



## WHY A KDL MARGIN RECOVERY INDEX (MRI)



For nearly two decades, the logistics industry has relied on the same four value props: lower rates, a TMS, basic reporting, and transactional TL coverage. These are still meaningful strategies, but today they're table stakes. Most mid-market shippers captured those gains years ago.

Supply chains evolve every six to twelve months. Markets shift every quarter so yesterday's solutions aren't driving value today. The next wave of P&L deterioration isn't driven by bad rates. It is already coming from structural margin risks that traditional 3PLs were never designed to diagnose — misaligned networks, technology gaps, and outdated policies and workflows that quietly turn avoidable costs into unrecoverable dollars.

The KDL MRI wasn't built just to improve freight operations, it is also a P&L-first methodology that exposes how much margin a shipper is silently losing across eight critical pressure points, including freight strategies, network alignment, and data integration.

These real client testimonials illustrate the "aha moment" companies reach when they move to a P&L-focused 3PL partner:



## Integration: Generates savings up to 15% of freight spend

**Challenge:** Bon Tool used KDL's TMS only for manual rate retrieval; lacked automation and real visibility.

**MRI Outcome:** Full integration unlocked workflow efficiency, carrier optimization, and ERP-level data accuracy.

*"By seamlessly integrating KDL's fully functional TMS and enhancing our logistics process, we have been able to efficiently manage shipping, enhance data accuracy, optimize carrier selection, and integrate KDL's data with Great Plains. With newfound visibility and automation, we're poised to replicate this success across our shipping locations, creating a standardized, efficient process that ensures best practices are applied consistently across our organization. KDL has been a great partner for years, and instrumental in helping us succeed on this project."*

—Sean Helman, VP Operations, Bon Tool



## Freight Strategies: Generates savings up to 30% of freight spend

**Challenge:** Weiland-Concast was assessing why revenues were up but margins were not.

**MRI Outcome:** KDL identified the root cause, realigned free freight strategy, and went on to integrate their ERP.

*"I was concerned about the demands of switching 3PLs, but can't say enough good about the transition to KDL. Their team was on-site, visible, and responsive, it couldn't have gone smoother. The free freight program has quickly shown significant cost savings that used to be profit bleed. We are just scratching the surface of what we can do, and are looking to KDL to tie systems together and automate our processes."*

—Pete Zimmerman, Administrative Manager,  
Safety and Environmental Manager, Weiland-Concast



## Network Optimization: Generates savings up to 40% of freight spend

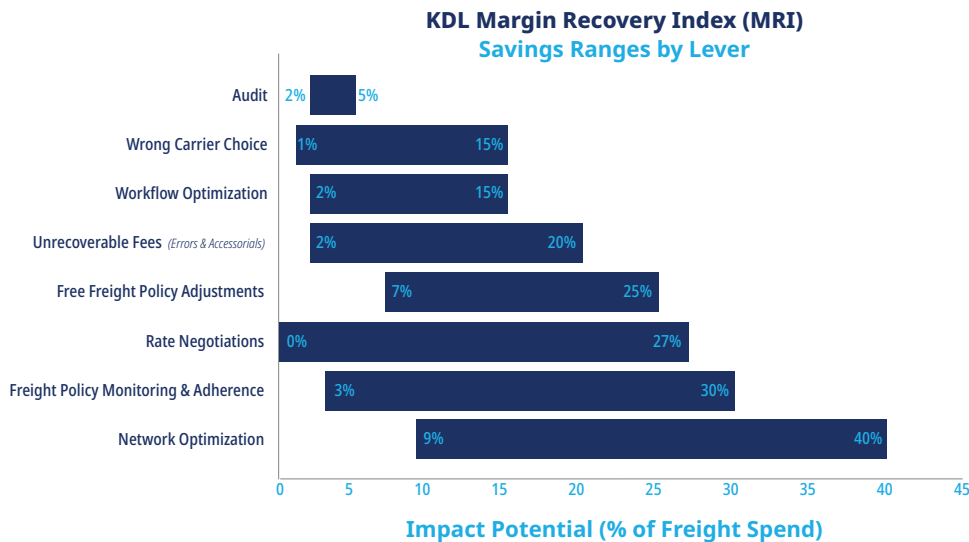
**Challenge:** The largest of Ammega’s eight shipping locations was constrained by minimal dock space.

**MRI Outcome:** KDL identified issues and realigned fulfillment strategy, reducing cost and improving service performance.

*“Ammega’s partnership with KDL has opened up opportunities for our organization that historically we did not have at our disposal. KDL has offered central visibility of our domestic LTL traffic, coupled with our ability to quickly react to the ever-changing supply chain environment. They continue to act as an important partner in our goals to become the local partner of choice for sustainable belting solutions around the globe.”*

**—Tim Dyke, Regional Trade & Logistics Manager, Ammega**

These are just three recent examples that illustrate some of the eight different modern logistics problems KDL’s MRI process can diagnose and help cure, guiding mid-size shippers to achieve a healthier bottom line.



### PROTECT YOUR MARGIN.

To identify and recover hidden margin within your organization’s supply chain, contact KDL Logistics for a personalized MRI assessment.



**People Drive Logistics**

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# WHY GOOD FREIGHT RATES FALL SHORT WITHOUT GOVERNANCE



Transportation leaders succeed or fail by improving freight spend and often focus on negotiated rates as the key to achieving their goals. But in today's complex market, negotiated competitive freight rates frequently struggle to deliver sustained savings. The issue is rarely the rates. It's what happens after the contract is signed.

Freight outcomes are governed by behavior. When those behaviors are unmanaged, execution drifts, savings decay, and cost-to-serve becomes unpredictable. The variance between negotiated savings and realized savings rarely shows up on the P&L, but its impact is felt everywhere, including on the reputation of the transportation leader.



## Freight Spend Is a Behavioral Output

Transportation sourcing events are often treated as cost resets. Organizations negotiate aggressively, lock in competitive rates, and expect savings to materialize automatically. But the contract does not make decisions. People do.

Across the enterprise, thousands of daily decisions are made by operations, customer service, sales, procurement, and transportation teams. Each decision is reasonable in isolation. Expedite a shipment to protect a customer relationship. Upgrade service to avoid risk. Grant an exception to solve an immediate problem. These decisions feel small. Necessary, even. But collectively, they reshape freight outcomes.

What follows is a familiar pattern. Savings appear briefly, but unchanged behavior continues quietly eroding the benefits. No single decision breaks the model. But over time, the accumulation of unmanaged decisions does. This is why freight cost increases often feel unexplained. The cause isn't a single failure. It's the absence of a system to govern behavior. Rates define price, but they don't define behavior.



## The Role of Governance in Freight Performance

Governance is what transforms freight from a reactive function into a controlled financial system. It is the structure that connects daily execution to financial intent. It provides clarity, visibility, and accountability. It includes enforceable freight policies that guide decision-making. Service standards aligned to cost-to-serve. Visibility into exceptions and their financial consequences and analytics that connect execution directly to the P&L.

When governance exists, something important happens. Decisions improve. Not because people change their intentions, but because they gain clarity into the financial impact of their actions. Organizations that govern freight behavior stop chasing temporary savings and build financial control that strengthens over time.



## Rates Set Prices. Behavior Determines Results.

Freight should be viewed as a behavioral system, not a pricing problem. Most organizations already possess the data. What they lack is the framework to turn behavior into financial control. The opportunity is not in negotiating better rates but ensuring the value of those rates survives execution. This requires identifying

the behaviors that drive freight outcomes. Embedding governance. Making cost-to-serve visible. Aligning execution with financial intent. Without governance, even the most competitive pricing will fail to deliver sustained results. With governance, freight performance improves because behavior is understood, measured, and managed.



**KDL Margin Recovery Index (MRI)**  
Savings Ranges by Lever



**IF YOUR FREIGHT COSTS FEEL UNPREDICTABLE  
OR YOUR MARGINS ARE ERODING,  
IT'S TIME TO SCHEDULE YOUR SCAN.**

Contact [info@kdlog.com](mailto:info@kdlog.com) to begin yours and see how quickly hidden margin can be uncovered.



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# WHO PAYS THE FREIGHT? HOW CONTROLLING FREIGHT DECISIONS CAN UNCOVER HIDDEN COSTS AND PROTECT MARGIN



Why is “Who pays the freight?” such a common expression, and why does it matter? Because the party responsible for paying the freight controls the visibility, execution, and oversight of transportation decisions. When that control is absent or poorly managed, small operational errors can result in undetected profit leaks. Over thousands of orders, they can compound into substantial profit erosion.



## When Simplicity Comes at the Expense of Control

Many companies instinctively prefer not to pay the freight. Delegating transportation seems simpler and removes an operational task. However, that simplicity often comes at the cost of visibility, control, and margin. The paying company must apply resources to ensure:

- Delivery expectations are met
- Risk is considered and minimized
- Shipping variables are understood and controlled
- Hidden transportation costs don't erode profit

At first glance, this responsibility appears burdensome. In practice, it is a significant financial lever.



## Control Creates Predictability and Savings

Organizations that “pay the freight” gain the power to measure and manage transportation decisions, often uncovering opportunities that were previously hidden within transactions.

Questions that frequently reveal margin opportunities:

- Does my company or the counterparty have better carrier pricing?
- Is the other party marking up freight or charging handling fees?
- Would controlling more freight increase my total volume and improve pricing?
- Are freight markups consistent with current costs?
- Do outdated “free freight” sales policies exist that quietly erode margins?
- Do sufficient controls exist to prevent shipping or policy errors?

When these questions are clearly measured and managed, freight decisions can contribute to profitability rather than simply adding operational work.



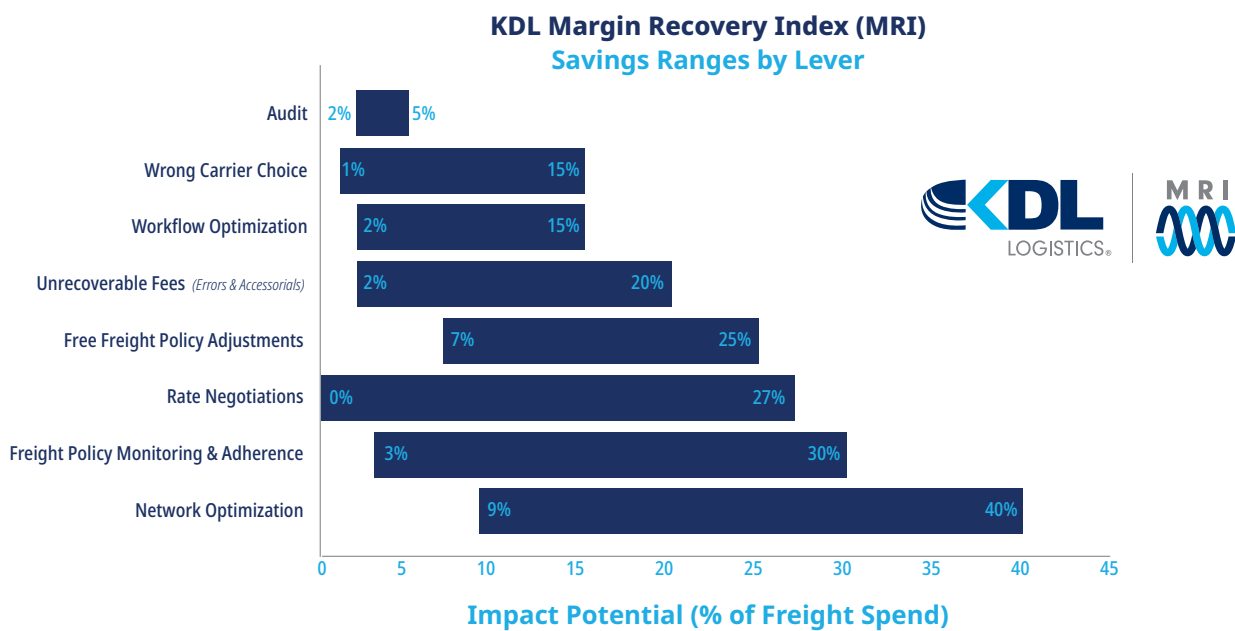
## The Hidden Cost of the “Easy Button”

Companies may think they avoid costs by letting the counterparty control freight. In reality, they often still pay the freight expense, albeit indirectly. Without control, a company is entirely dependent on the other party's transportation and pricing decisions. That dependence often introduces hidden costs embedded within invoices or product pricing. Organizations that do not actively measure these dynamics often lose money with no way to see where the loss originates.



## Freight as a Margin Opportunity

When margins compress due to macroeconomic conditions, organizations often search for complex solutions. Freight is commonly viewed as a burden, yet for those willing to manage that burden, it often becomes a meaningful source of savings and profit improvement. Companies that actively control freight gain greater visibility into transit and costs. They hold more leverage in carrier pricing negotiations and can drive more predictable landed and delivered cost structures. The result is improved margin stability and fewer hidden surprises within financial performance.



**IF YOUR FREIGHT COSTS FEEL UNPREDICTABLE OR YOUR MARGINS ARE ERODING, IT'S TIME TO SCHEDULE YOUR SCAN.**

Contact [info@kdlog.com](mailto:info@kdlog.com) to begin yours and see how quickly hidden margin can be uncovered.



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