

Global Forwarding and the Supply Chain - By BridgeNet Solutions

10 Ways to Find Savings In the Global Forwarding Supply Chain

EASY

1. Align shipping activities to leverage benefits of consolidation services.
2. Minimize financial impact of cargo loss and damage by purchasing marine cargo insurance.
3. Take advantage of transportation providers' TMS to create visibility and take control of the supply chain.

MODERATE

4. Develop strategies to match service modes with inventory planning and sales for forecasting.
5. Create a risk management strategy-identify and understand risk types, probabilities, and potential costs.
6. Integrate to a single transportation provider's TMS to connect with suppliers and carriers globally.

DIFFICULT

7. Effectively use Incoterms when negotiating with suppliers to impact unit price, cash flow, inventory levels, and logistics costs.
8. Actively engage with a customs professional to deploy best practices in customs management.
9. Leverage transportation provider's business intelligence reporting and analytics to improve supply chain performance.
10. Utilize PO management to control the purchase order lifecycle; go upstream to supplier order fulfillment logistics activities.

Technology's Role

As companies large and small continue to expand internationally, they can no longer afford to single handedly manage the countless details and nuances of global freight forwarding. Shortened lead times, the use of multiple transportation modes and carriers to deliver product efficiently across continents, and an environment fraught with risk requires both worldwide and regional management of cargo flows.

Many companies rely on a transportation management system (TMS), hoping to keep their fingers on the pulse of their global supply chain providers. However, TMS products were developed initially to track domestic or regional truck shipments and to automate tedious, low-value processes performed by an enterprise's transportation staff. Today, few TMSs can enable global visibility to every shipment, or can interconnect disparate systems on multiple continents to provide the level of visibility to show where products are at any given point in time.

A truly global supply chain network has a single TMS architecture that spans all continents. Global visibility enables an organization to clearly see its entire supply chain. Utilization reports for multiple services and modes (air, ocean, rail, and road) on all continents confers specific strategic advantages:

- Continuous improvement to supply chain logistics in real time
- Access to business intelligence, crossing all freight and spend categories to strategically understand the impact of decisions
- Access to a centralized network of multiple providers-without integrating individually with each provider

Organizations can work with a logistics provider that offers a full suite of services, manages service performance, consistently communicates performance metrics, and offers strategic optimization to gain distinct advantages in their marketplace.

Researching Global Freight Forwarders

Is the TMS Truly Global?

There should be one system architecture that works across regions and covers all types of transportation.

Can they provide capacity options?

They should ship goods by ocean, air, rail, and land, choosing the option that best aligns with the business need. Ask about their consolidator programs to optimize spend, routings, and transit time performance.

Do they have "Boots on the ground" in key geographic regions?

Your global freight forwarder should think globally, act locally. That is, they should know global transportation, but also have deep knowledge of the local population, infrastructure, languages, politics, economy, customs, currencies, tax laws, and tariffs for each country your shipping routes touch.

Can they help access cargo risk?

They must adequately assess and mitigate cargo risk to help the company protect the bottom line.

Do they offer customs advise?

They should leverage customs information and programs to the company's advantage.
Factors of the Freight Rate

