



GUIDE

How To Effectively Manage Exceptions with Ocean Visibility



The ocean chaos that international shippers have seen regularly over the last two years is not slowing down anytime soon. Container shortages are still rampant, delays and disruptions are still a key challenge for product availability and astounding demurrage and detention fees are culminating to millions of dollars of transportation fees.

One key challenge amongst all of this ocean disruption is the delays. These could be container delays due to the container shortages; port delays like the debilitating delays at the Port of Long Beach; disruptions at sea such as the Ever Given being stuck at the Suez Canal; or containers missing transshipment ports, blank sailings or rolled containers, where the shipment doesn't get on a scheduled vessel. Customers expect these containers and their products to be delivered on-time and in-full and the expectations are even more crucial due to the "Amazon effect". One way shippers can prevent or reduce the impact of delayed or late containers is through exception management.

IN THIS GUIDE, WE'LL COVER:

- What is ocean exception management
- The major benefits of exception management
- Best practices from FourKites' customers to maximize value from ocean exception management
- How ocean exception management works within an end-to-end supply chain visibility platform to deliver even greater results



WHAT IS EXCEPTION MANAGEMENT?

In freight logistics, when events such as weather, equipment shortages, or delays at loading cause a shipment to deviate from the transportation plan agreed upon by the shipper, transportation carrier and a customer, it is known as an exception. Exception management is the process of identifying and taking steps to mitigate the impact of changes to a shipment's intended journey that result from unforeseen circumstances or external forces, such as those listed above.

The effectiveness of exception management is commonly measured by its ability to prevent negative outcomes like detention charges, OTIF or missed appointment fines, production delays, and even lost sales and reduced customer loyalty in the retail sector. Specifically in ocean freight management, exceptions can result in containers that are delayed, late or rolled cargo.

The degree to which exception management practices can be successful is highly dependent on the ability to detect exceptions early, while there is still time to take action and get the shipment back on track. Shippers and carriers that have visibility into the entirety of a shipment's journey are much more likely to be able to adjust transportation plans and mitigate the negative impacts of exceptions. And when end-to-end visibility is paired with artificial intelligence and machine learning, exceptions can be predicted in advance, allowing shippers or carriers to prevent these events before they ever occur.

WHAT IS END-TO-END VISIBILITY?

End-to-end visibility provides a complete view of a shipment from pick-up to destination with satellite precision. This allows your organization to seamlessly track each of the truckload, rail, ocean and multimodal legs in one unified platform, giving you the most accurate ETAs within a single pane of glass for all of your shipments. For ocean and international shipping, end-to-end visibility provides vessel, port, terminal, rail and drayage coverage as well as comprehensive ocean carrier integration.



“Exception Management in the world of ocean shipments is about being able to quickly identify those shipments that are at risk of delay or are already delayed, and having the tools to determine corrective or mitigating actions. With FourKites, our customers enjoy the benefits of true multimodal shipment visibility, combined with custom business rules for notifications, dynamic dashboards to highlight exceptions, and detailed drill-down reporting to get to the heart of the issues.”

Steve Dowse
General Manager of International Solutions, FourKites



BENEFITS TO EXCEPTION MANAGEMENT



Lower Transportation Costs

Reduce the added costs from delays, dwell or utilizing alternative modes by prioritizing containers that are late.



Reduction in Demurrage & Detention Fees

Drastically reduce unnecessary demurrage and detention fees through managing delays and disruptions, which can result in millions of dollars in cost savings.



Improved Customer Satisfaction

Keep customers informed on delays and provide accurate ETAs for operations and headcount planning.



Improved Product Availability

Ensure that your shipments make it to store shelves in time and in full for time-sensitive promotions, back-to-school or seasonal events even if the containers are hit with delays or disruptions.



Less Spoilage

Prioritize containers that include perishable goods and ensure that they arrive at their destination on time to eliminate risk of inventory loss and increased product and transportation costs.



“FourKites is creating great value for Bayer as we are able to see where our ocean containers are and we are able to make changes in real time. The ocean shipping industry has seen a lot of disruptions this year, but with FourKites we see physically where our containers are. We see what’s happening. And if we need to make changes, then we are able to act in time to move to another port or even switch to different modes of shipping.”

Ferenc Polgar
Global Distribution Operational Excellence Lead, Bayer Crop Science



Bayer CropScience



KEY STEPS TO RECOGNIZE VALUE

Delays and disruptions are a key challenge for shippers, and end-to-end visibility provides several benefits to manage and reduce disruptions. Visibility allows shippers to have an advantage with agility and resiliency of their supply chain operations that can make the difference between product getting to store shelves and getting stuck at port. We spoke to our top ocean customers on how they found value quickly through using FourKites to manage their exceptions. These are some of the best practices they've found to reduce transportation costs and demurrage and detention fees, improve customer satisfaction and ensure that product arrives on-time and in-full.

1. Have a One-Stop-Shop for Key Stakeholders

Shippers recognize the number of wasted hours with manual phone calls and emails with carriers to track each container. As the number of carriers or freight forwarders increases, so does the number of websites, phone calls and emails that are involved to simply know where your container is. When your container is delayed or part of a disruption, it is important that each of your key stakeholders are aware of the latest updates, ETAs and milestones and aren't working in separate siloes. With end-to-end visibility, each stakeholder can see in one platform where the containers are located in real time, if it is delayed or missed a transshipment port and when it is expected to arrive with predictive ETAs.



“We have a very large export volume — over 20,000 TEUs going out to about 54 destination countries annually — and one of our greatest struggles was visibility. We had eyesight on pickups, but as soon as the shipment departed, we relied heavily on our forwarders and steamship lines for updates. With FourKites, we can see things more clearly than ever before. We've been able to get live visibility to interruptions, monitor hand off points, be proactive to save shipments and alert our customers if there will be a delay.”

Bryan Kennedy
Transportation Manager - Exports, Kimberly-Clark



2. A Centralized Dashboard for Managing Exceptions

Dashboards, like FourKites' Executive Dashboard, provide key information in one place to troubleshoot or prioritize exceptions. Whether it's information on containers approaching or incurring detention or demurrage, dwell warnings, or rerouting alerts, stakeholders are able to easily troubleshoot why containers are categorized in a certain way. In the time-sensitive world of freight management, dashboards for managing exceptions can save hours of work and transit time for ocean moves.

Approaching Demurrage and Detention

Monitor the containers that are or will soon incur detention and demurrage fees, and receive dwell time notifications for all ocean shipments. Shippers are able to prioritize containers that are currently accumulating fees or at risk of incurring penalties to minimize their transportation costs and optimize their supply chain.

Rerouting

A shipper never wants to find out too late that their container was rerouted. Rerouting notifications allows shippers to identify containers that were rerouted due to rolled shipments or missed transshipment ports, allowing them to proactively make changes to the later stages of the container's journey.

No ETAs

Accurate ETAs are critical for proper supply chain orchestration, especially when it comes to maximizing customer satisfaction or optimizing operations planning. Lack of ETA can occur for a number of reasons, whether it is due to a missed pickup, outside disruptions, rolled shipments or missed transshipment ports. If identified and flagged via a dashboard, shipments without an ETA can be investigated, route causes determined and ETAs updated. Tracking common causes of missing ETAs over time can also inform substantial long-term operational improvements.



"I often say I spend 90% of my time on 10% of my cargo, but FourKites has really helped us to focus. We've had a lot of difficulties, but we've been able to get in front of that and be more creative because we have visibility."

VP, Global Transportation
Raw Material Commodity Trader





3. Workflow Management

Managing exceptions can quickly turn into a cycle of never-ending emails and phone calls, draining a shipper's daily productivity. End-to-end visibility allows shippers to automate exception checks and provide alignment across stakeholders. By providing streamlined workflow productivity, more time can be devoted to containers with the most financial impact or top priority.

Company-Specific Filters

Whether you are a retailer, manufacturer or chemical company, each shipper has their unique requirements for their supply chain network. Create unique filters based on company terms, operations or workflows to provide incremental efficiencies and eliminate silos. Visibility down to the PO and SKU level allows organizations to know where product is in real-time and optimize their operations and labor planning.

Tags and Comments

Ensure that each stakeholders within your organization is on the same page. With tags, comments and alerts on your shipments, incomplete information between customer service, operations and track and trace is eliminated. Everyone understands what containers have been investigated, updated or prioritized.



“One reason we chose FourKites was because internal and external users could have restricted, read-only access to our visibility data. This allows for better customer service, as customers don't have to ring the office for information. They can follow the freight movements just as the office can.”

SVP, Global Supply Chain Operations
Global Chemical Organization

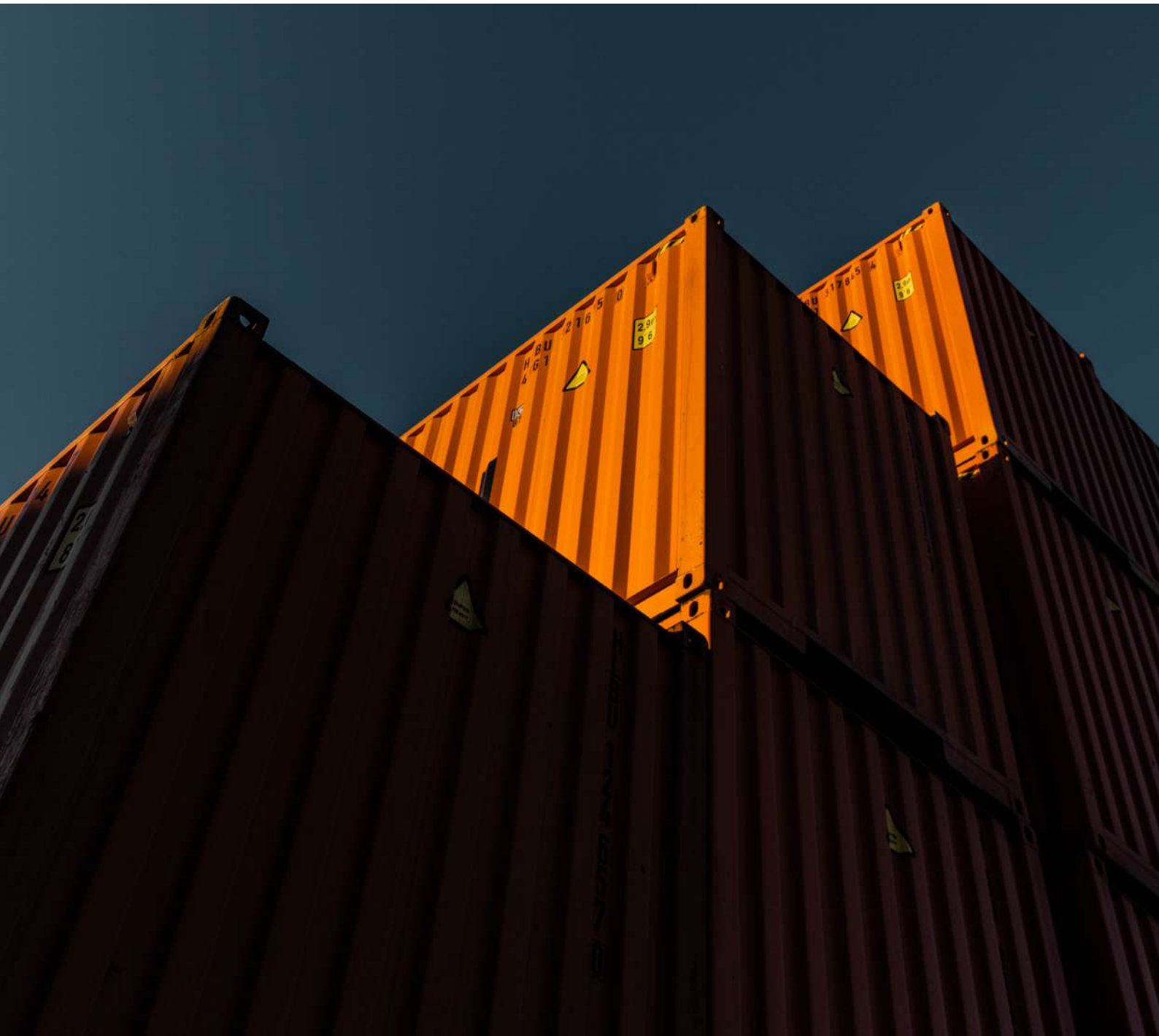
4. Reporting and Analytics

Measure how your efforts to manage exceptions are moving the needle on key metrics like on-time delivery and detention costs. You can also flag loads that have been impacted by exceptions due to human error, like inputting incorrect bill of lading information. Having a record of these errors can help analyze carrier performance and lead to more productive conversations with your service providers.



“For many shippers, exception management has gone beyond fixing emergencies. Exception management supports their entire performance improvement practice as it signals changes happening in the market or behaviors of logistics partners which lead to a broader response.”

Philippe Salles
VP of Strategic Solutions, FourKites





GET STARTED WITH REAL-TIME VISIBILITY

We'd love to show you why the world's most recognized brands trust FourKites as the #1 solution for supply chain visibility. Modernize your international shipping with end-to-end visibility and next-level workflow and collaboration solutions.

SCHEDULE A DEMO

