

UASC speeds rate distribution to SEKO Logistics in CargoSphere Cloud



The Quest for the Right Rate in the Right Place at the Right Time



UASC (United Arab Shipping Company) is one of the top 10 global ocean carriers in the world. Like all carriers, to keep ship volumes high and profits strong, they need to constantly send their shipping rates to their customers — typically freight forwarders and NVOs — as quickly and efficiently as possible. Following current industry practice, UASC sends rate contracts, amendments and general rate increases (GRI's) to customers via spreadsheets and emails. Forwarders receive this rate information along with that received from other carriers, then process them internally so rates can be compared, analyzed and used in shipping quotations for their customers. That's hundreds of document files and emails, each containing thousands of rates, all of which are constantly changing due to market conditions.

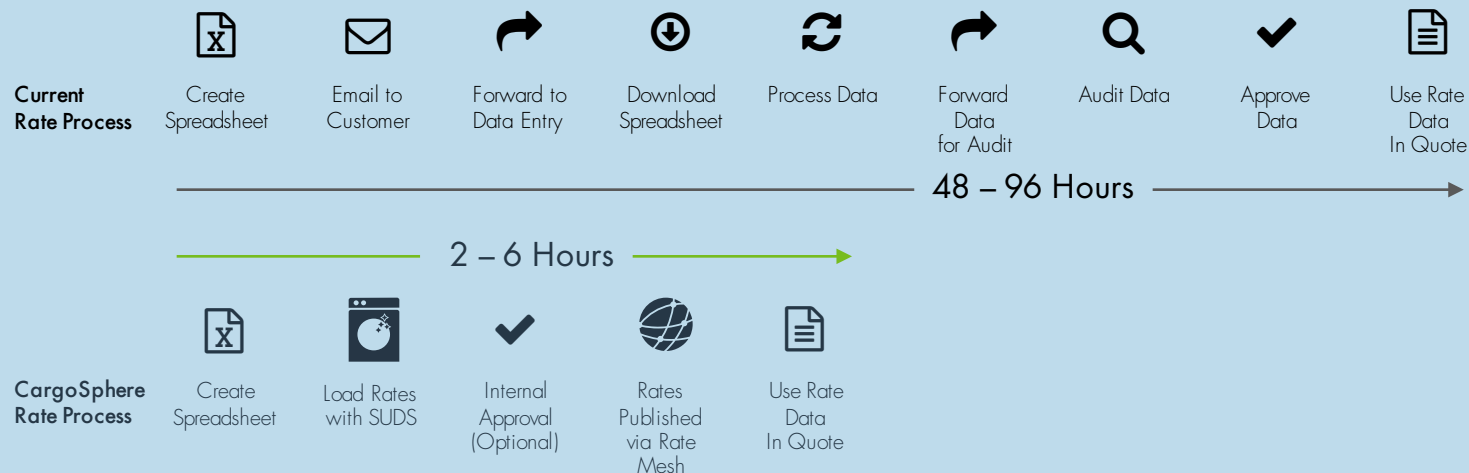
UASC believed that if their market rate was not readily visible to the forwarder at decision time, it was likely the forwarder would book with a different carrier. In essence, UASC felt that they were losing business due to the slow process of moving rate updates from their own system to their customers'.

To put even more pressure on the situation, the shipping industry is experiencing high levels of rate volatility. These frequent rate changes not only require more rate-processing labor on the part of carriers and their customers, it creates even less confidence — and perhaps worse, confusion — in the rates being used for creating shipping quotes.

How UASC Sends Rates to its Customers

The process starts with UASC making pricing decisions on a trade and customer basis. These prices are entered in their internal price-management system which integrates with other carrier processes. This price/contract information is sent to the customer using the process below:

Compare UASC's previous and new rate delivery processes.



CargoSphere: A Better Way

CargoSphere has been reducing friction in rate management for fifteen years with its secure, standardized, cloud-based neutral platform for receiving, managing and distributing rates.

Understanding that contract rates frequently arrive as large spreadsheets, CargoSphere created a proprietary technology for manually identifying and systematizing rates — quickly and accurately — from spreadsheet files: Smart Upload and Diagnostic Solution, or, “SUDS.” SUDS has been a successful and widely-used tool by CargoSphere’s existing freight forwarder customers, all of whom have experienced greatly reduced labor costs for processing carrier rates.

Prior to meeting with UASC, no carrier had used the CargoSphere platform. However, the SUDS technology intrigued UASC. The faster and more accurately the carrier could get rates into their customers’ systems, the more visible UASC rates would be in selecting carriers for quotes. UASC needed one of their customers to test this new process, ideally one who actively uses CargoSphere.

SEKO: Ready to Receive Rates via Rate Mesh

Since 2014, SEKO Logistics has leveraged the CargoSphere platform to compare and analyze rates from Carriers. SEKO is also a long-time customer of UASC. If SEKO doesn't have UASC's most competitive UASC rates in their system, this could lead to fewer bookings.

CargoSphere facilitated a meeting between UASC and SEKO, where this new rate delivery method was proposed.

Knowing that UASC's rates would arrive faster, already processed, accurate, and placed directly into their own confidential CargoSphere system via the Rate Mesh, SEKO wholeheartedly agreed to be part of this pilot program. UASC and SEKO agreed to "Meet in the Mesh."



CONFIDENTIAL RATE CONNECTION

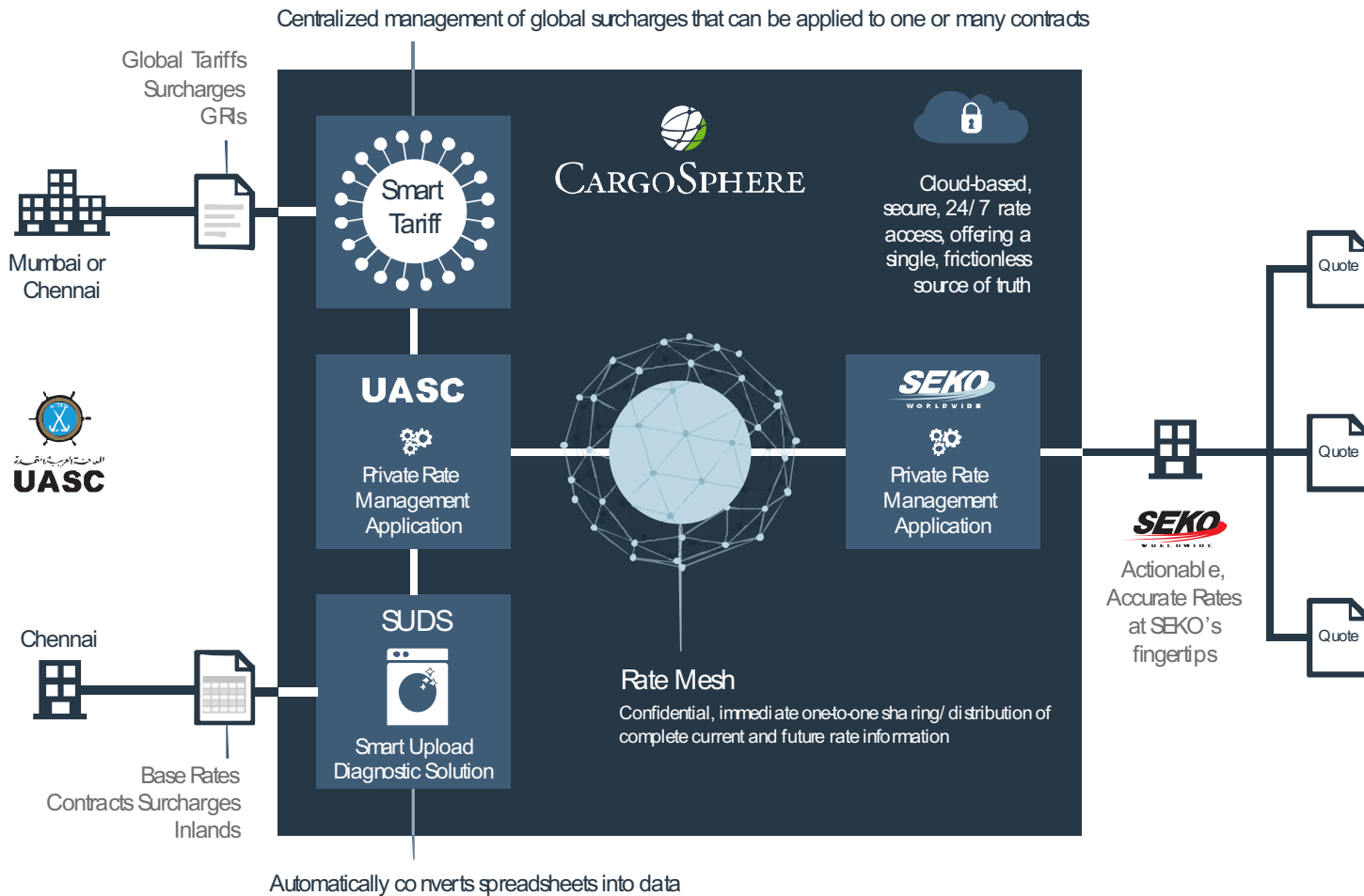
"We are eliminating many steps in distributing rate updates which is enabling us to more quickly make rates visible to our customers." — Eric B. Williams, Vice President, Global Head of Sales & Marketing at UASC.

"Receiving accurate, current ocean rates in our database allows us to act on them faster and with more confidence." — Jose Quesada, Vice President, Ocean Services, SEKO Logistics.



Only 7 Days to Implement

To implement CargoSphere solution, UASC's Rate Management Services team in Chennai and Mumbai were trained over a one-week period, a total of 11 hours of training. UASC teams learned how to quickly load rates and global tariffs into their application and then distribute them in the Rate Mesh.



Technologies Deployed

SUDS

(Smart Upload and Diagnostic Solution)

Converts current rate contract spreadsheets into rate data. Data is saved into their CargoSphere system which allows the Chennai team to upload the data without doing any programming or formatting.

Smart Tariff

Enables UASC to manage all global tariffs for all of their trade lanes. Tariffs are then included in all of their customers' rate searches in those respective trade lanes.

Rate Mesh

Allows UASC to put their updated rates directly into SEKO user hands as soon as the rates are released by UASC internal audit.



Results: Current, Correct, Competitive

As a result of this new process, SEKO users will know that the UASC rates in their CargoSphere system are correct and current. This will raise SEKO's level of confidence in UASC's rates and result in UASC being selected more often. In addition, SEKO will reduce internal costs. Receiving rates directly from UASC eliminates SEKO's cost of data entry and the need to audit and upload UASC's rate spreadsheet into the SEKO rate database.

Another result of this new process is in the area of invoicing. A single agreed upon bottom-line rate shared between parties electronically means invoicing accuracy can improve and disputes can be reduced or eliminated.

For more information about implementing CargoSphere for rate management, email sales@cargosphere.com.