



HOW CAN FREIGHT FORWARDERS THRIVE IN TIMES OF CRISIS: 5 Actionable Steps to Follow

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Introduction

According to a report by World Bank Group, the world economy has experienced four global recessions over the past seven decades: in 1975, 1982, 1991, and 2009, causing severe economic and financial disruptions in many countries around the world.

During the last years, financial experts were predicting that a global recession was due to happen soon, and today, the COVID-19 pandemic crisis has accelerated a health and financial crisis that has and will continue to affect many industries around the globe. Even if they are a key part of emergency response, logistics partners, and freight forwarding companies are seeing lower margins and wondering about what comes next.

To come out unscathed from difficult times, the most successful organizations focus on a positive approach to search and find new opportunities. Business leaders that thrive during difficult times are those that quickly respond to change by adapting, but also by researching new streams of profit.

It is not that successful business owners are free of worry or uncertainty, it is that they act fast, gather feedback from their employees, observe what others are doing in their position and make decisions to innovate.

In order to address the possibilities, rather than the difficulties, we want to explore what are the options for freight forwarders to still thrive during these difficult times for society, health, and the economy.



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Embracing Disruption



While ambiguity may seem threatening, it could also become an opportunity for business owners to look around and explore many different opportunities that they haven't tried. Recession and crisis force everyone to embrace change and make do with what they have. For freight forwarders, a long-awaited adoption of disruptive technology may be one of those changes. Let's have a look at some stats:

By 2022, mobile devices will be fueling an expected \$2.4 billion spend on internet retailing, according to Euromonitor International, Passport Database 2018. As a report by DHL titled: "Shortening the Last Mile: Winning Logistics Strategies in the Race to the Urban Consumer" states:



"The challenge to innovate an online presence lies in forming a connection with urban consumers, who are now making closer connections with endorsements and stronger associations with brands, and who show unique loyalty to products that find a way to resonate with them."

For years, freight forwarders have been at a standstill when it comes to tackling the technology monster and making it work for them rather than against them. While in this sector technology may seem more like an unfair competition rather than an ally, the truth is that by getting informed, the right technology paired with the human aspect of the industry could take your business to a new level.



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Increasing Competitiveness



We're talking about increasing your competitiveness and creating efficiencies that come from incorporating technology and strategic partnerships that could take business and processes to the next level.



Don't forget about the human aspect: While everyone talks about the ins and outs of innovative solutions, and we agree that technology can be a great differentiating factor in increasing your competitiveness, we shall never forget that freight forwarding is a people business. The point here is to think about who you're impacting with the adoption of new technologies and how new implementations could benefit them. The first thing to consider is what could improve the life or work of your clients and of your employees, and when you put the human side first, then you can gauge a better understanding of what solution to adopt.



Setting clear goals: Once you've looked around you and identify inefficiencies that could be improved, you can translate your needs into clear objectives that you want to achieve. Is it to be more responsive? Or to provide a new service? Have a clear understanding of where you want to get to.



Exploring your options: Ask yourself: what processes or tools do you currently use in your business and how do they make a difference? Then, understand what other options you have to meet your goals, and to generally harness your potential.





Assessing your possibilities: Increasing competitiveness is not about exhausting all of your resources to invest in whatever new product or service promises to solve your problem. You need to self assess and understand what you're capable of investing on and what the priorities are. Here are some examples of options that could help you stand out from your competition:

01 Data collection: For example, knowing exactly the time and effort that is being used by your business, so that you can make the right decisions going forward or where to make cuts or where to improve.

02 Integrating an eCommerce platform: Offering your customers a 24/7 platform to be able to book your services without having to wait for lengthy communication via email or fax.

03 Exploring Blockchain technology: Blockchain technology is already harnessing many aspects of logistics to create more secure transactions, faster tracking, and even access to liquidity. However, the sector is still behind when it comes to its adoption. A report by Econstur titled Impact and Beneficiaries of Blockchain in Logistics says that:



"While 84% of respondents believe that Blockchain would benefit logistics service providers, only 14% are actively working with Blockchain."

04 Joining online groups and virtual communities: Groups and communities where freight forwarders can exchange ideas, create feedback loops and maintain communication are a great aspect to explore when wanting to empower your business and engage with others quickly.

Will the difficulties brought upon a crisis allow freight forwarders to explore more options? We hope so. These types of efficiencies and improvements could really empower their business by making them stand out from the rest, and build on their competitive advantage by improving their offerings.



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Assessing the Need for Technology



As they move forward in understanding business needs and creating specific goals to meet those needs, business leaders need to make an assessment of their technological capabilities and requirements.

TO START WITH THIS EVALUATION, A FEW STEPS NEED TO BE TAKEN:

- 01 **Prioritization of technology that can best influence growth:** Which options will help more in creating new streams of profits or earnings.
- 02 **Identify challenges:** What is the biggest and most critical challenge that technology can address?
- 03 **Select employees in charge:** Who in the business will be in charge of implementing and updating the technology?
- 04 **Resource allocation:** What resources will be needed to address the need for technology?
- 05 **Think of possible risks ahead of time.**



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Partnering with Strategic Businesses



Freight forwarding reminds us all of the importance of human connections and interactions. It is one of the oldest professions out there still standing and their business relies on building relationships and maintaining those relationships by nurturing them and continuously communicating with them.

Trust is the key factor here and face to face interactions have been the way in which the freight forwarding industry has managed their business throughout the years.

To still thrive and get out of the crisis, that skill of communication and relationship building will come in handy for creating strategic partnerships.

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Ashim Shrestha, training lead from the Logistics Sector talks about The Power of Partnerships that ***"Working with a range of diverse actors means we're able to obtain different perspectives and experiences needed to overcome shared challenges. Partnerships also help us overcome recurring gaps and challenges"***.

Once you identify a possible partner, have a clear understanding of what goals you could be able to achieve with them. Is it to increase your coverage? Or to offer better assistance? Make a list of possible companies that could help your business advance and grow.



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How?



A technology-powered network



Today, with rumors that social distancing will be extended for a few more years to avoid the resurgence of COVID-19, we're uncertain about when normal travel for business will resume and there's a real worry in managing and creating relationships.

Luckily, as we mentioned before, there's an opportunity to join and participate in online and virtual communities. Aside from that, connections can be made from virtually anywhere and there's a great opportunity in staying connected through video conferencing, still offering value, bringing important topics to the table, and partnering with other businesses to upgrade services offered to clients.

Forward Together is a coalition of freight forwarders joined to tackle times of uncertainty with the right tools and information to move forward.

In this unprecedented crisis, it is the best time to continue your operations empowered by the benefits of joining an innovation-driven freight forwarding network that wants to help you succeed and grow.

Thrive in times of crisis by preparing for change and increasing your business' competitive value.



HERE'S WHAT WE OFFER:



Become more agile

Implement new solutions to increase your speed of response to clients and partners.



Strengthen your Network

Collaborate, transact, and exchange experiences in real-time with vetted business partners and global agents.



Get more liquidity

Get unique access to innovative solutions to help you gain liquidity in today's uncertain marketplace.



Take a digital approach

Get equipped with resources and expert advice on how to maximize revenue from digital channels.

Become a member



Access to all benefits for FREE

(this option will be available for a limited period, get your membership as a founding member now)

