

THE WORLD HAS CHANGED SHIPPING COST REDUCTION STRATEGIES



THE WORLD HAS CHANGED

The IMPOSSIBLE Happened! A Worldwide Shutdown 2020; this CHANGES EVERYTHING in Shipping and a NEW NORMAL will emerge!

A Worldwide Recession, Business Model Change, Work from Home, Communication Delays, Reduced Investments, Compulsory Health Screening, IT Dependence, etc.

The more 'adept' companies will achieve Profits Faster. We MUST expect Shipping Disruptions, Vendor Financial Meltdown, Lack of Vessels, Slow Operations, Unpredictable Demands and a myriad of NEW CHALLENGES, NEVER EXPECTED!

The SHIPPING/TRANSPORT RESET means our Change in Working Styles, Operational Competency and Mental Toughness is required to Implement 'New' Focus, Operational Efficiency, Reduce Shipment Costs and Value-Added Reporting – It requires a Paradigm Shift!

SCOTS LEARNING OBJECTIVE

Scots Skill ONE

Develop Shipping Cost Reduction Plan 2021/2022

Scots Skill TWO

Conduct a Costs Analysis for SHIPPING COST REDUCTION FOCUS

Scots Skill THREE

TEN Key Shipping Costs Reduction Strategies
 STRATEGY ONE – DIRECT LINER/VESSEL OWNER BOOKING
 STRATEGY TWO – FORWARDING AGENT NEGOTIATION
 STRATEGY THREE – LOGISTICS and GROUND TRANSPORT
 STRATEGY FOUR – PORT and 3PL FACILITIES
 STRATEGY FIVE – SHIPPING DEPARTMENT ADMINISTRATION
 STRATEGY SIX – FACILITIES and WAREHOUSE OPERATIONS
 STRATEGY SEVEN – SHIPMENT DAMAGE/LOST and INSURANCE
 STRATEGY EIGHT – 'RIGHT' SHIPPING INCOTERMS 2021
 STRATEGY NINE – SHIPPING 'HIDDEN' COSTS
 STRATEGY TEN – SHIPPING MANPOWER COSTS

Scots Skill FOUR

Shipping Cost Reduction Team Feedback – Identify and Implement Corrective Action

WHO SHOULD ATTEND?

Shipping, Logistics, Transport, Purchasing, Procurement, Supply Chain – Executives/Managers and People involved in Shipment Cost Reduction



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SHIPPING COST REDUCTION STRATEGIES



The World Has Changed – Import/Export Challenges,
On-Time-Delivery and Cost Reduction

PART A – SHIPPING COST REDUCTION STRATEGIES – THE WORLD HASCHANGED

1. **The World Has Changed 2021 –**
Shipping Work Relationship, Diplomacy vs Threat,
Limited Shipment, Delays, etc.
2. **Shipping Cost Reduction Strategies –**
WFH, User Difficulties, Shipment Failures,
New Priorities & Fluctuating Orders

PART B – ‘NEW NORMAL’ SHIPPING COSTS 2021 /2022 REVIEW

1. **SHIPPING COST REDUCTION ANNUAL PLAN 2021 /2022**
 - A. **Annual Shipping Plan 2021**– Lower Freight Charges,
Insurance, Demurrage, Delivery, Hidden Costs, etc.
 - B. **Shipping Team in Cost Down Focus** – Incoming/Outgoing Delay,
Reduce Mistakes, Manage Users/Customers, etc.
 - C. **Scots Skill ONE** – Develop Shipping Cost
Reduction Plan 2021/2022
2. **ANALYSE and FOCUS SHIPPING COST IMPROVEMENT AREAS**
 - A. **Shipping Direct Costs Analysis** – Freight, Insurance,
Ground Transport, Port Charges, Custom Duties, etc.
 - B. **‘Shipping Hidden Costs’** – Vessel Delay, Wrong Nomination,
Last Minute Booking, Interest Costs, Staffs Time, etc.
 - C. **Scots Skill TWO** – Conduct a Costs Analysis for
SHIPPING COST REDUCTION FOCUS

PART C – ‘NEW NORMAL’ SHIPPING COSTS 2021 /2022 REVIEW

3. **SHIPPING COST REDUCTION STRATEGIES**
 - A. **Shipping Costs Reduction Model** – Objectives, Costs Analysis,
Strategy Selection and Shipping Action Plan.
 - B. **TEN Key Shipping Costs Reduction Strategies**
 - STRATEGY ONE – DIRECT LINER/VESSEL OWNER BOOKING**
 - Long Term Customer Discount
 - Forwarding Agent Fees
 - Early Vessel Space Reservation
 - STRATEGY TWO – FORWARDING AGENT NEGOTIATION**
 - Consolidate Agents Business
 - Shipment Routing
 - Annual Shipment Consumption Discount
 - STRATEGY THREE – LOGISTICS and GROUND TRANSPORT**
 - Transport Trips and Capacity
 - Local vs Overseas Insurance
 - Annual Logistics Consumption Discount
 - STRATEGY FOUR – PORT and THIRD PARTY LOGISTICS FACILITIES**
 - Container Size/Volume
 - Equipment/Loading Services
 - 3PL Annual Consumption Discount
 - STRATEGY FIVE – SHIPPING DEPARTMENT ADMINISTRATION**
 - Staffs Productivity/Costs
 - Administrative/Operating Expenses
 - Wrong Shipment Delivery
 - STRATEGY SIX – FACILITIES and WAREHOUSE OPERATIONS**
 - Facilities/Equipment Depreciation
 - Warehouse Utilities and Rental
 - Facilities Maintenance Costs
 - STRATEGY SEVEN – SHIPMENT DAMAGE/LOST and INSURANCE**
 - Incoming/Outgoing Shipment Damages
 - Cost of Shipment/Production Delays
 - Insurance Loading Costs
 - STRATEGY EIGHT – ‘RIGHT’ SHIPPING INCOTERMS 2020**
 - RIGHT Incoterms Selection
 - Freight/Transport Costs
 - Local vs Overseas Insurance/Forwarder
 - STRATEGY NINE – SHIPPING ‘HIDDEN’ COSTS**
 - Cost of Shipment Returns
 - Demurrage/Delay Costs
 - Last Minute Shipments
 - STRATEGY TEN – SHIPPING MANPOWER COSTS**
 - Staff Costly Mistakes
 - Forwarder Manpower Support
 - Training and Staff Productivity

Part D – SHIPPING COST REDUCTION IMPLEMENTATION

4. **SHIPPING COST REDUCTION ACTION PLAN**
 - A. **Develop Shipping Cost Reduction Champion** –
Project Team Leader and Team Members to Reduce Costs!
 - B. **Implement Shipping Cost Reduction Action Plan** –
What, How, When, What Resources and Who
 - C. **Scots Skill FOUR** – Shipping Cost Reduction Team Feedback
– Identify and Implement Corrective Action