

BCO AVOIDS \$300,000 IN DETENTION AND DEMURRAGE CHARGES



PREVENTED \$300,000 IN
PROJECTED ANNUAL D&D

SAVED 100 HOURS OF
ADMINISTRATIVE TIME

ADDED FOUR WEEKS OF
ADVANCED SHIPMENT VISIBILITY

REDUCED 100% OF
KEYING ERRORS

BACKGROUND

Mid-sized distributors share a common cruciality of keeping customers happy. They live and die by the promises they keep—and always keeping a tight rein on costs. The company featured in this case study is no different. They are a European beneficial cargo owner (BCO) that buys products from five international manufacturers and distributes to its customer base of global retailers.

Like many small to mid-sized companies, they are family-owned and relationship-focused. Their retailer-customers expect and demand timely service—and rightly so. They're wholly dependent

on the BCO for product. The pressure to maintain adequate stocks of products is complicated by the BCO's inability to know with certainty when shipments will arrive.

Balancing the need for holding sufficient product while minimizing inventory costs is a constant effort. Seeking solutions in technology served the BCO well in the past when they boosted efficiency in their warehouses through automation. When they decided to improve the efficiency of their transportation and pare costs, they once again looked to the leading edge and joined the TradeLens platform.

CHALLENGE

Like most companies their size, the importer has a small and very busy back office managing logistics. Their six people were always busy, and a lot of times, things fell through the cracks: forgotten containers were racking up surprise detention and demurrage (D&D) charges to the tune of \$300,000 a year. Their current processes, which were reliant on information from shippers and carriers, gave them limited visibility. It was not for lack of trying;

the team spent 8 hours a week checking carrier websites for shipment statuses and then keying in the information. The manual work predictably led to errors (with consequences that were often unpredictable.) All the data entry hours were a lost opportunity for employees who could have better invested the time in customer care and outreach.

SOLUTION

TradeLens ended up being a smooth implementation for the importer. Using TradeLens' APIs, carrier data fed right into SharePoint and automatically populated the table that the company's team used to track shipments. The events were updated in real-time and came direct from the source—the carriers entering the data. No manual keying, no errors, and no incomplete

information—so no “lost” containers to rack up D&D charges. For the back office, there was no training involved; all their processes were the same—except for the ones they didn't have to do anymore, like check carrier sites or manually enter data. Now when they tapped into the table, they were treated to rich, real-time data—and visibility into shipments that they'd never had before.

BENEFIT

TradeLens brought the company an assortment of monetary and efficiency benefits. First and foremost, the enhanced visibility into shipments has dropped D&D charges down to zero. Knowing the real-time status of containers has enabled the team to arrange transport before free time expires and charges incur—for a projected annual savings of \$300,000 compared to years past. The automated entry of shipment data through APIs resulted in zero entry-errors, and over 100 hours of administrative time freed. Accurate data entered and accessed effort-free was only the

beginning of the benefits. There was more data, too, because the visibility window was extended 15% during this short pilot. In doing so, the company increased its view into future shipments from 1 or 2 weeks to 4 weeks, enabling them to schedule drivers, warehouse space, and deliveries more accurately to meet demand. In other words: provide better customer service—and that's everything to a company like this.

“They're still raving about the time savings, efficiency—and no typos.”

– Maarten Sies, Business Information Analyst, IBM

“This opens the door to a world of BCOs with similar visibility challenges.”

– Richard Stockley, Blockchain Business Development Executive, IBM

WHAT'S NEXT

Customs declaration automation is the next frontier for this BCO. Leveraging customs data that is already mostly native to the TradeLens platform, the company will dive into fully digital documentation and automatically populating and submitting customs applications. The anticipated time savings are significant—over 350 hours a year in administrative time alone.

TRADELENS FEATURES USED

- + API Integration
- + Transport Insight
- + Notifications
- + Document Sharing