

EBOOK

Peak Shipping Season: How to beat the 6 most common freight procurement challenges





Peak Shipping Season: The best view comes after the hardest climb

Freight procurement processes have always been noted for their high levels of complexity, which grows exponentially before and during peak shipping seasons. Such busy months demand even more **operational efficiency, agile collaboration, proactive rate management, and a sharp focus on sustainability** throughout the transportation management process.

With increased budget constraints and pressure for cost savings, things are not becoming any easier.

Conventional strategies might not be enough anymore to stay ahead of the market in this dynamic context. This eBook addresses **6 of the most common challenges that can surface in peak shipping season**, while providing some additional inspiration and innovative ideas on how to best address them.

Enjoy the journey!

TURN FREIGHT PROCUREMENT FROM A COST SPENDER TO A COST SAVER

There has never been a better time to **leverage the power of data** and turn it into insights and action, surfacing the best opportunities & prices. Ensuring a sustainable cost optimization strategy, focusing both on current cost savings and future cost avoidance, enables you to stay at most competitive market levels, regardless of fluctuations.

To prevent leaving money on the table, move away from standalone data sources:



Look at leveraging centralized rate management solutions that can provide one comprehensive and single source of truth.



Benchmark your rates against the reality of the market, so you can be sure that you are choosing the most efficient option out there.

Spot/ad-hoc requests can be highly efficient options in certain types of shipments, emergencies or unforeseen situations, but also a costly and risky process, unless managed properly.

Capabilities like **freight calculator** or **combinatorics** can give you fast visibility across the best combination in terms of price, lanes, and modes of transport. Leveraging the power of an **eAuction** can help you with dynamic negotiations, bringing your qualified carriers or other LSPs into a bidding process, **securing your access to the best price** and increasing your efficiency.

Last, but not least, given the complexity of invoices in freight procurement, incorporating a freight settlement solution within your processes will not only increase the invoice accuracy, but also **protect your budget from overspend**.

1. Pressure to save costs in a volatile market

With transportation accounting for a significant amount out of total operational costs, it also generates a huge potential for cost savings.

- Constantly changing freight market rates, combined with increased demand, sense of urgency, and geopolitical disruptions can make it difficult for procurement teams to secure the best deals and maintain predictable costs during peak season.

Scattered and decentralized data can no longer play a part in the overall setup, with a lack of visibility on current and historical rates leading to missed opportunities and making it important to find the right means to facilitate cost reduction.

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2. Capacity shortages & time constraints

As demand surges during peak season, the limited capacity of LSPs or unforeseen disruptions can lead to difficulties in providing the needed transportation services on time, potentially causing delays, a negative impact on inventory and related costs, or even higher risks. Capacity constraints can lead not only to missed delivery deadlines, but also force the company to seek last-minute transportation solutions at high rates, disrupting freight budgets, overall supply chain costs, and the bottom line.

IT'S NOT THE PLAN THAT MATTERS MOST, BUT YOUR ABILITY TO ADAPT IT

The keys to success in situations of constraint are **proactivity, agility, and always being prepared with a plan B** - both in terms of the right strategy and execution power.

Having fast access to a larger database of carriers and other LSPs, the ability to **pivot to real-time (spot) requests** in case of emergencies, as well as to **instantly connect with carriers**, while securing a better visibility on their availability, can be your greatest allies in situations where time becomes of the essence.



This is also the moment when integrating your procurement workflows with your operational ones, and with all other platforms you have in your transportation ecosystem, shows its benefits even more.

By automating your transport assignment and **connecting your transport allocation with rate management**, you will be able to gain speed, award the LSPs that best match your business criteria in real-time, and leverage historical and market data to improve future recommendations and predictions.

And the fact that there are options for you to handle all this through one single platform, **seamlessly manage & streamline all your communications** with LSPs saving time, effort, and many nerves, becomes yet another "cherry on the top."

3. Increased workload & limited resources

Even outside peak seasons, transportation procurement is a very heavy process that requires teams to spend countless hours between spreadsheets, multiple standalone platforms, emails, and phone calls to ensure a smooth sailing. With an even higher growth in demand and workload during peak season, the pressure to do more with less only increases. It's the time when the need for automation and speed has been highlighted more than ever by logistics and procurement teams.

DO MORE WITH LESS, MAXIMIZE EFFICIENCY

Technology has greatly evolved in the logistics sector as well, helping to solve more and more industry-specific challenges and providing tailored solutions for them. A great example is the development of **specialized freight procurement platforms that help with data-heavy & time-consuming operations**, increasing not only work efficiency, but also accuracy, while streamlining all communications.

As we all know, one size never fits all, different enterprises have different needs. The beauty of it all is that such a specialized platform is **so flexible that it can quickly adapt its setup**, so you can design, automate, and replicate scenarios as per your organizational requirements from the very beginning and throughout the entire process as you see fit.

You can avoid drowning in piles of data and **save up to 70% of your time** by centralizing all your rate data in one place and **automating**:

- ✓ Fuel management
- ✓ Analysis of business criteria vs LSP offers
- ✓ Customized workflows for your procurement events

Running tenders, launching RFQs, analyzing the outcomes, and going through a truly data-driven decision process can now become a matter of **minutes instead of weeks**. When limited resources are a top constraint, leveraging such a platform combined with even **outsourcing some of the operational tasks to the provider** can really help to maximize your efficiency.

4. Compliance & risk management

Large budgets, many external parties, different stakeholders, partnerships, and collaborations: Even in a regular, day-to-day context, handling compliance and risk management in freight procurement becomes a very difficult and sensitive task. With all complexity increasing exponentially in peak shipping seasons, the challenge becomes even more visible.

PREPARE A SOLID FOUNDATION AND PREVENT NON-COMPLIANCE

Meeting transportation and other government regulations, as well as business compliance standards, can become difficult, time-consuming, and costly, while leaving room for exposures.

Integrating your end-to-end freight procurement processes, **managing LSPs, contracts, award of business, and relevant documents within a single dedicated platform** helps you make sure that compliance is well up to company standards. You can ensure an efficient supplier management and flow of information, store your needed documents in one single place, while securely sharing them with the different stakeholders as needed.

Furthermore, who isn't familiar with the nerve-racking invoice reconciliation part following transportation orders? Incorporating a **freight settlement capability** gives you the much-needed peace of mind around compliance from this perspective as well.

Particularly in global, multi-tiered organizations, it is critical to have a centralized, holistic view. End-to-end visibility, approvals, and control points along the way will prepare a **solid base for auditing** when the time comes.



Leveraging a centralized software can help you create a strong bridge between your shipments, legal requirements, as well as accuracy of invoices, effectively mitigating compliance risks.



5. Governance of sustainability KPIs

With such a large volume of CO2 emissions coming from transportation, the governmental and business requirements around sustainability have increased significantly across the years. Even more when we talk about high shipping volumes like the ones during peak season, meeting these complex regulations and KPIs can be difficult, time-consuming, and costly, in the absence of a proper setup.

FROM A ONE-TIME ACTION TO THE HEART OF FREIGHT PROCUREMENT

The foundation for success is to **integrate the sustainability criteria from the beginning into your freight procurement strategy and monitor it along the way** throughout award of business, execution, as well as performance management. It is important to ensure that your carriers, other LSPs or partners are aligned with your expectations in terms of such business requirements, so you can select the best option accordingly.

Look at leveraging software platforms that have the capability to embed dedicated **green procurement modules within your workflows**. Starting from the RFI process to gather the needed information about your suppliers' capabilities and services, launching tenders or spot requests incorporating your sustainability criteria, automating the analysis and leveraging combinatorics modules to surface the best option in terms of CO2 emissions plus other requirements and up to automating the award of business to consider your sustainability criteria as well.



Enhancing this with tailored green procurement dashboards will give you the much-needed visibility across the status of sustainability KPIs, allowing you to monitor in real-time and optimize your performance versus organizational targets.

You win. The environment wins. What better outcome?

6. Complex freight landscape & communication

During such busy months when demand is high and capacity scarce, working with a wide range of carriers and other LSPs can complicate the freight procurement process, making it difficult to evaluate and select the most optimal partners as per your business requirements. The constantly evolving market rates along with limited/delayed insights can result in lost opportunities. Communication becomes more challenging, it is tougher to sustain transparency, and visibility amongst the right people at the right time, paving the way to misunderstandings at best and missed deliveries and lost money at the worst.

KNOWLEDGE IS A PROCESS OF PILING UP FACTS, WISDOM LIES IN THEIR SIMPLIFICATION

In such a complex landscape, the power of combinatorics algorithms facilitates data-driven and smart decisions, while also simplifying the overall process.



You can automatically calculate optimized award scenarios by defining your own business rules and flexibly integrating all the relevant criteria given your organizational priorities, like speed, cost, sustainability KPIs, etc. This enables you to compare and evaluate multiple suppliers at scale, build detailed reports, and surface the best alternative with much less effort.

Leveraging a dedicated freight procurement platform that **instantly connects all stakeholders** and gives you and your team the right level of visibility that you need based on the role, as well as real-time data through **dedicated dashboards or control towers** has proven to be a savior solution for many companies.

Connecting with your LSPs through one single cloud-based platform, while leveraging capabilities such as **instant messaging** will make your life easier in staying on top of the sheer diversity and complexity of your transport requests.

Further integrating the rest of your relevant platforms through interfaces will facilitate a clear end-to-end management from strategy to execution, across your transportation processes, while streamlining them and enabling you to **manage market fluctuations and disruptions proactively**.

UPGRADE TO THE FUTURE OF FREIGHT PROCUREMENT

Investing in **digital transformation and new technologies to enhance operational efficiency** has been a strong priority for procurement leaders in the past year and continues to be so in the upcoming ones. In uncertain times, allocating money to technology cannot always seem like an easy decision, but it quickly becomes one when **ROI** and further **cost savings** top significantly the price.

Agility, operational efficiency, and data-driven decision making are key to successfully navigating the complexities of freight procurement during peak shipping seasons and beyond. Leveraging such software solutions and services that help to prevent and **proactively address challenges** provide invaluable support for companies to navigate much more effectively the overall freight procurement complexities, both from a workload, as well as cost perspective.

Take a closer look at **SHIPSTA** and feel free to book a discussion with our experts to see how our platform and services can help you before, during, and after peak shipping seasons.



About us

SHIPSTA's Digital Freight Sourcing and Procurement Platform is streamlining transportation procurement for 100+ enterprise customers across the world, ensuring an end-to-end process from strategy to execution, fuelled by data, automation & AI.

The platform helps businesses proactively address market volatility and take data-driven decisions, reducing freight procurement complexity, costs & workload, while keeping a strong focus on sustainability KPIs. Interoperating with the supply chain ecosystem, it also ensures a seamless connectivity with freight settlement, supply chain visibility, TMS solutions, and other legacy systems.

Designed and built by experts in freight procurement, SHIPSTA's customer-centric approach and AI-powered processes ensure it is the most powerful and user-friendly platform for transportation procurement. It has been quickly adopted by logistics and procurement teams as their main partner in managing freight rates and transforming the traditionally manual, work-intensive, and costly approach to freight procurement.



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