

E-freight

For sea freight people, please continue to read this article even though e-freight is related to air freight at this stage.

I have always been a strong advocate of exchanging data electronically between trading partners and I like the concept of e-freight. If e-freight is implemented correctly then we will have an international message standard that will simplify electronic data exchange.

Now back to reality. I have attended several IATA conferences with the main purpose being to learn about e-freight and to contribute to the design of e-freight. I recently attended the IATA conference in Kuala Lumpur and I have to say that I have some concerns.

For a start, there appears to be an inner club and outsiders are not allowed to be involved in many e-freight meetings. It appears that only large players have been consulted. Large shippers (and forwarders have large IT budgets and they can afford to implement e-freight. There have been e-freight surveys and the results show all sorts of savings. Many surveys and studies get the results that are wanted because only certain people or companies are surveyed.

The e-freight project is based upon savings for all participants in the supply chain but at this stage I am struggling to find savings for freight forwarders.

One of the assumptions that particularly concerns me is that shippers will be able to provide e-freight data. For this to happen, the shippers will have to modify their software or get their software provider to add new features. There must be 100's of different software products used by shippers in each country and in many cases the shippers will have no IT to speak of. Who will pay for the software development and the messages? Will the

shippers expect a discount from the forwarders as they are providing an electronic feed? I expect that most shippers will not be able to send e-freight messages and that the forwarders will be the starting point in the e-freight chain. Sure, the big shippers will be able to send e-freight messages but they do not represent the majority.

One supposed solution to the problem of shippers not having e-freight capabilities is to have a data hub that converts data from any format into e-freight. Two problems come to mind. Firstly, this assumes that the shipper can export data in some format from their IT systems. I suspect that this will not be the case for most shippers for the reasons described above. Secondly, who will pay for the data conversion? If it is the shipper that gets the benefits of sending an e-freight (converted) message, will the benefits outweigh the costs? The benefits would include easier booking with the forwarder (not convinced of this one).

At many of the IATA e-freight presentations, it was assumed that the shipper was the client of the airline. This is somewhat different to my understanding. The forwarder is booking the freight with the airline and the forwarder is paying the airline. In a future perfect world where the shipper is providing shipment information in an e-freight message then maybe the data could go straight to the airline. Is the plan to cut freight forwarders out of the process?

Air freight represents about 0.5% of shipments by volume and around 35% by value. In terms of shipment numbers I am guessing 10% by air and 90% by sea. This means that any investment in e-freight will at best be applicable to 10% of all shipments. My opinion is that e-freight should be designed to cater for all modes of freight, especially sea. If this were to be the case then the cost of implementing and running e-freight would be spread



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over a much large number of shipments resulting in a lower unit cost. To date I have not seen any indication that other modes of transport have or will be considered in the e-freight project.

So where to from here? I think that freight forwarders need to be more vocal. I can only do so much on your behalf. Speak to your industry association and make sure that the e-freight project ends up being of value to all forwarders, big and small. We have a great opportunity to end up with an international message standard that will make data exchange with your trading partners very simple.

Conferences

Freight/customs industry conferences are a great opportunity to meet people face to face. In the current environment most communication is via an email, a phone call or a web portal. There is value in knowing people and knowing what is happening in the industry. We are supporting the conferences and we will be attending so it would be great to see you at one of them. Upcoming conferences are:-

AFIF 2012 Conference
May 24-26 Outrigger Resort
Surfers Paradise Gold Coast
<http://www.afif.asn.au/AFIF2012>

CBFCA Queensland Convention
13-15 April 2012
RACV Royal Pines Resort, Ross Street,
Benowa

CBFCA WA Convention
27-29 April 2012
Hyatt Regency Perth
99 Adelaide Terrace, Perth

CBFCA National Conference
[25-28 October 2012](#)
[Sebel Heritage](#)
Yarra Valley
Victoria

<https://www.cbfc.com.au/Conferences.aspx>

Server Migrations & Other Major Computer Changes

All server changes must be pre booked at least two weeks in advance with our support team. We need advanced notice so that we can ensure that support resources are available for the project. We do not want you "off air" and we do not want a stressful situation for our support team or you. Not all server migrations go smoothly so preparation is required to reduce the chances of problems and time must be allowed to deal with unforeseen issues. There are several issues that must be handled by your computer technician and we need time to make arrangements. There may also be other parties that your technician needs to deal with hence time must be allowed in the schedule. With enough advanced notice, many of the migration tasks can be completed beforehand, reducing the down time on the day of migration.

Mobile devices POD

We have a new software module that allows for the direct update of delivery details in Cyberfreight jobs by a driver at the delivery location. The driver can update the delivery details from a tablet, iPad or smart phone. There is no waiting for a phone call or email and you do not have to type the information in yourself.

Extended support hours

We have support team located in our Singapore office. This extends the support time to 5:30PM Singapore/Perth time. If you have any urgent support issues after 6PM AEST then email support@cyberfreight.com.sg



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