

New  
demands,

*new*  
*solutions*

**M**ember companies of the Food Shippers Association of North America look to the association for the same basic reason that importers and exporters have joined shippers associations for the past century — assistance in securing lower freight rates.

Bob Weiss, independent administrator, said that while the needs of his members have remained rather constant over the years, keeping track of all of the carriers that offer services on the many trade lanes throughout the world is a moving target. The food shippers association has therefore automated its database to provide members with up-to-date trade lane information.

Whether they develop their systems internally or contract with vendors of supply-chain and contract management services, shippers associations are turning to technology to provide their members with the help they require when choosing the ocean carriers that best fit their price and service needs.

Shippers associations are generally nonprofit transportation membership cooperatives that arrange transportation services for

importers and exporters. Many associations specialize in specific products, such as food exports or wine and spirits imports. The mostly small and midsize shippers join a shippers association because they can secure better freight rates by pooling their cargo than they could negotiate in one-on-one negotiations with ocean carriers.

As small and midsize shippers extend their supply chains into more remote markets, managing their transportation needs becomes more complex. Freight rates continue to dominate their transportation concerns, but service issues, carrier selection and supply-chain security are of growing importance.

Many shippers lack sufficient resources to cover all of these needs, so they turn to their shippers association for value-added services, said Ron Cobert, a Washington attorney who serves as

Shippers associations turn to technology to help meet members' needs

counsel to the American Institute for Shippers Associations.

The value-added services can range from basic cargo tracking and tracing to sophisticated supply-chain logistics offered by third-party contractors. In many instances, shippers associations will use the same leverage they deploy in contract negotiations with ocean carriers to obtain favorable prices from technology service providers, and they pass the savings on to their members, Cobert said.

Some shippers associations offer a full suite of value-added services, including shipment visibility, calculation of freight rates, tariffs and duties, compliance with customs regulations or overall trade management services. As the service offerings increase and become more complex, shippers associations often find that keeping track of all of the options available to members is normally beyond the ability of their staff, so they contract with technology service providers.

This is especially true in containerized ocean shipping, where most large carriers today call in multiple trade lanes and amend their contracts dozens of times to reflect changes in rates and ancillary charges.

The United States Shippers Association, for example, found that it was managing hundreds of unique service contracts and contract amendments for the chemicals and synthetic resins shippers that comprise its membership. "A staff of two at USSA couldn't do that on their own," said Jim Preuninger, chief executive of Management Dynamics, which offers global trade management solutions to shippers associa-

tions as well as beneficial cargo owners and logistics service providers.

When USSA executives found that the association was spending much of its time answering questions about shipment status, freight rates and security issues from its members, it turned to Management Dynamics for assistance. Management Dynamics automated USSA's contract management process, allowing association executives to focus on their primary function, which is to negotiate freight rates.

"Shippers associations are trying to do more with less, to provide timely information to their members with the least amount of cost," said Al Cooke, vice president of sales at Management Dynamics. Shippers log on to the system and access changes in carrier freight rates and ancillary charges, eliminating the need for phone calls or e-mails to their shippers association, he said.

The same goes for tracking the status of a shipment, checking for updates to export licensing requirements or seeing which ports are experiencing congestion. The shippers association provides its members with the platform for obtaining this information, and from there the process is transparent to the shipper.

The individual shippers benefit by receiving these services from the provider at a better rate than they could obtain on their own, and the shippers association benefits by increasing its value to its membership, Preuninger said.

Shippers associations recognize that they must offer value-added services to retain existing members and attract new ones. Many associations now offer Web-based tracking services. The Wine and Spirits Shippers Association sends its members updates on their shipment orders and alerts them about late arrivals or other problems,



**Geoffrey Giovanetti**

such as port congestion or weather events that could disrupt service, said Geoffrey Giovanetti, managing director. The association also sends out electronic advisories about security and compliance issues.

The alerts that shippers associations send to their members normally fall into predictable categories such as shipment delays or changes in government regulations, but associations are always on the lookout for developments that are unique to their members' needs. The wine and spirits association, for example, learned about an alarming increase in inspections and therefore delays in shipments from Australia because of problems with snails.

It turned out that in some wine regions of Australia, organisms were attaching themselves to containers, but they were too small at first to be noticed by Australian inspectors. However, the snails grew and matured during the voyage to the U.S., and were easily spotted at inspection stations. The association is working with ocean carriers in the Australian trade to find a solution to the problem so its association members do not continue to experience an unusual number of delays, Giovanetti said.

Shippers associations that contract with service providers such as Management Dynamics normally begin with one or two basic products and add other services as their membership increases and their trade needs become more complex, Cooke said. The solutions are scalable, so an association with five members may contract for two solutions while an association with 10 times the membership can benefit by using the same solutions. ♦

**Jim Preuninger**