

introduction

In a perfect world, every freight shipment delivered to you would arrive in perfect condition and without any major incident. Unfortunately, that's not always the case and sometimes the unthinkable can happen your shipment arrives damaged or short on quantity. While these situations are the exception to the rule, it's imperative to follow best practices for accepting freight to protect yourself against a potential claim nightmare.

In this white paper, we'll cover procedures you should put in place for receiving your freight, how to check it for damages or shortages, how to make notations on the delivery receipt, how to file a claim, and what you can do to improve your inbound shipping management. Once you're armed with this knowledge you'll be able to maximize your chances of getting fairly compensated so you can get back to business.





properly checking your shipment

Rule number one for receiving your freight - don't sign the delivery receipt until you've inspected your shipment. By signing the delivery receipt without exception you are acknowledging your shipment has been delivered in the expected condition. The driver is required to let you inspect your freight, so take the time to go through it and don't sign the delivery receipt until you're ready.

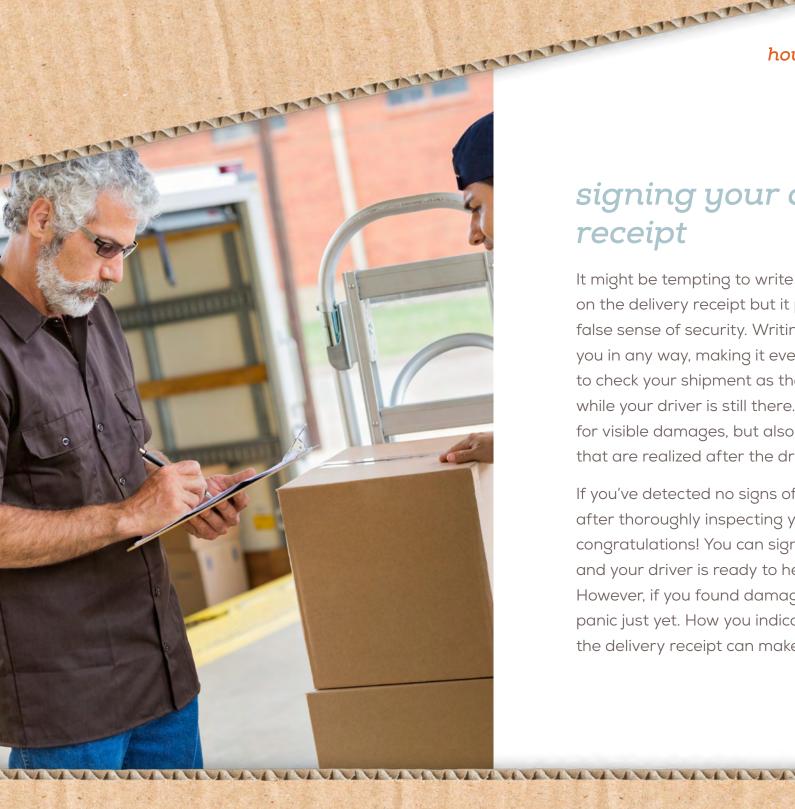
Start by taking a look at the outward condition of the packaging. Look for any damages including punctures, spills, and creases. In many cases, a quick scan isn't sufficient. Thoroughly look through each piece of your shipment for these signs of damage. If your shipment is stretch-wrapped on a pallet, also take note of the condition of the wrap. Is it loose or torn?

Next, check for shortages. Verify the vendor and carrier piece-count matches what you've received. In some cases this may seem tedious but if part of your shipment is missing, you'll be thankful you noticed it upon delivery and not after.

In some cases, you may want to open the shipment to inspect the contents. Because this could be exceptionally time consuming for both you and the driver, it might not be realistic to adopt this practice on every shipment. However, if you notice anything on the outward packaging that might indicate the contents inside could be damaged, it's better to be safe than sorry. Also, if you've had problems in the past with a particular vendor or carrier, it might be smart to take some extra time to check the inside of your shipment.

If you don't check the contents inside of your shipment while the driver is still there, be sure to unpack and inspect your shipment as soon as possible. It's important to recognize any concealed damages right away. You'll find out why when we cover concealed damages in more detail, later in this white paper.





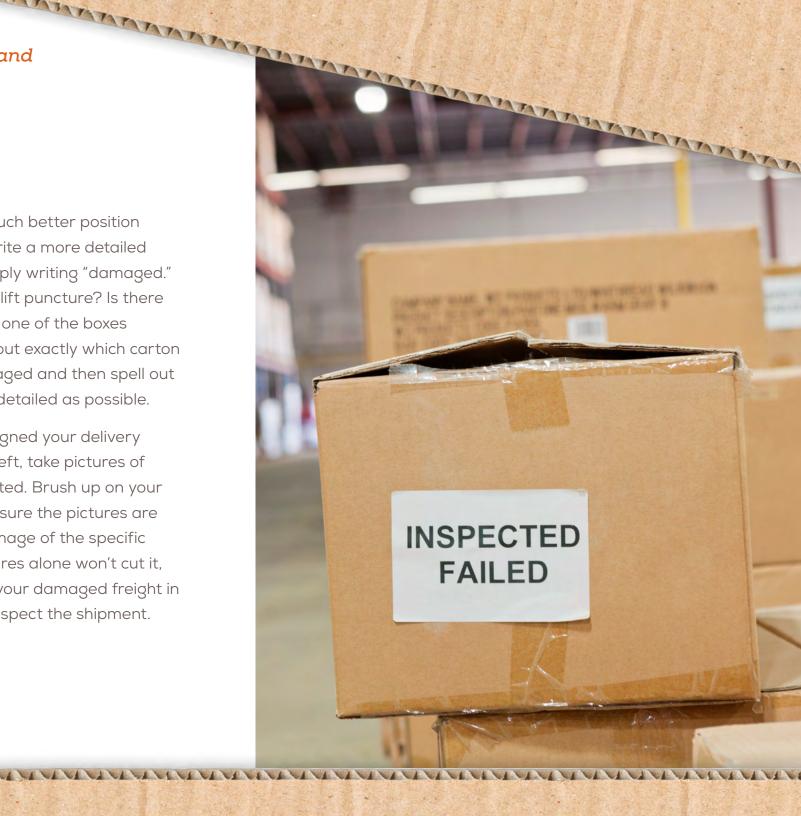
signing your delivery receipt

It might be tempting to write "subject to inspection" on the delivery receipt but it provides you with a false sense of security. Writing this won't protect you in any way, making it even that more important to check your shipment as thoroughly as possible while your driver is still there. This is true not only for visible damages, but also shortages or damages that are realized after the driver leaves.

If you've detected no signs of damages or shortages after thoroughly inspecting your shipment congratulations! You can sign the delivery receipt and your driver is ready to head to his next stop. However, if you found damages or shortages - don't panic just yet. How you indicate these damages on the delivery receipt can make a world of difference.

Be specific! You'll be in a much better position to protect yourself if you write a more detailed description rather then simply writing "damaged." For example, is there a forklift puncture? Is there a dent in the packaging? Is one of the boxes crushed? If possible, point out exactly which carton or product is short or damaged and then spell out the extent of the issues as detailed as possible.

After you've notated and signed your delivery receipt and the driver has left, take pictures of any damages you've indicated. Brush up on your photography skills to make sure the pictures are clear and provide a good image of the specific damages. Sometimes pictures alone won't cut it, so you'll also want to save your damaged freight in case the carrier needs to inspect the shipment.





filing a claim

In the event you need to file a claim, there's no sugarcoating it – it's not exactly anyone's idea of a good time. Dealing with a claim might seem daunting, but it doesn't have to completely consume your time and patience.

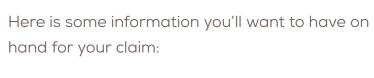
First, it's important to understand the two main types of claims. A visible damage/shortage claim is one that is recognized before the shipment is signed for. That includes any dents, punctures, and openings you notated on your delivery recipient before your driver left.

The second and trickier type of claim is a concealed damage claim. As you may have guessed, this refers to damages or shortages you discovered after the driver has left and you've signed the delivery receipt. While not ideal, these cases are not completely hopeless.

In general, you're required to file a claim within 9 months. However, in the case of concealed damages/shortages, you only have 5 days. This policy recently changed; prior to April 2015 you had 15 days to file the claim. Remember how we told you to unpack and inspect your shipment as soon as possible after receiving it? Now you know why.

Being diligent about checking your freight and taking the proper actions when you discover concealed damages will minimize your chances of losing money. Avoid moving your shipment from its original delivery location, take photos of the damage, and start the claims process immediately by contacting your carrier representative or third party logistics (3PL) company.





- A merchandise invoice illustrating the value of the damaged commodity
- A copy of the freight bill invoice
- A copy of the bill of lading
- Clear pictures of any damages

Depending on the carrier, steps for filling your claim might differ slightly. You can contact your carrier representative or your 3PL company representative to find out exactly what you need to do. The most important thing to remember is to keep detailed records and be specific.

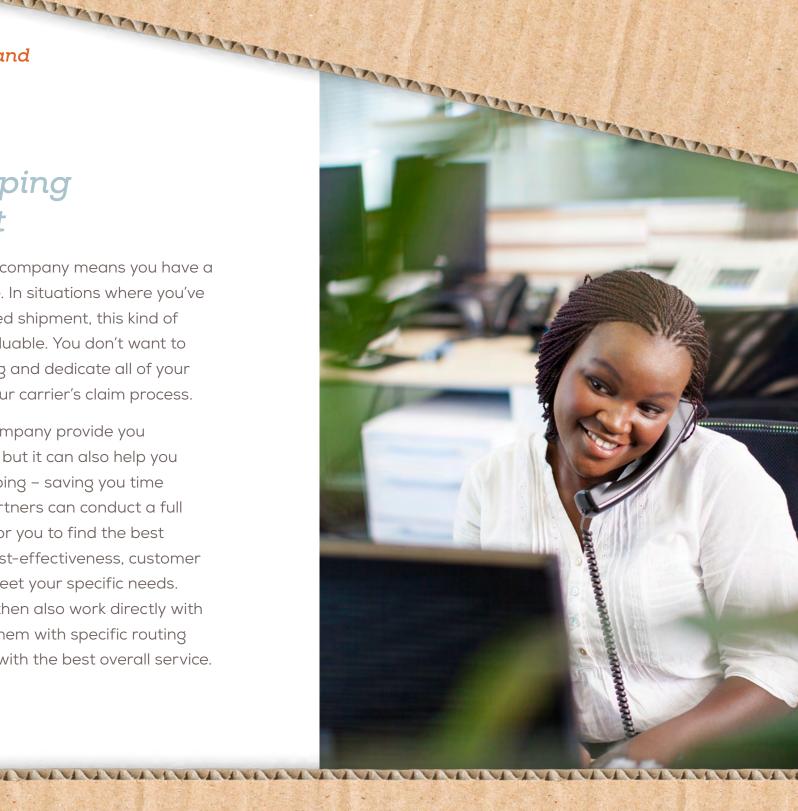




inbound shipping management

Working with a quality 3PL company means you have a personal shipping advocate. In situations where you've received a damaged/shorted shipment, this kind of partnership is extremely valuable. You don't want to stop everything you're doing and dedicate all of your resources to figuring out your carrier's claim process.

Not only can a good 3PL company provide you with free claims assistance, but it can also help you manage your inbound shipping – saving you time and money. Quality 3PL partners can conduct a full inbound shipping analysis for you to find the best carrier options based on cost-effectiveness, customer service, and the ability to meet your specific needs. The best 3PL partners will then also work directly with your vendors and provide them with specific routing instructions to provide you with the best overall service.





in conclusion

Now that you're an expert on how to accept and properly check your incoming freight, you know what steps to take to protect yourself in the event you need to file a claim. Here's what you need to keep in mind:

- Don't sign the delivery receipt until you've checked your shipment for damages or shortages.
- Specifically notate any damages/shortages on the delivery receipt, take pictures, and save your shipment in case an inspection is needed.
- File your claim as soon as possible. You have 9 months to file for any visible damages/shortages, but only 5 days for a concealed damages claim.
- When you work with a quality 3PL partner, you can receive claims assistance and improve your inbound shipping management.



about us

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528 E Lorain St • Oberlin, OH 44074 • 800-599-2902 • PartnerShip.com • sales@PartnerShip.com