



E-BOOK /

The Shipper's Guide to Optimizing Ocean Freight Management





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In March 2021, the Suez Canal blockage from the 1,300 foot-long vessel Ever Given caused a ripple effect of delays throughout the global supply chain ecosystem. Months later, organizations are still affected and are putting measures in place to mitigate the impact if they face a similar disruption in the future.

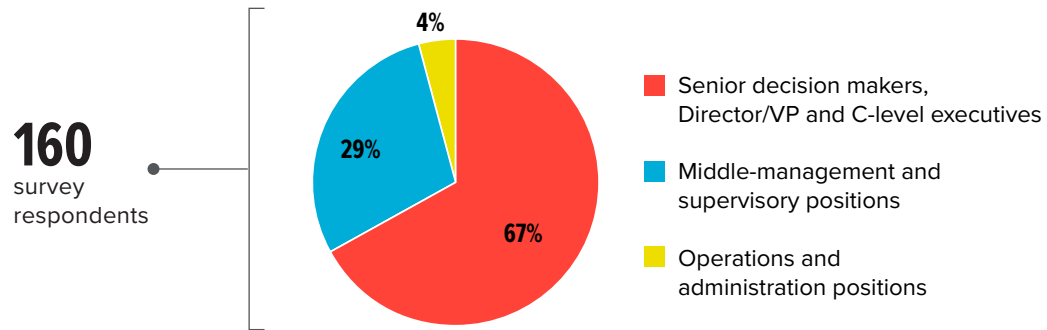
From global pandemics to seasonal severe weather, shippers routinely face obstacles big and small when managing international container shipping operations. With each disruption it becomes increasingly apparent that the industry-standard processes are manual, dated and tremendously inefficient.

There are many variables, documents and parties involved in ocean freight, and a delay or issue in one can result in an organization's customer experience suffering. The required documents can depend on the origin, destination, type of products, among others. If an organization does not have the correct documents secured, this can cause massive delays, high demurrage fees, delays in profit and claims from customers.

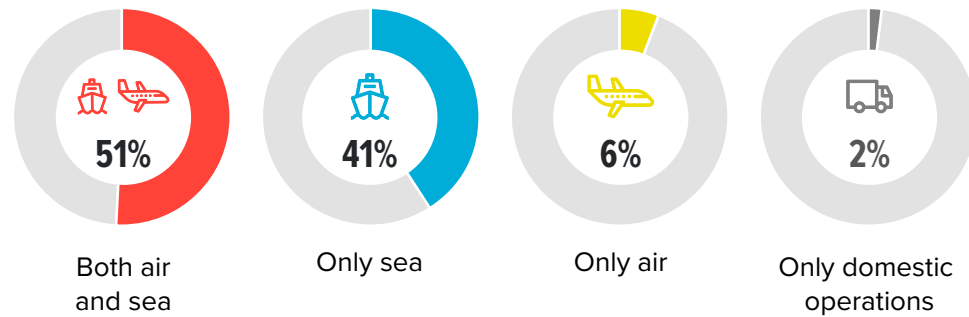
This is no longer feasible. Organizations must adapt in order to manage disruption and meet the needs of their customers.

This market analysis, sponsored by FourKites and conducted by Shipping and Freight Resource, measured the freight industry's readiness to invest in new technologies. The findings point to a significant gap between the current processes used in ocean freight management and the actual needs of the organizations surveyed. On the whole, global shippers expressed a desire for better and more efficient technology to solve today's challenges, requiring drastic innovation from technology providers.

Survey Demographics



Modes Used for International Shipments





What Are the Major Challenges for Ocean Shippers?

The survey aimed to evaluate the industry's readiness for freight technologies by exploring levels of automation in global supply chains, types of systems currently in use, and respondents' satisfaction with those systems.

RESPONDENTS INDICATED THAT THEIR BIGGEST CHALLENGES IN MANAGING GLOBAL FREIGHT WERE:



35%

Delays due to use of manual processes



30%

Rate quotations took too long



20%

Cumbersome booking processes



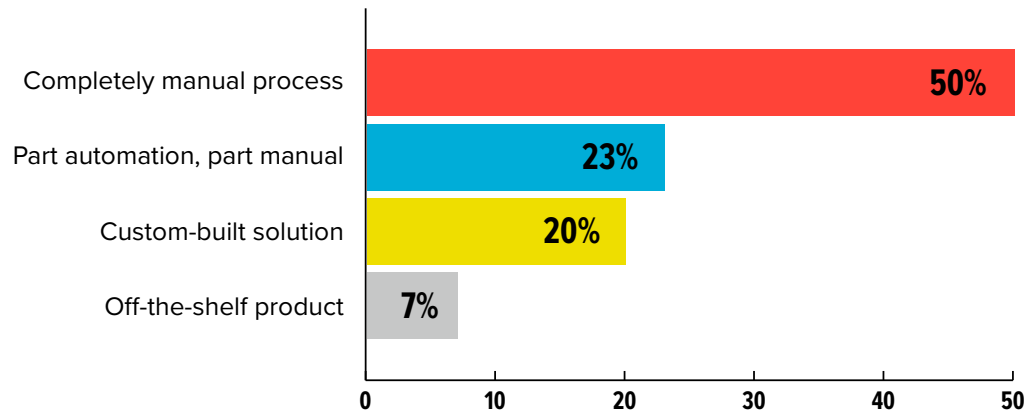
9%

Long drawn rate management processes and after-sales

Freight Management Systems Used

SURVEY QUESTION

What sort of freight management system, if any, does your organization use?



“In addition to indefinite quotations, information is always received late in case of delay or damage occurred.”

— Survey Respondent



WHAT IS A VISIBILITY PLATFORM?

According to Gartner, Visibility is defined as a capability that provides controlled access and transparency to accurate, timely and complete data and events, within and across organizations and services, to support effective execution of supply chain operations. For Real-Time Transportation Visibility (RTTVP) platforms, the focus is on the movement of your shipments, via the aggregation of data sources, to provide insights to shippers, carriers, commercial customers and more. These platforms provide “a single pane of glass” around your shipments, especially with your ocean shipments when there can be a “black hole” of information during transit. With the new reality of port congestion, visibility platforms can provide foresight and allow organizations to make changes to their ocean shipments to prevent delays, demurrage fees, reduction in customer service and loss of profit.

KEY BENEFITS OF A VISIBILITY PLATFORM

- Better & proactive customer service
- Increased labor efficiencies
- Reduce OTIF penalties
- Reduce detention and dwell
- Increase capacity
- Reduce safety stock buildup
- Collaboration throughout the supply chain

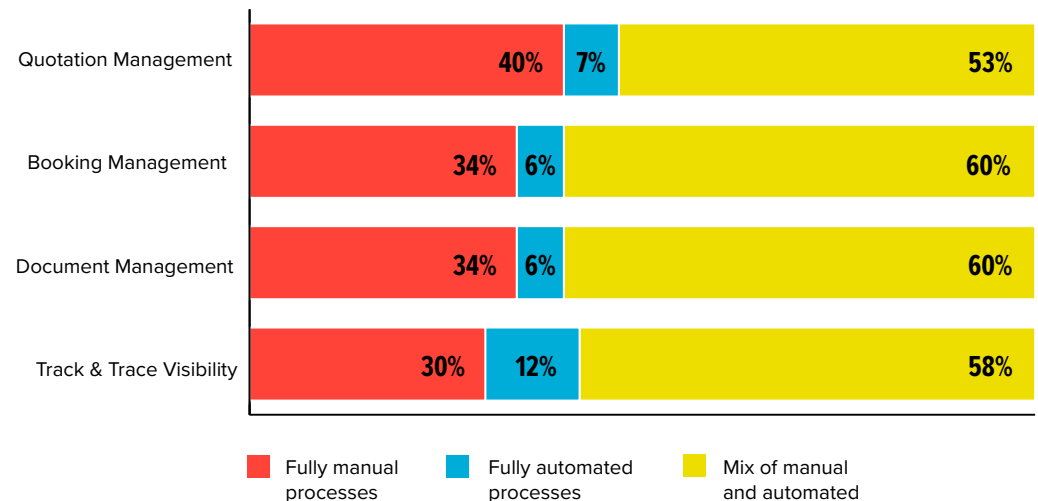
Automated Operations

The process of managing ocean shipping has traditionally been a manual process, using phone calls and email to communicate and understand where a container is in the ocean journey. Emails and phone calls back and forth can create inefficiencies, incorrect documentation and delays that could be avoided with the right technology.

SURVEY QUESTION

What is your organization's level of automation?

With respect to the level of automation being used in operations, respondents were asked to rank their level of automation on a scale of 1-5. This is how they responded:

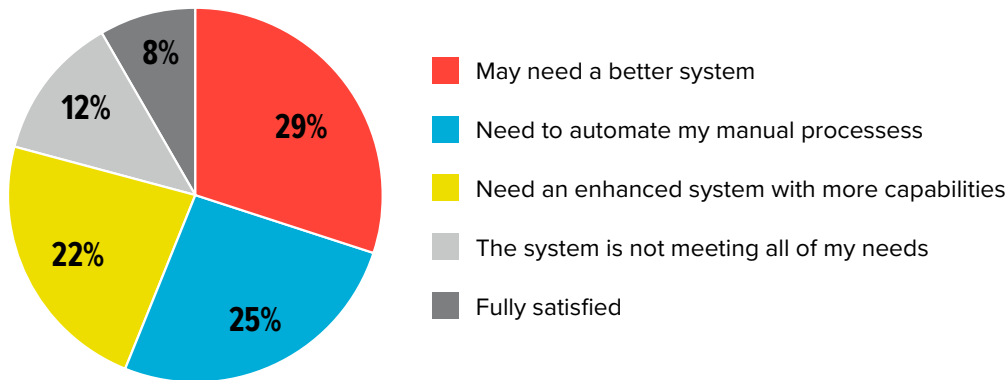


Level of Satisfaction

There are many challenges around manual processes, knowing where your container is and if it will arrive on time. New technology is available for the market, but it is easier for organizations to adopt when there is alignment between all the stakeholders. First, you must determine if these stakeholders are satisfied with the status quo.

SURVEY QUESTION

Are you happy with your current systems?



Multimodal Global Capabilities

FourKites' multimodal global capabilities enable our organization to have a single pane of glass across the globe. This, coupled with FourKites' customer-focused product roadmap, makes our organization comfortable with the abilities in place today and excited about the future potential."

— SUPPLY CHAIN ARCHITECT

EASTMAN



According to Gartner, “by 2023, 50% of global product-centric enterprises will have invested in real-time transportation visibility platforms.”

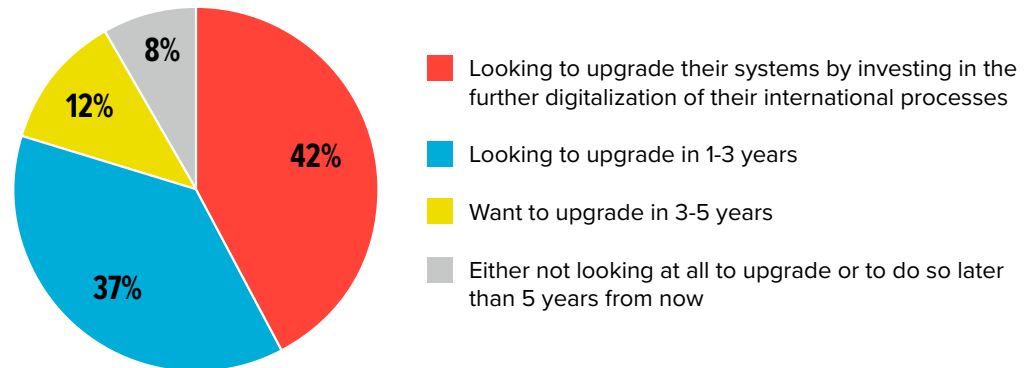
— Gartner, “Magic Quadrant for Real-Time Transportation Visibility Platforms,” Bart De Muynck, Carly West, 14 April 2021.

Investment in Digitization

The digitization of ocean freight processes can have positive impacts across the business with a measurable ROI. Communicating potential ROI to internal stakeholders and decision makers is key to organizational alignment around a new technology investment. A comprehensive ocean freight management solution enables greater efficiency for teams, better inventory management, improved customer experience—but are industry professionals ready to upgrade their current processes?

SURVEY QUESTION

When do you plan to invest in digitalization of ocean freight processes?



Areas of Improvement

When evaluating the level of satisfaction with current systems, it can be helpful to pinpoint specific challenges users encounter. Ensuring these pain points are given special consideration when considering new software or processes is critical to getting buy-in and successful change management down the line.

SURVEY QUESTION

What areas of improvement are you looking for in a freight management system?



61%

wanted to improve their quotation management and track and trace visibility.



60%

were looking to better their document management.

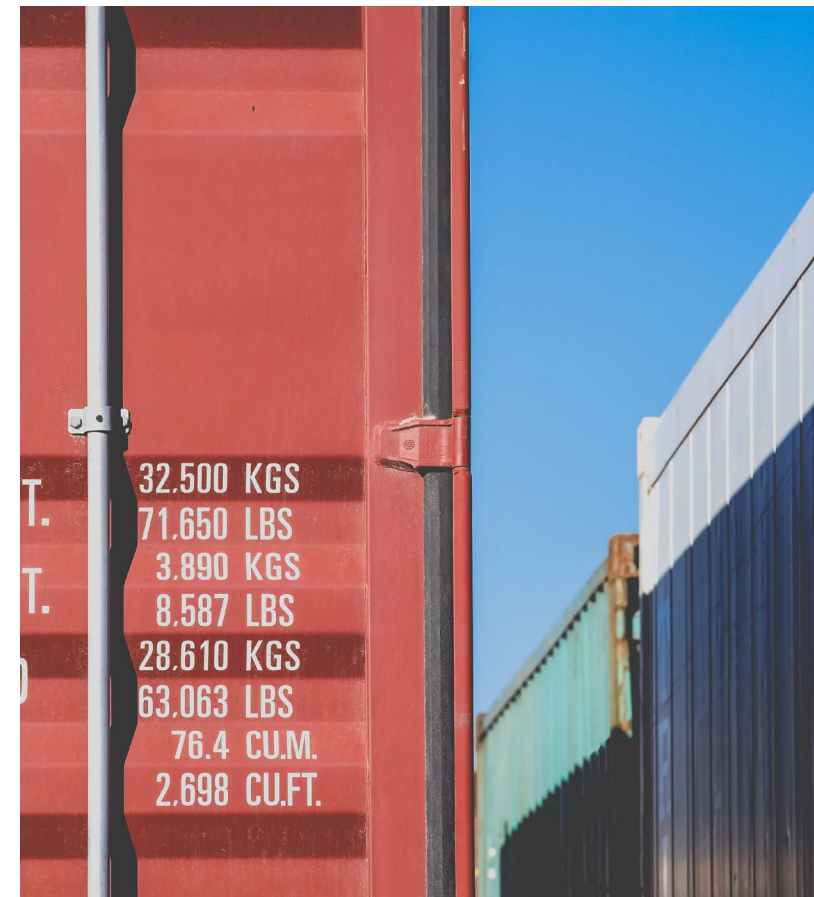


56%

wanted to increase the efficiency of their booking management.

“We want freight invoice control and cost calculation for a shipment with easy understanding of the margin.”

— Survey Respondent





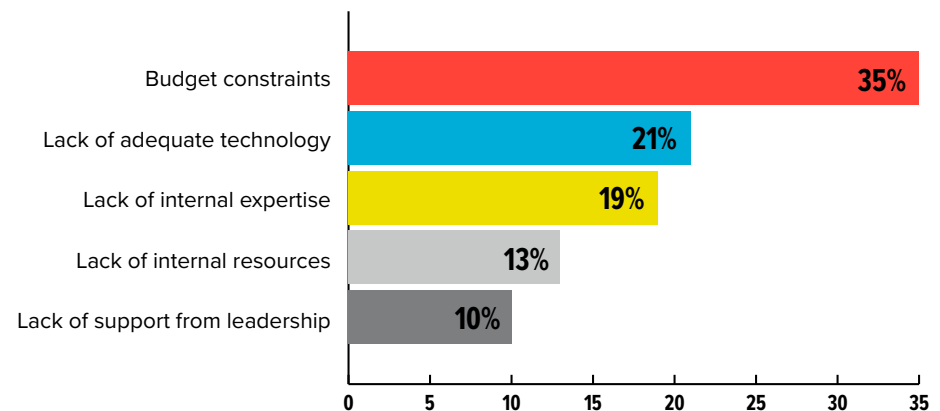
Major Barriers

Lean and automated processes are the way forward in the logistics and supply chain industry. Many of those who manage ocean freight understand the value of improving systems, but making a change is much easier said than done.

Overall, **92%** of survey respondents were unhappy with their current systems, but only **42%** were looking to make a change, indicating barriers to adopting new processes and systems. This points to a need for more education in the market about the ROI of ocean freight management systems and recent innovations in industry technology.

SURVEY QUESTION

What are the major barriers to the automation of freight operations?



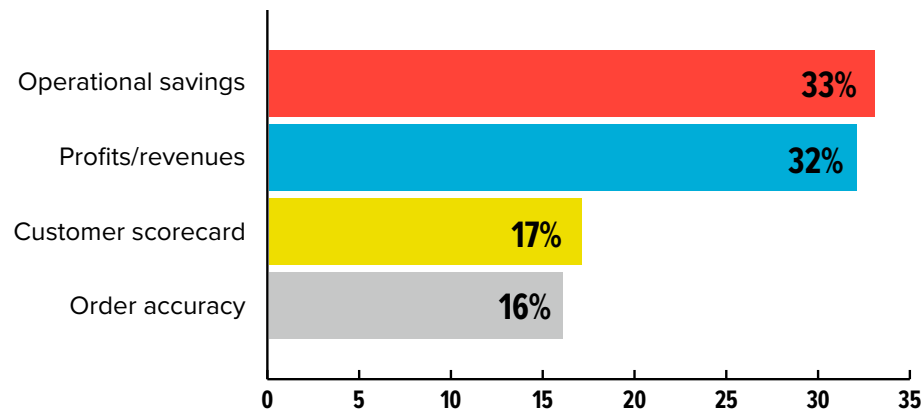
Return on Investment

One of the key considerations when evaluating a new technology is whether or not it will provide a substantial and speedy return on investment (ROI). How businesses measure ROI can vary based on the business goals, which can include increasing operational efficiency, reducing costs, optimizing inventory planning, improving relationships and improving the visibility strategy. To understand some of the drivers that would lead organizations to invest in a new ocean freight management system, we asked survey respondents to weigh in on how they'd measure ROI.

The most significant takeaway was that **82% said they would like to receive customized solutions for their pain points!** This not only points to the readiness, but also, the industry's need for freight technologies.

SURVEY QUESTION

What is the most important measure of the ROI of new technology?



SUCCESS STORY



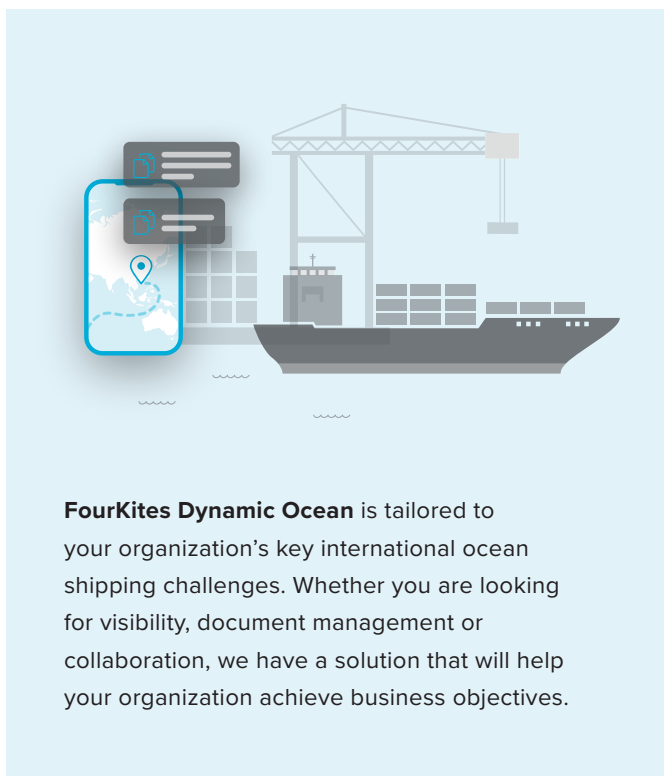
CANFOR LEVERAGES FOURKITES FOR OCEAN VISIBILITY

Canfor, a global supplier of lumber, pulp and paper, is a winner of FourKites' Golden Kite Award, for achieving great visibility results with FourKites. Canfor ships a very perishable product, wood pulp, overseas to customers that can only hold a couple day's worth of product. If there are ocean delays, this can be very disruptive to Canfor's customers, which has happened regularly in the past. Decreases in customer satisfaction caused Canfor to look elsewhere for a premier visibility solution. By using FourKites' dynamic ETAs and creating custom dashboards, Canfor was able to monitor the shipments of their priority customers and be alerted for any late shipments.

As a result of implementing FourKites, Canfor tracks 50,000 shipments annually and automated reports for exception management for their international customers now. All in all, Canfor now monitors shipment movements and has streamline the supply chain process.

“FourKites Ocean’s automated reporting and tracking provides more accurate and real-time data, which allows Canfor to respond to customer inquiries quicker and with up-to-date information on our upcoming shipments that would have otherwise had to be manually tracked.”

— Bob Hayes, Vice President, Global Supply Chain, Canfor



What Type of Freight Management Platform is Right For You?

Not all international freight management platforms are created equal. Understanding the differences in functionality and platform vendors and is a critical part of incorporating a system upgrade into your organization's supply chain strategy.

Here are some key functionalities to look for:

End-to-End Visibility: Every leg of the ocean journey will impact your end customer's experience, therefore you need true end-to-end coverage from your visibility platform. With visibility into port, terminal, truckload, rail and yard, you can focus on exception management. Get ahead of disruptions by seeing the full journey, share load status with internal and external customers and leverage accurate ETAs for proactive planning.

Quality Data: Tracking coverage is important, but equally important are the data sources used for tracking and the resulting data quality. Does the prospective platform use web scraping technology to collect status updates? This technology has its limitations. You should seek a solution that uses a multi-layered data approach that spans international terminal, port and dray data to prevent blindspots or outages in visibility. Additionally, having direct carrier integrations ensures a seamless process for tracking your container locations.

Document Management: The average ocean shipment uses 9-15 documents throughout its journey. To ensure that your container is not delayed and minimize demurrage fees, look for an ocean freight platform with document management capabilities. The automation and ease of documentation storage make the process of correcting errors or disputes in invoices seamless. For example, when a physical bill of lading is produced and an error is found, it often needs to be reproduced and resent by the courier. If a shipment is delayed, misrouted or lost, being able to quickly locate the appropriate document is critical. The loading of a shipper's documents into the cloud eases the restraints on manual data entry and the associated errors that are a natural byproduct.

Rate and Booking Support: Whether you use a freight forwarder or book your ocean freight internally, selecting the most efficient method to ship cargo is the value add of all supply chain professionals. That said, choosing the correct ocean or air cargo carrier is time-consuming.

Freight forwarders and shippers still contact each carrier directly to check capacity, transit times and rates. Finding a platform that has a single integration of all ocean and air carriers creates a virtual environment in which bookings can be automated. Even more, when there is port congestion or delays in your shipment, platforms with the booking capabilities can greatly help prevent delays or missed appointments.

Workflow and Collaboration: With the countless emails going back and forth, it is important to find a platform that has collaboration tools that makes it easy to communicate with your internal and external teams. The key is to find real-time messaging tools that are organized by your shipments, which allows all your information to be one central location. The most efficient platforms provide automated templates, set permissions for global teams, and trigger tasks based on documents and other international shipping factors.

FOURKITES DYNAMIC OCEAN



25+

major carriers with
direct integrations



100%

of coverage in terminals in north
America & major terminals in Europe

Schedule Data Across:



270K

ocean lanes



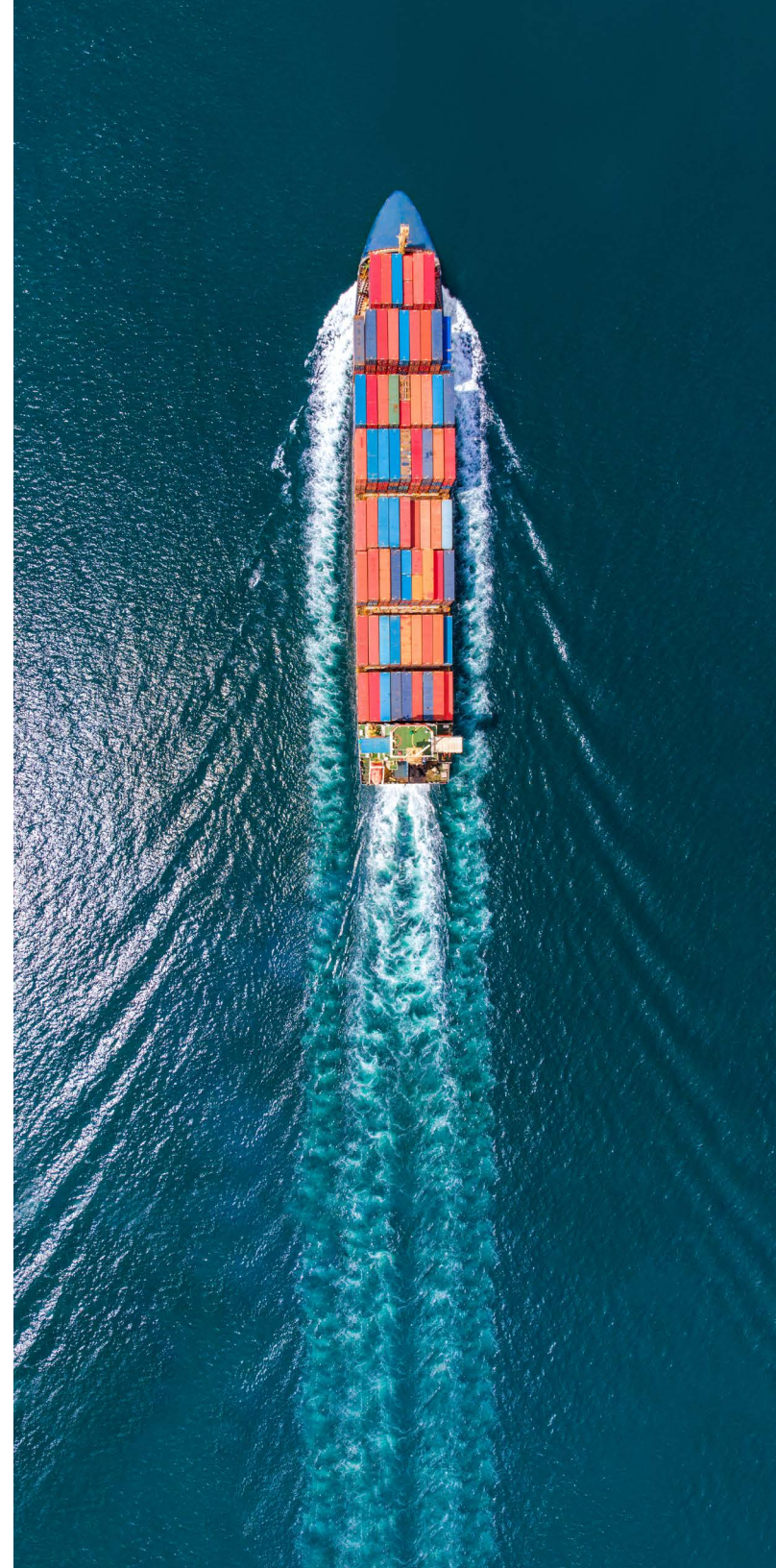
120

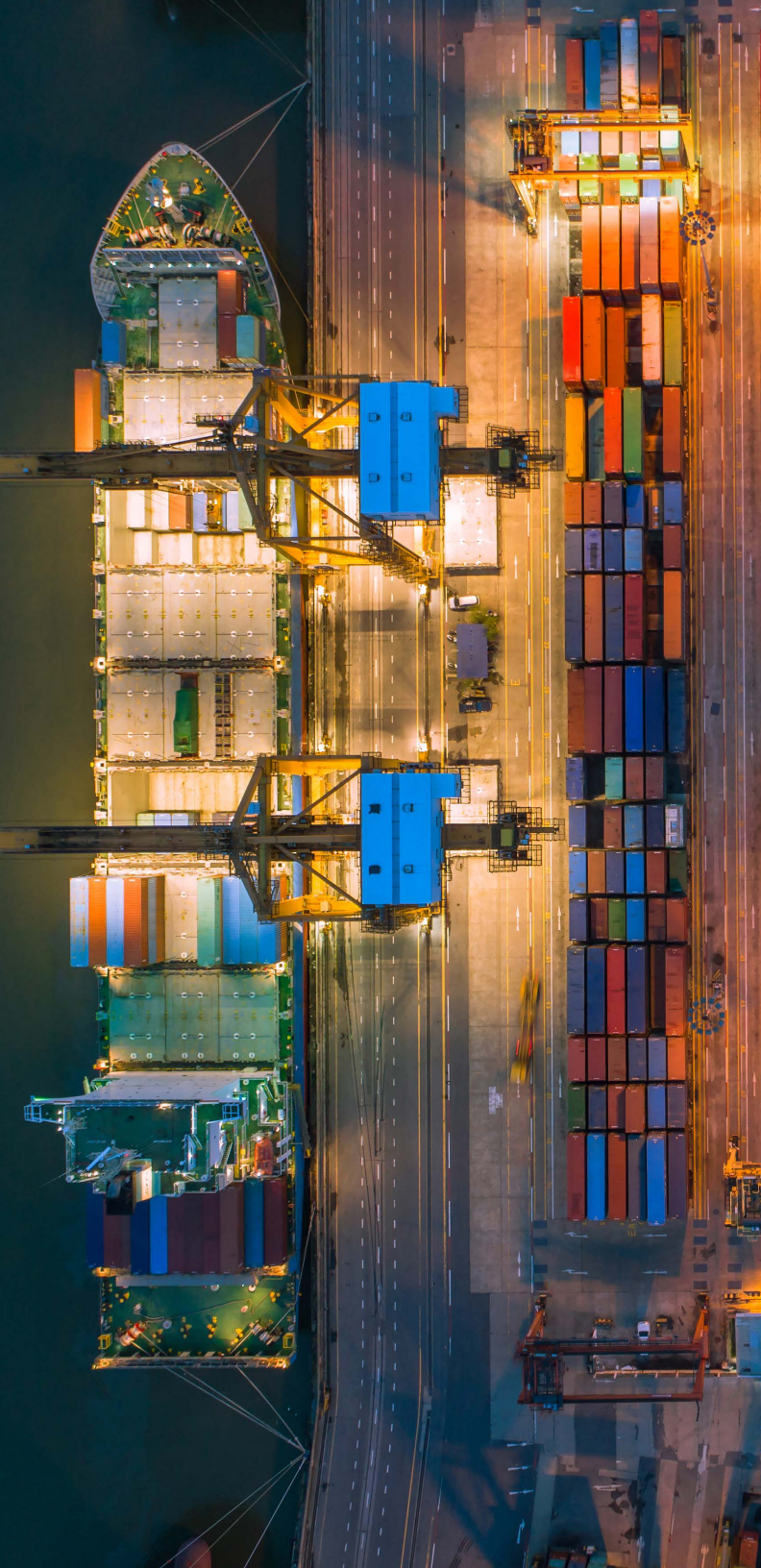
carriers



3,000+

services





Conclusion

While only 8% of respondents were happy with their current systems and only half of all respondents used a fully manual for their visibility solutions, there is room to provide significant value to these organizations. Despite software companies providing efficiencies around visibility, document management, booking support and collaboration, they are not yet realized for many organizations involved in ocean supply chain.

There is a better way to realize improved customer satisfaction, increased labor productivity and reduced demurrage and OTIF fees. This is through technology around proactive tracking visibility throughout the ocean journey, automated document management, streamlined rates and booking and easier collaboration with global teams. With trends like port congestion and container shortages continuing to hamper the ocean journey, the largest global organizations are realizing the competitive advantages of implementing ocean freight solutions and the immense value they bring to the organization.

If you are interested in learning more about next-generation ocean freight solutions and the value they can bring to your organization, please [contact us](#).



[Learn More](#)

For more information, please visit

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