

Ship Angel Guide

Post-Covid: Navigating Choppy Waters in Shipping Rate Management



Introduction

The global supply chain has faced unprecedented challenges in recent years, from the COVID-19 pandemic to geopolitical conflicts. These events have highlighted the critical importance of effective supply chain management and the need for adaptability in the face of constant change.

COVID-19 impacted shippers in a myriad of ways including:

Shifted Consumer Behavior

Increased online shopping and home-based consumption



Supply Chain Disruptions

Manufacturing slowdowns, port congestions, and shipping delays



Introduction

Many shippers came to the realization that supply chain is not just a cost center, but a **critical business function**. Overly manual processes such as using spreadsheets to manage shipping, and outdated supply chain systems exacerbated the issues.



However, there remain a number of ongoing challenges which are continuing to impact on shipping rates, resulting in ongoing fluctuations and resulting in many shippers losing sleep.

Geopolitical tensions including the Ukraine war and Red Sea conflicts, and infrastructure issues such as Panama Canal delays are contributing factors to the continued market volatility.

The following guide provides shippers with a strategy guide to help improve shipping rate management processes and systems to ensure that this critical business function can overcome the challenging current environment, and even benefit your organization.

Guide for Navigating Fluctuating Shipping Rates

Diversify Your Vendor Base

Expanding your carrier options can provide more stability and flexibility:

1

Ensure exposure to all three major carrier alliances

2

Include reputable Non-Vessel Operating Common Carriers (NVOCCs) in your mix

3

Consider regional carriers for specific routes

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Accelerate Digital Supply Chain Initiatives

Embracing technology can improve efficiency and visibility:

1

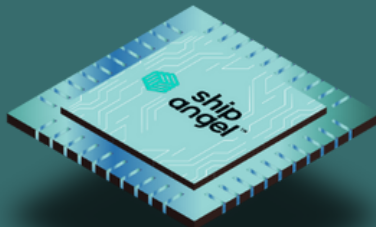
Implement real-time tracking and analytics tools

2

Utilize AI and machine learning for demand forecasting

3

Streamline processes with automated booking and documentation systems



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Software Implementation Tips



Prioritize user-friendly solutions with quick implementation times

Focus on integration capabilities with existing systems

Regularly evaluate and update your digital tools

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Measure Success Effectively

Identifying and tracking the right metrics is crucial:

Time Efficiency

Reduce senior team time spent on manual processes



Market Competitiveness

Benchmark your rates against industry standards



Service Quality

Monitor on-time performance and customer satisfaction



Cost Control

Track total landed costs and identify savings opportunities



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Holistic Supply Chain Modernization

Ensure all aspects of your supply chain are evolving:



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Develop and Maintain a Robust Disaster Recovery Plan

Prepare for the unexpected:

Contingency Plans

Regularly update your contingency plans



Future-Proofing

Conduct scenario planning exercises



Crisis Aversion

Establish clear communication protocols for crisis situations



Relationships

Maintain relationships with alternative suppliers and logistics providers



Best Practices for Rate Management

Stay Informed: Keep up with industry news and market trends through reputable sources like Ship Angel, and industry publications.

Utilize Technology: Utilize rate management software to automate rate comparisons and booking processes.

Build Strong Relationships: Cultivate partnerships with carriers and forwarders to negotiate better rates and secure capacity during peak times.

Consider Long-Term Contracts: While spot rates may sometimes be lower, long-term contracts can provide stability and priority during capacity crunches.

Optimize Container Utilization: Maximize space usage to reduce per-unit shipping costs.

Explore Alternative Routes: Be flexible with routing options to find cost-effective solutions.

Join a Shipping Alliance: Small to medium-sized businesses can benefit from the collective bargaining power of shipping alliances.

Conclusion

Navigating fluctuating shipping rates requires a proactive, multi-faceted approach. By diversifying your vendor base, embracing digital solutions, measuring success accurately, modernizing your entire supply chain, and preparing for disasters, you can build a resilient and cost-effective shipping strategy. Remember, adaptability and continuous improvement are key in today's dynamic global shipping landscape.

About Ship Angel

Ship Angel is a cutting-edge rate management platform designed to streamline logistics operations for BCO shippers. Focused on solving complex supply chain challenges, Ship Angel provides innovative solutions for rate management, amendment guard, invoice auditing, and sustainability reporting. At the heart of Ship Angel is its AI-driven technology, which empowers shippers to manage rates more efficiently, ensure contract accuracy, and optimize cost savings. With a commitment to transparency and efficiency, Ship Angel's platform helps companies avoid costly delays and disruptions, making it an invaluable tool for managing the modern supply chain. Driven by a vision to revolutionize logistics, Ship Angel works closely with clients across various industries. By offering personalized support and advanced tools, Ship Angel helps companies stay ahead in an ever-evolving global trade environment.

For more information, visit shipangel.com

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