Don’t Drown in Data (Again) this Ocean Bid Season

Eliminate Months from the Bidding Process and Save $Millions by Automating Ocean Transportation Procurement in the Cloud

Each year, importers rush to lock in ocean freight rates before May 1st. It’s a whirlwind process of paper, excel sheets and disparate data. Due to lack of standardization and non-compliance, the majority of companies spend 85% of their time leading up to the deadline looking at spreadsheets trying to make sense of bids and data. They try to limit the amount of time and complexity involved by casting a narrower net with fewer bids. They look at the top lanes and glance over the rest. In the end, little time is spent negotiating and shippers end up leaving significant money on the table. Sound familiar?
A Painful Deadline Each Year: May 1

The ocean bid process today can take many months in a manual spreadsheet environment. Companies spend excessive amounts of time gathering and scrubbing data and only 15% of their time negotiating. As a result, they only analyze a small number of carriers and only the top lanes. Often, they “settle” instead of digging into the process and optimizing all they can. Why? It is too cumbersome to look at 100% of lanes and 30+ carriers.

Once a bid is complete, many importers lack contract management or rate depository capabilities to manage on-going changes and ad hoc rates. The traditional process doesn’t have a systemic way to link contract rates to daily shipment execution for best routing/rating. There’s no way to measure “planned expense versus actual expense,” to evaluate how the bid actually delivered. And freight payment processes are manual and paper-based, not able to link contract rates to actual rated BL (310).

Digital Transformation – in 45 Days

The good news is there’s still time to change direction and optimize transportation spend – and save thousands, if not millions of dollars – before May 1, 2018. For more than 15 years, importers have used GT Nexus to automate their transportation procurement, bookings and contract management. They are able to move teams of people off of spreadsheets and focus on what’s important - their business and growth.

Automating the ocean bid process in an electronic, cloud-based environment sets the stage for massive time and cost savings. Digitizing documents and data enables direct feed into optimization engines that can run “what-if” scenarios to determine the best cost/service solutions. Digitization also addresses contract management barriers that exist in the manual world.
Proven Benefits

- GT Nexus customers have achieved 5 to 10% cost savings on global ocean transportation procurement.
- Using a single platform for a bid creates a single version of the truth opposed to manual processes, spreadsheets and documents that can become out of sync.
- A complete negotiation history is maintained across carriers in the bid process.
- A platform with spend optimization provides the ability to create “what if” scenarios to obtain the best cost/service solutions for the business.
- Once the optimal plan is finalized, data is easily pushed into offers and automatically moves into the resulting contracts.
- Final agreed-to rate data seamlessly flows into a contract.
- Contract rates are managed moving forward. Lanes can be edited/added/deleted during the contract life-cycle.
- A historical repository of rate changes to the contract is maintained and easily accessible.
- Flexible settings and controls are provided around contract visibility within an organization.

GT Nexus works with the world’s largest manufacturers and retailers to digitize and automate ocean bookings and transportation spend. Bid to market time is reduced with a single platform approach. It can be further reduced in subsequent years leveraging existing information.

Hundreds of Fortune 1000 companies have adopted a collaborative cloud “network” service approach to automate the closed-loop transportation process — from the bid to the fine-tuning of allocation plans.

What’s most interesting is this digitization process can be deployed in less than 45 days. It requires no IT resources.

Don’t let the 2018 ocean bid deadline sneak up on you without understanding the opportunities that exist to re-wire the bidding process and un-tap massive savings.