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On-Site Surveys and Data Gathering: The First Step to Developing Your Global Shipping Profile

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Your global shipping profile is a detailed report of your company's shipping characteristics. It should contain everything from the number of packages that you ship per day to things like delivery density, claim ratio, weight distribution and everything else that you and your carrier may be able to use in order to come up with operating ratios and profitability ratios that can be easily compared. Such comparisons will enable you and your carrier to then determine your range for discounts.

In addition to increasing the leverage you can have with your carriers when it comes to obtaining better shipping rates, developing an accurate global shipping profile can also allow you to accurately compare your company's current shipping practices to best-in-industry practices, integrate your internal systems and processes, and obtain end-to-end visibility across all modes of transportation.

Unfortunately, creating a global shipping profile rarely an easy task, even for the most experienced supply chain executives. Things like obtaining and analyzing master service agreements and gauging the effectiveness of shipping cost negotiations at local and departmental levels can be daunting when you're faced with a large decentralized global shipping network. And even if you are able to obtain all of your company's agreements and analyze them, there will be countless other questions that will need to be answered before you can call your shipping profile complete. Do you know if anyone in your first tier distribution center in Hong Kong ever sends more than 35 skids to any one location, for example? What is the bulk freight rate for the four 40-foot containers your Puerto Rico location sends to Chicago?

Fortunately, questions like these and many more can be answered by taking the first, and arguably, most important step towards developing your global shipping profile: completing on-site surveys and data gathering.

Don't skip this step! If you go about attempting to develop your global shipping profile before completing this step, you will no doubt discover the need to backtrack and complete it later, making the process messier and more time-consuming than if you had tackled it at the onset.

What exactly will completing on-site surveys and data gathering do for you?

On-site qualitative and quantitative survey questionnaires, individual and group interviews, and data gathering and analysis, will allow you to do all the following:

- Determine whether or not your company's different locations and departments are conforming to standards and meeting expectations
- Obtain accurate delivery lead times (the times between orders and deliveries)
- Determine each shipping location's ability to cope with order quantity changes
- Examine the quality of your current shipment and notification technology and give you the ability to qualify alternatives
- Find out whether or not you have the internal support required to integrate and/or update new technology and processes
- Assess the ease, accuracy, and speed with which your company handles billing
- Develop a complete understanding of the technical specifications required to manage,

consolidate, and package shipments and their components

Obtaining and analyzing the master service agreements and local service agreements for each of your company's locations will help you to:

- Gauge the effectiveness of shipping cost negotiations at local or departmental levels
- Find out whether or not you have the external (carrier) support required to integrate and/or update new technology and processes
- Determine the best primary and secondary global carriers for your company and obtain better carrier rates on a global level

Gathering shipping data by location will allow you to:

- Collect and store performance data by location
- Configure a central database

Obtaining global carrier account numbers will enable you to:

- Obtain the account numbers for each of your company's locations
- Determine whether or not all locations and departments are using the appropriate or designated account numbers
- Find out if anyone other than designated personnel are using your company's account numbers
- Consolidate account numbers

Obtaining global carrier package level detail (PLD) will allow you to:

- Create profiles for all shipping locations at a global level

You will also want to complete on-site surveys for the appropriate distribution centers and obtain electronic PLD from all of your carriers.

If you suspect that performing the above tasks would be more difficult than it sounds like they'd be, you're not alone. In my experience, the number one reason that top executives decide against taking the time to create a global shipping profile is cost. The costs associated with assembling an in-house team that has the ability to complete tasks like those listed above can be so extraneous that they actually outweigh the benefits. Additionally, you may be concerned that you do not currently have the in-house expertise needed to complete the tasks above, or, that if you do, that that expertise is already being applied elsewhere in order to ensure that other urgent and ongoing initiatives are being implemented properly day to day.

Out of the need for organizational assistance, you may come to the conclusion you need to look outside of your company for a proven model that will ensure your success. The right third party supply chain cost reduction experts can allow you to create a complete global shipping profile through their ability to do the following:

- Act as anonymous and impartial collectors of data
- Make the most out of their separate professional contacts and established carrier relationships
- Provide independent and objective views and ideas
- Implement proven technology and software that will store and analyze information with increased speed and ease
- Provide honed skills and expertise
- Support your company's organizational needs by assisting you with answering important questions regarding key methodologies and operational issues
- Apply proven performance levels that allow for easier and more accurate predictions and forecasting

By selecting the right third party—that is, experts that will bring to the table the experience and proven methods required to achieve your goals and meet or exceed your expectations, you can increase your chances of developing a global shipping profile that allows you to obtain better savings at a faster rate. While the costs of hiring such a third party should certainly be a consideration, the benefits of creating an accurate and global shipping profile that enables you to lower your annual shipping spend year after year should make your initial investment worthwhile.