

SELECTING THE RIGHT TRANSPORTATION PROVIDER FOR YOUR IMPORT SUPPLY CHAIN

How quickly does my product need to get from the port to its final destination? How far is the final destination from port? What mode of transportation do I actually need to balance time and expense? Are there providers who can 'do it all' so that I don't have to worry?

Supply chains are layered with complexity; there are many factors to consider when selecting a shipping provider that can undoubtedly have an impact on the success of your business. So, let's dig in.

There are the basics of due diligence when selecting a provider for any need. In transportation, your questions of a provider may be something like this ... Do you have capacity and multi-modal capabilities? How long have you been in business and can you provide me with references? Will you be able to provide me with the visibility to the goods that my business requires? Do you have a history of good security practices?

Beyond these basics, knowledge of the factors below will help guide your search and conversations to ensure you're making the best choices for your business needs.

BE AWARE OF HOW MANY FREE DAYS YOU HAVE BEFORE DEMURRAGE CHARGES BEGIN.

Once your product reaches the port, it may be your first inclination to move it out as quickly as possible. When you're not pressed by a must arrive by date (MABD), taking advantage of those 'free' days can make a lot of sense. This awareness is also important as you don't want to go beyond this time limit; that's when demurrage fees (usually around \$120-\$150 per day) and other fines will start to pile up. Finding the balance between free days and MABDs is key to maximizing your efficiency.



UNDERSTAND HOW QUICKLY YOUR PRODUCT NEEDS TO MOVE FROM THE PORT AND HOW FAR IT WILL BE TRAVELING.

A provider like Schneider who offers multi-modal capabilities allows for management of transportation costs based on the lead times necessary in your supply chain as well as flexibility for MABDs to make moves more efficiently. Each mode comes at a different price point and transit time; spending more than you need is unnecessary.

- Teams: most expensive and costly
- Truckload/LTL: average expense and transit time
- Intermodal: least expensive but more transit time than other modes

A provider with warehouse facilities near the port will give you the flexibility to store product that might not need to ship immediately and allows accommodation for sudden changes in demand.

CONSIDER TRANSLOADING IF YOUR PRODUCT WILL TRAVEL MORE THAN 200-250 MILES FROM PORT.

Paying for round-trip cargo container services at distances beyond these is usually not cost effective. Transloading reduces empty mileage, returns containers, transports less shipments inland and utilizes domestic transportation capacity rather than regional drayage. In this equation you must consider transportation cost, daily chassis charges and per diem charges for the container. Per diem's typically average \$100-\$125 per day after your negotiated free time expires.

DETERMINE THE LEVEL OF VISIBILITY YOU REQUIRE ONCE YOUR FREIGHT IS IN TRANSIT.

You don't want to be left wondering, "where is my freight?" Relationship management with your customers is key to the success of your business, and they will certainly need to be able to plan for the arrival of product. A provider who can demonstrate visibility throughout the duration of transportation helps you meet the delivery expectations of your customers and puts you ahead of potential issues.



DEAL WITH A SINGLE PROVIDER WHO CAN PROVIDE INHERENT EFFICIENCIES AS WELL AS PRIORITIZATION OF YOUR FREIGHT AT ALL TOUCHPOINTS.

When you work with multiple providers for dray, warehousing and outbound transportation, each provider is working to optimize against their own needs. When working with one provider your success in each stage of the supply chain is the priority. An added benefit of a single supplier solution is fewer touchpoints as your freight moves from port to final delivery.



Carefully consider what you need from your transportation network to ensure it meets the needs of your customers as well as your bottom line. Unnecessary expense can be avoided if careful consideration and up front planning take place, and if you work with the right provider. Working with a provider like Schneider who can manage your needs from port to final mile simplifies the entire transportation process for you; freeing up your time to focus on what really matters – your customers – rather than the status of in-progress shipments.

Schneider's Port Logistics experts will help you understand what opportunity exists in your import supply chain. Contact us at solutions@schneider.com.