



International spot freights: Cost reductions through process optimisation

Definition of a spot freight:

“A spot rate is a one-off rate obtained for transporting a shipment by sea, air or overland freight. Rates are typically valid for one shipment only. Spot freight rates fluctuate up and down dependent on the market conditions.”

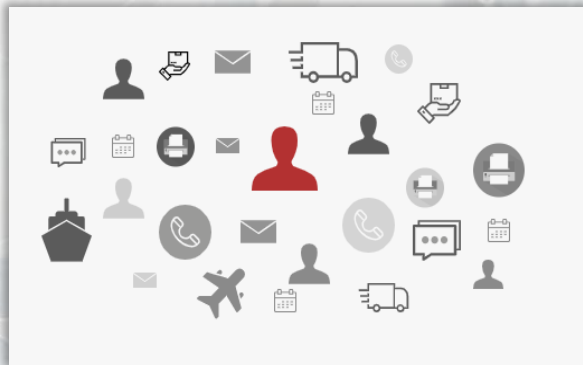
Challenges in international spot freights– Export start-ups

- Recognition of relevant service providers
- Uncertainty of the market price
- Small company overpricing
- Multiple schedules and prices for same freight
- Inadequate resources/knowledge of logistics
 - Information needed for a request
 - Knowledge of incoterms etc.
 - Limitations (e.g. packaging)

Two models for acquiring spot freights:

Model 1. (Old model)

Send e-mails or call to a couple service providers.
Receive quotes and compare results by yourself.



- + It has been used for years
Feels comfortable and safe
No change
- Over pricing
Limited options
Manual quote comparison
Inefficient

Model 2. (New model)

Input your shipping needs, click, and your request will be sent to over 60 global service providers. You will get your quotes in an easy to understand form as total prices and you can also book your freight directly from the program.



- + Better prices
More options
More efficient
Relevant data to support decision making
Active and dynamic tendering
- Requires a little change
Less in person contact

Summary

- Be active and send your request for a large pool of service providers
 - Choice is a beautiful thing → more options lead to better results
- Know incoterms that you use and all components that affect the price
- Strengths and prices to different markets can change on monthly, weekly or even daily basis
 - A service provider that is strong today might not be as strong tomorrow

Contact information

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