A Freight Forwarder’s Guide to Increasing Revenue & Profit
Boundless Complexity

Very few organizations experience more complexity in their business than a global freight forwarder. Multiple hierarchies, integration with global multimodal transport carriers, customs challenges, fluctuating demand, and regional customizations for language and currency all add up to a big challenge that stands between you and higher profits.
Overnight possibility of M&A changing operations

20+ distinct stages in a typical job order

## global, regional office locations

Daily frequency of fluctuating workloads across time zones

24 transportation modes – ocean, air, road and rail

## integration with customs authorities and third-party carriers
A Global Software Platform is a Necessity

In a business as dynamic and complex as freight forwarding, technology is crucial to maintaining efficient, flexible operations. A global software platform can deliver operational efficiency, much needed visibility and the agility needed to both maximize revenues and deliver excellent customer service.

A few must-haves include:

- Ability to configure operational business rules consistent with worldwide forwarding processes
- Ability to establish organization hierarchies that align with multi-country, multi-lingual, multi-modal operations
- Global scalability and elasticity on demand

Selecting a freight forwarding software solution is no easy task, and managing a global implementation can be overwhelming. But it’s critical to get it right.

Here are 7 tips for evaluating freight forwarding software with a focus on revenue and profit. Read on >>
Automate Processes & Data Transfers

Despite advances in technology, many freight forwarders continue to rely on costly manpower to re-key information for each shipment. By using an automated system connected to trading partners, carriers, agents and brokers, information can be entered once and then automatically updated and passed on to the next party – saving time and avoiding errors.

Critical shipment documentation, including air waybills, bills of lading and manifests can be accurately system-generated and saved electronically for greater visibility.

Major efficiency gains and cost savings can be made by automating data transfer between systems, whether it’s for order management, the creation of export documentation or filing of customs declarations.

The benefits are huge. A global freight forwarder with tens of thousands of employees and logistics hotspots worldwide can save many thousands of man hours and avoid hundreds of costly errors just by using the right technology for process automation.

And of course those benefits transfer to customers.
Automation Possibilities

➤ Web-based, collaborative order management systems and services to streamline how information is exchanged with partners and customers

➤ Electronic processing of invoices and e-freight capabilities

➤ Rates and tariffs made available directly from the operational process – no copying or re-entering of critical financial data

➤ Portals that enable customers to monitor shipment locations and manage exceptions such as diversions for weather or civil disruption

➤ System-generated monitoring and management of milestones to provide proactive KPI management and ensure the customer’s standard operating procedure is followed
Speed is of the Essence

When it comes to responding to your customers’ rapidly-changing requirements, speed is of the essence. It’s a very competitive market and shippers are increasingly demanding.

The speed at which you can set up new customers or alter arrangements for existing customers can represent the difference between winning and losing a contract. For example, how quickly could you add a new route or designated cargo area or accommodate different compliance requirements?

It’s critical to consider how a freight forwarding software package can enable you to operate faster, better and with greater flexibility. Be sure to consider setup, training and the ease with which you can change workflows. In many cases, changes can be made, but they require costly additional development by the vendor. Those are the systems to avoid.

Look for a best-of-breed freight forwarding solution that allows for business user tailoring and adjustments without costly developer hours. This added agility can create competitive advantage and open up additional revenue streams.
Explore Visibility

From manufacturers and retailers, to freight forwarders and logistics service providers, to ocean, air and road carriers; the various parties involved at all stages of the global supply chain benefit from visibility of goods being moved.

Reliable shipment visibility is essential to keep goods on schedule, keep costs in check, protect margins and keep customers satisfied.

Shippers are starting to demand better visibility from freight forwarders – and this is another opportunity for you to create competitive advantage.

Look for freight forwarding software that provides end-to-end shipment visibility as a standard part of the platform. Ensure the software will allow you to create one or more dedicated web portals and allow for unique branding and customization for key customers.
Visibility

Multimodal Transportation

- Quotation/Booking
- Consolidation
- Cargo Warehousing
- Customs Clearance
- Delivery
- Invoicing
- Profit Analysis
Stay Alert

Maintaining service levels can help ensure your slim margins are preserved. Alerts are a key defense against supply chain factors that are outside of your control.

As goods move through the lifecycle, customers are looking for a view of critical milestones in the supply chain. Even more important are automated alerts, notifying them when service level agreements or major milestones are at risk.

Alerts allow you and your customers to manage shipments by exception while driving greater efficiencies. Freight forwarding software vendors now offer a wide variety of options for alerts – simple notifications that an event has or has not occurred, sophisticated options for follow up activity, and pre-defined, automated processes to alert relevant parties based on certain business rules are just some of the possibilities.

Be sure any freight forwarding software platform you select will keep you, your customers and your supply chain partners informed.
Example of alerts in practice:

- **Bad weather results in delayed ocean sailing:** e-mail notification automatically issued to agent, customer and road carrier(s) for next legs

- **Goods held at Customs:** System alert triggers urgent action internally, customer e-mailed to notify of issue

- **Air cargo leg arrives on schedule:** Notify warehouse/road carrier goods are ready for processing
Scalability is Key

If you’re a global freight forwarder looking for one solution for your entire network, you’ll need to ensure it is flexible enough to suit your business both now and in the future. It must be easily scalable for both organic growth and potential mergers and acquisitions.

Whether your chosen freight forwarding software solution is on-premises or cloud-based, it’s essential that the vendor can demonstrate scalability well beyond your current size and complexity, e.g. performance impact of short-term and long-term peaks created by users in different time zones.

Make sure your chosen vendor has worked through rigorous testing scenarios internally and with other customers. Also verify that the software allows you to create or alter multiple hierarchies and divisions without hard-coded vendor changes, which add both costs and delays that you cannot afford.

If operating in different countries, you need to ensure the freight forwarding solution offers a single global platform for operations and visibility – not one siloed system per country.
Treat Compliance as a Unique Value Prop

While many shippers place more emphasis on compliance, many of them do not have the right resources and time to focus on ever-changing compliance requirements. This presents an opportunity for you.

Make trade compliance a priority. Provide continuous education for employees and enforce strong compliance practices within your own organization and you can then offer customs compliance as a service offering to fill the void for your customers and create a new revenue opportunity for your business.

There are many ways to leverage adherence to the myriad of trade regulations. For example, ensuring shipments are screened against the “denied party list,” checking for embargoed countries or acquiring and tracking all appropriate export licenses.

These are areas where you as a freight forwarder can leverage your global software solution to provide trade compliance services to the shipper – hence enhancing both revenues and profits.
Consider your Deployment Model

With a permanent eye on margins, your business likely wants to keep internal IT resources and capital costs to a minimum. And of course, geographically diverse operations add significant complexity to the task of managing IT infrastructure.

Many technology vendors now offer a choice of on-premises (licensed) software as well as a cloud-based model for software access, allowing you to select what works best for your business. However, it’s important that you fully examine the advantages, disadvantages and costs of each approach to determine your true total cost of ownership.

While cloud deployments are increasingly popular for low IT overhead, this model is not always suitable for complex businesses with many interdependencies – in this case freight forwarding. High-speed, reliable internet access, while a given in developed Western countries, is not assured everywhere.

On-premises deployment is often the best way of ensuring software can be configured around existing IT infrastructures and complicated processes. Centralized implementation and rollout can often be more efficiently achieved with this model while affording you greater control.
On-premises vs. Cloud?

**What is the total cost of ownership over 5 years for each model?**
Ensure calculations include realistic estimates for replacing hardware (e.g. servers) at your usual trigger point and that necessary upfront upgrades are considered. Even a cloud implementation may require upgrades to user equipment and browsers.

**How much customization is possible with each model and at what cost?**
Check that customizations to user interfaces and workflows can be made to suit your business – for example to allow different offices to work in different ways across different geographies.

**How are user costs calculated and billed?**
Is there a distinction between different types of users – for example, can admin staff access the system to view information only? What impact does granting limited access to partners have? Are you billed monthly, quarterly or annually in advance? And how clear is the billing? Exactly what is billable, when and how much does it cost?
Rising to the Challenge

These are challenging times for you as a freight forwarder as you continue to deal with fallout from the global recession and spiraling oil costs.

Information Technology, which has always played a central role in relieving the immense pressure on costs, time, quality of service and profitability, is now more crucial than ever in rising to industry challenges and ensuring survival in the toughest of markets.

Every forwarder should take a hard look at operations to determine areas for cost reduction, productivity and efficiency, as well as opportunities for new service offerings and revenue streams. New software tools on the market today can help you achieve both – resulting in higher profits and improved customer service.

Add the 7 tips presented here to your checklist to help ensure you pick the right software platform for growth both now and into the future.
About Kewill

Kewill, a Francisco Partners portfolio company, is a global leader in multimodal transportation management software, providing organizations with a comprehensive end-to-end platform for managing the complexities of transportation, logistics and trade compliance. The Kewill MOVE™ platform helps companies reduce costs, manage volatility and gain greater visibility across the logistics value chain. Trade, transport, store, comply, manage and integrate – the Kewill transportation management platform gives you the insight, agility and tools you need to deliver better customer service and streamline global supply chain execution for strategic advantage.

The Kewill platform supports supply chain execution activities for more than 7,500 companies in over 100 countries. Visit us at kewill.com.