IATA E-Freight Seminar

21 July 2009

From Shippers' Perspective:

- What Does Shipper Want?
- How Can E-Freight Help?

Large Shipper Groups Set the Logistics Requirements

- Shippers are not a homogeneous group.

- Large importers and retail groups in U.S. and Europe have been leaders in setting industry's logistics standards and requirements, as well as IT adoption.

- These large importers and retail groups will tender out the execution part to freight forwarders/consolidators/logistics service providers.

- The process of total outsourcing to 3rd Party Logistics service providers has been much slower than anticipated.

- Instead of offering "standard" or "common" product/service, the more successful logistics providers usually adopt the Customer Focus Group approach that cater for the needs of individual customers.

- Asian shippers (except big Japanese and Korean business groups) could only comply with these requirements:

  ∗ Mostly OEM producers

  ∗ Mostly SMEs

  ∗ Fail to establish own brand names, distribution and retail networks

Relationship between Shippers and Logistics Service Providers

- Shippers want to maintain control of their own supply chain

- The norm is tendering out execution of logistic plans instead of total outsource/partnership

- Even with regards to IT, shippers keep wary of too customized solutions

  "How do shippers make sure they retain control of their supply chain and the associated costs? How do they ensure they maintain the option to change their service providers?"

"The solutions need to be hardware and software independent, meaning that any existing hardware or software configuration should be able to share data – whether a simple web browser, a telephone or a sophisticated ERP generated XML message"

- Dr. Andrew Traill
  Partner, Shippers' Voice

What Does Shipper Want

- Personalized yet flexible services

- Collaboration platform has to be designed to allow information gathered directly for any IT system

- Open source system

- Simpler, cheaper, more efficient and secured

Thank you!