in one place. The Best Route Assistant will provide you **with information about fuel costs, restrictions and tolls**.

Thanks to precise maps and accurate calculations, you can obtain orders from the Trans.eu freight exchange quickly and profitably.

Order access



# Key takeaways:

- 1.** The idea that vehicles that aren't moving aren't making money isn't always true. **Sometimes it makes sense to leave some trucks in the lot.**

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- 2.** The basis for assessing a carrier's expenses is to **record the cost of each vehicle and driver.** Keep this in mind when analyzing costs.





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- 3.** It is important to **diversify financing** by using factoring but also a working capital loan. However, the bank may cancel the loan or reduce the available limit. Then what? It is good to use a loan from another bank at the same time. It's a legitimate course of action that will help you keep your head above water in a difficult moment.

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- 4.** Since payments typically fall due after sixty days, it is necessary to **use various forms of financing.** Among the most popular are working capital loans, factoring, leasing and discounting, which is a reduction in price in exchange for faster payment.

# Cooperate with verified contractors from Poland and the whole Europe!

16,500 forwarders and shippers already trust us.  
We provide solutions that **support honesty**  
and **prevent fraud**.

The companies you will do business with on Trans.eu are:

-  authorized and verified;
-  constantly monitored;
-  subject to ratings and comments  
– you can check them at any time;
-  transparent – you see the company's data  
and an independent assessment  
of its payment credibility, TransRisk

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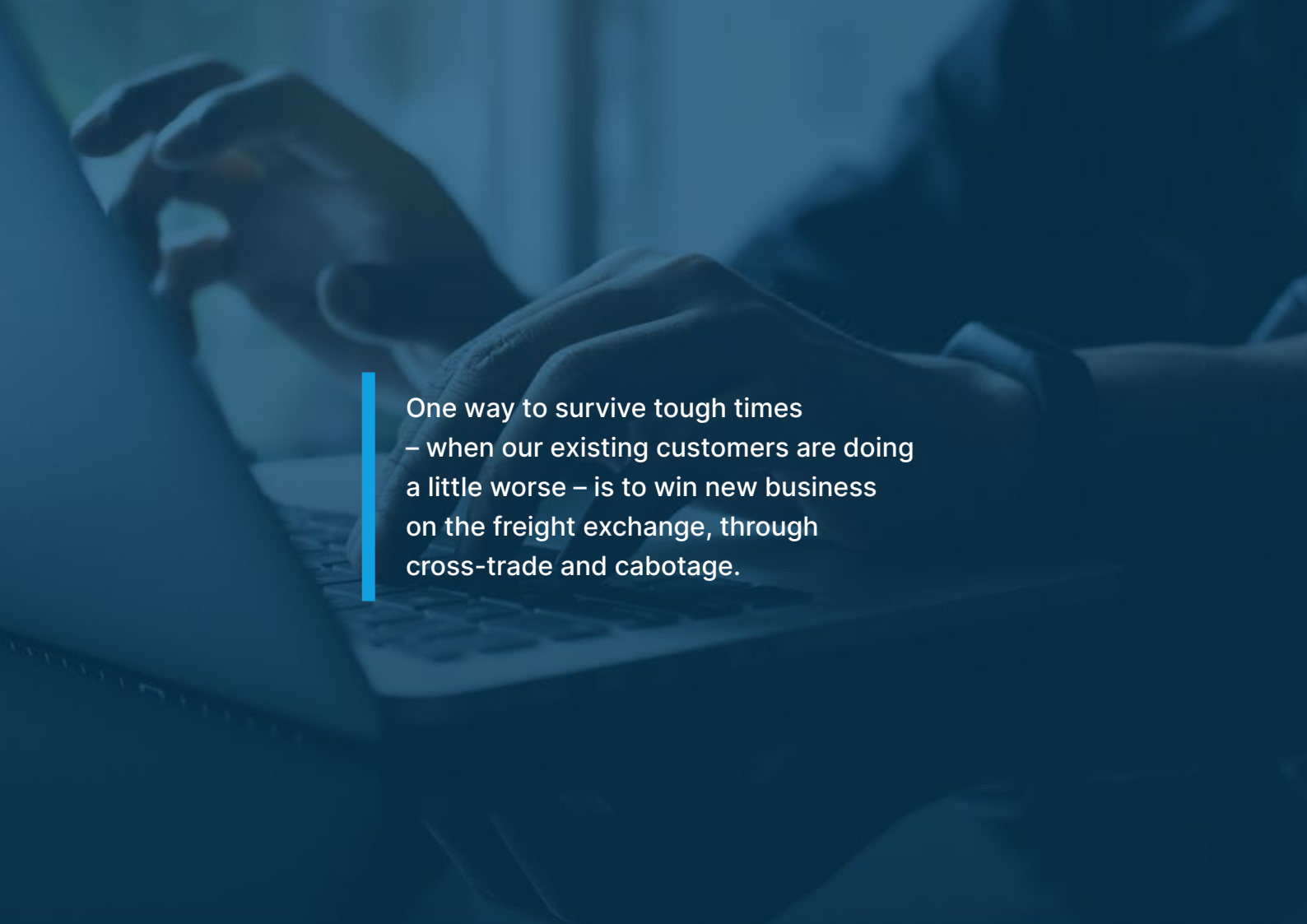
# Acquiring new orders: where and how to make money

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We live in a time when winning business and reducing so-called “empty runs” has proven to be challenging. Experts point out that an important step is to improve the quality of customer service, fast communication, additional services, etc. The company’s revenues are also increased by transportation services provided abroad.







One way to survive tough times – when our existing customers are doing a little worse – is to win new business on the freight exchange, through cross-trade and cabotage.

## Popular cross-trade

Cross-trade is one of the most popular forms of international transport. It reduces the costs of carriers and allows them to win new customers. According to estimates, cross-trade accounts for nearly 30% of all international transport in the European Union. Why is this form of international transport so popular? There are several reasons for this, but the most important one is **the improvement of transport companies' profitability**, and thus the possibility of surviving in difficult times for the freight market. Taking up orders in other countries by transport companies contributes to the reduction of empty trips.

For example, if a Polish, Czech or Hungarian carrier transports goods to Germany and then picks up goods for transport from Germany to the Netherlands, the carrier is engaged in cross-trade in the latter situation. But it could just as well be a Slovak carrier that undertakes to transport cargo from Trieste, Italy to Barcelona, Spain. **Cross-trade makes it possible to flexibly take on loads throughout Europe**, depending on where there is a greater demand for transport.

# Why is it worthwhile to offer cross-trade services?



Improved profitability, financial liquidity, and thus better economic health of the transport company.



Fewer empty trips, a real bane of international transport.



Better utilization of the truck fleet and available drivers. Mind you, payroll is one of the most important costs for the carrier after the Mobility Package has been implemented.



Expanded portfolio of customers served. A satisfied customer is likely to return to the carrier when the next order comes.



Brand building in international transport. A well-served manufacturer or distribution company is likely to share their opinion about the carrier or recommend it to other organizations.

## New orders thanks to cabotage

Cabotage also reduces empty runs and increases profitability. In short, cabotage transport is carried out in a country other than the one in which the transport company is registered. If a carrier from Poland, Romania or Bulgaria transports a load to France, after completing one order, it can still undertake 3 new transports within France. Therefore,

cabotage makes it possible to take on additional orders, which increases the company's profitability.

Cabotage enriches the transport offer throughout the European Union. Importantly for the EU climate policy, it contributes to lower carbon emissions. This is made possible by a more rational use of the truck fleet and the aforementioned reduction of empty runs.

# 9,5 M

This is the number of orders per month that appear on the Trans.eu Platform.

Increase your chances of winning new business by using the freight exchange and the additional tools available.

# What are the advantages of cabotage?



Increased profitability of the transport company and improved liquidity.



Better utilization of cargo space and reduction of empty runs.



Greater competitiveness of the carrier in a difficult market by not having to pass on higher costs to the customer.



More efficient use of drivers' working time. This is all the more important as the transport sector is suffering from a shortage of truck drivers.



Better route optimization, which also reduces carbon dioxide emissions. This argument is gaining ground in the face of increasingly stringent EU requirements.



Building confidence in the European market, which helps to expand the customer portfolio. A customer who is well served in cabotage will return to the carrier.

# Key takeaways:

**1.** Cabotage and cross-trade **build your brand in the European market.** The better the impression you leave after the service, the better your chances of getting another job.

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**2.** Both of these forms **reduce the number of empty trips** and increase your company's profitability.

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**3.** A freight exchange is still the best source of information about new orders. No one has come up with **a faster way to acquire new customers.** The Trans.eu Platform is the largest freight exchange in Europe.