

Let's Build on the Basics

In today's lean times, many companies are concentrating on how to survive the global economic recession by evaluating how they can streamline their current operations to mitigate financial distress; however, we should not neglect the very basic operating procedures that should *always* be foremost in our minds to ensure ongoing supply chain business sustainability. This economic downturn will pass; and even as we struggle with today's challenges, we should also concentrate on getting back to the very basics that enabled once young, aggressive companies to succeed in our industry in the first place.

Think of some of today's operations that we respect. They are large, professional, have a consistent product through tight SOPs, are well financed and have a depth of operations. These companies didn't begin like this, but evolved over time. The industry leaders that guided their direction and now must look ahead should also step back and think about their pasts and what paradigms brought them to where they are today. It's important that in looking forward, these company leaders continually question not only the immediate challenges, but ask whether they are losing touch with what enabled them to be nimble in what went before. It reminds one of the film, Rocky III, when the successful pugilist shed the glitz and distractions of his Las Vegas-style training camp and returned to the old gym to get back to basics.



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In evaluating basic operating tenants, most importantly, we can't forget that the customer is always king. What the customer demands, forwarders must supply. Accounts of all sizes are always appreciated -- even more so today; but we can't forget that the lifeblood of any forwarding operation is the client. This means that forwarders should look to their key operating philosophies and reevaluate the basic principles of how they partner with their customers. Market dynamics change, but the need to provide good customer service does not fluctuate with economic conditions. And, since during periods of escalating growth, good customer experiences often lag the growth spurt, now is the time to concentrate on providing better service.

The biggest challenges shippers face today are controlling international supply chain visibility, lead times and total landed costs, so it is important to remember that company cultures must mesh with that of customers if it is to provide optimized, personalized distribution networks and supply chain sustainability. To a large extent, good customer service is related to a forwarder's corporate culture and the manner in which it aligns with respective customer values such as general ethics, environmental concerns and trading partner responsibility. Operating basics that should be reviewed and built upon include:

- **Company Culture.** In a world gone global, replete with rapidly advancing technologies, it is critical that forwarders ensure they regularly enhance the basic operating functions of their enterprises if they are to remain competitive. While it is important to look back at the business paradigms that made one successful, we cannot forget that we live in a relentlessly changing world marketplace that requires the ability to respond proactively to supply chain requirements. Forwarders should closely examine their current internal competencies and business capabilities on a regular basis in order to move forward. A company's cultural alignment, cross-departmental capabilities and corporate commitment to excellence provide the seminal factors in determining whether it will continue to succeed in providing 21st century customer service. Real-time access to integrated shipment data for trading partners is critical in this era of personalized services.

- **Sales Process.** During this recessionary period, neither the number of new customers nor the size of existing customers is growing for the majority of forwarders. As we come out of this economic malaise, however, business will pick up again and industry members must be certain they have in place not only the basic sales process that enabled them grow; but one that is geared toward future growth, capable of integrating new technologies to meet global supply chain visibility demands. If companies want to grow as the economy picks up they need to evaluate how their entire sales process has worked -- and how it may be improved upon to win new business. This requires a more aggressive and customer-focused strategy than in the past. The move toward IT-driven sales performance has been brought about by the evolution of our global business environment in which buying decisions have moved from the shipping department to C-level influencers. This new paradigm requires a greater degree of integrated sales tools.
- **Enhanced Product Offerings.** Major players in the forwarding industry did not get there without offering excellent services and products. While companies should continue to draw upon these basic tenants of success, they cannot ignore the technological and global changes that are driven by today's market dynamics. Companies should be seeking new revenue streams with forward-thinking business plans that reflect changing supply chain requirements. If customers or prospects want better distribution, then forwarders will need to deliver shipments more reliably and cost effectively.
- **Company Alliances.** With globalization and advancing technologies, it is critical that trading parties share the ethics, values and physical resources to provide common accessibility to shipment data. If trading parties cannot agree on these points, the rest of the criteria becomes moot. In the age of customized marketing, supply chain solutions become all about personalized service. Forwarding companies that do not have the cultural alignment to address common interests between partners will lose market share; and in today's business climate no company can afford to lose market share.
- **Training.** Now is the time to ensure everyone is properly trained. Many of today's people were hired during the growth and orientation period, and training often consisted of learning where the coffee pot was. Times have changed. Anyone who feels they cannot benefit from more and better training has the wrong mindset to improve an operation. Forwarders should be asking operations to provide more in the way of cross training to ensure enhanced partnerships.

Today's economic climate tells us that we need to operate smarter -- to be prepared for rapidly changing market conditions if we are to enjoy business sustainability. A strong commitment to the basics should not be forgotten; but built upon. Successful forwarding operations are driven by dynamic company leadership that understands the role that flexible, strategic business plans play in supply chain optimization and long-term economic stability. A company's cultural alignment and cross-departmental communications capabilities, especially as they relate to evolving software technologies, can play a significant role in optimizing supply chain sustainability, while maximizing the basic business process.

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