

The path to optimised
ocean freight procurement

Supply Chain Advisors

BenchmarkingClub

eSOFS 

In-depth market understanding and insight provide the foundation of a coherent ocean freight procurement strategy. At Drewry we fully understand this, ensuring your teams have the cost visibility, market insight, tools and best practice support they need at every stage of the tender and service provider management cycle.

Since 2006, Drewry's dedicated team of ocean freight and logistics professionals have worked with some of the world's largest retailers and manufacturers, helping them benchmark their ocean freight costs and optimise their ocean freight procurement.

Fact-based solutions to optimise your ocean freight procurement

A chaotic and challenging market

Under-supplied and trending towards record-high freight rates, today's ocean transport sector is chaotic and unpredictable. In the near term, we see no let-up in the pressure on procurement and logistics operations teams within global shippers/BCOs as they continue to battle capacity constraints and rampant cost increases. Furthermore, teams who give primacy to balancing price with service performance, find themselves struggling to achieve and maintain even cursory standards of service in such disorderly and testing times.

Be certain, be agile and don't overpay

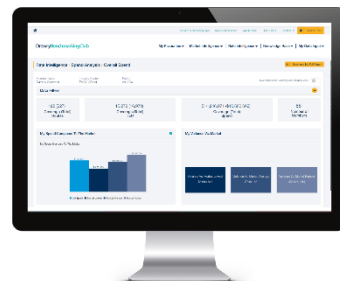
Increasingly, we are being asked by the procurement and operations teams with whom we work, to support their ocean freight procurement process and carrier management operations. Alongside the robust forecasts and benchmarks of ocean freight costs we already provide, we are now helping these groups optimise their bid administration and improve carrier management processes and contractual arrangements to mitigate performance risk amplified by the imbalances of the prevailing market.

Control and visibility of ocean freight procurement and operations

By combining robust, real-time freight cost benchmarks, market insights and forecasts with tools and best practices, we are able to enhance the visibility and control we can give to the entire ocean freight procurement process.

Transform your ocean freight procurement with our fact-based approach to tender and service provider management.

BenchmarkingClub



Drewry's Ocean Freight Cost Benchmarking Platform

eSOFS



eSOFS™ - eSourcing ocean freight and bid administration platform



Be certain

Validate plans and decision-making.
Demonstrate best commercial terms internally



Be agile

Overcome time pressures and data challenges.
More efficient and productive bid administration



Don't overpay

Minimise cost relative to market conditions.
Achieve price vs service level balance

Our ocean freight cost benchmarking and procurement solution supports all stages of the lifecycle. As well as giving confidence to your negotiating position with prospective and existing carriers, we provide the evidence you need to validate the competitiveness of contract rates secured and obtain the internal support required for transportation budget approval.

Bid administration: eSOFS™ ‘eSourcing Ocean Freight Solution’ Cutting-edge cost management and procurement platform, bringing efficiency and transparency to the most complex and data intensive sourcing events.

Benchmarking Club: Exclusive to shippers, allows members* to confidentially benchmark their contract shipping costs and transit times against their peers – based on genuine, shipper-only, buy rate comparisons. Real-time rates, monthly updates, customised in-depth quarterly reports presented by our market experts.

Container Freight Rate Insight: Providing spot market ocean freight rates. Aggregated price information gives a benchmark which can be used to inform and validate the success of your freight rate negotiations. It also provides informed analysis and a view on the short-term outlook for freight rates.

Sea and Air Shipper Insight: Airfreight rate benchmarks on 57 trade lanes. This monthly report includes a “Freight Operators’ Financial Stress Index”, based on the Z-score method of provider risk analysis.

Contract BAFs: Contract BAF Index every quarter on the major East/West routes.

Peer group insight: Regular, in-depth research of peer group to understand management best practices, experiences and ideas related to service levels, carrier management and performance optimisation.

1. FACT-FIND	2. PLAN	3. IMPLEMENT
<p>Understand market and validate decisions</p> <p>Current freight cost benchmarks, market intelligence and peer group insights</p>	<p>Improve performance and predictability</p> <p>Efficient bid administration, better procurement outcomes and carrier management practices</p>	<p>Inform strategy and planning process</p> <p>Powered by best practices, robust market forecasts, outlook briefings and lead times</p>
Shipping market outlook and forecasts	Bid strategy & Optimisation of Tender Process	Bid administration resource, tools and support
Ocean freight cost benchmarks	Establish target rates for bids, preparing for carrier negotiation	Vendor Selection
Z scores and risk profile	Budgeting freight spend	Optimise transit and lead times
Peer group insights	Fuel policy provision and BAF updates	Service KPIs, scorecards and QBRs



Partnership approach with confidentiality assured

- ✓ Aggregated, anonymised data
- ✓ Robust, real-time benchmarks
- ✓ Genuine partnership team-working
- ✓ Custom reports and briefings

SOLUTIONS DRIVEN BY FACTS, INSIGHT AND BEST PRACTICE

Our solutions are fact-based, combining the latest market intelligence with seasoned industry expertise, cutting-edge event management technology and proven best practices to help you prepare and execute bid events and monitor the performance of your service providers.

FACT-FIND

COST BENCHMARKS

- Contract rates
- Spot market rates
- Contract BAFs

SERVICE BENCHMARKS

- Service KPIs

MARKET INSIGHT

- Market insights, forecasts and trade route analysis
- Market development and outlook briefings
- Z-score risk assessments
- Cancelled sailing tracking

PEER GROUP INSIGHT

- Peer group surveys
- Project experience

INFORMED ACTION

IMPROVEMENT

- Contract advice
- Procurement strategy
- Bid support and tender management
- Best practices, tools and templates
- KPIs/Scorecards/QBRs
- Efficient bid administration
- BAF Formula

PLANNING

- Target rates for bids
- Market outlook briefings
- Schedule adherence
- Lead times for planning
- Detention & demurrage advice
- Custom guides on innovations
- Custom guides on resilience/continuity

OUTCOMES

END RESULTS

Predict and control freight spend

Improved contract terms

Strengthen negotiating position

Pro-active carrier management

Resilience and continuity

Demonstrate results to internal stakeholders

KEY BENEFITS

- ✓ Be confident in your negotiating position with prospective and existing carriers, by leveraging spot and contract ocean freight rate intelligence - as well as market development
- ✓ Execute the most efficient and effective procurement process by accessing best practice tools, resources and advice
- ✓ Maximise the productivity and effectiveness of complex and intensive data sourcing events using eSOFS™ platform
- ✓ Effectively monitor and manage your carrier service providers
- ✓ Demonstrate to internal stakeholders your current contract rates are competitive – and gain internal support for transportation budgets approval
- ✓ Enjoy numerous Benchmarking Club member privileges including tailored reports/briefings and exclusive invitations to special market outlook briefings



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procurement**

- Robust ocean freight cost benchmarks to strengthen negotiating position with carriers
- Latest market intelligence and best practices to validate plans and decisions internally
- Tap Drewry's extensive data sets, analytical expertise and forecast modelling capability
- Seasoned industry professionals to support the process as required
- Extensive track record of advisory work
- Specialist experience of contracting with and managing carriers
- Cutting-edge bid/eSourcing platform eSOFS™ brings efficiency and productivity to complex procurement events
- Incorporate benchmark data in tender process/bid event platform
- Operational and technical industry experience and expertise

FOCUS OF EFFORT: VALUE FOR MONEY AND PERFORMANCE IMPROVEMENT

Practical advice, support and guidance at every stage of the process

Our ocean freight cost benchmarking and procurement team is staffed by seasoned industry experts with a global perspective. Powered by our extensive market knowledge and understanding, we are able to provide robust and practical recommendations at each stage of the service provider selection and management process from bid preparation and management to capacity commitments and contract terms.

We work with some of the world's largest retailers and manufacturers, providing insights, tools and services that help them benchmark ocean freight costs and improve their tender and carrier management processes.

5 Working with 5 of the top 10 global retailers*

900+ Global ports coverage**

15,000 Global port pairs**

~100 Exclusive shipper members**

14m TEU benchmarked per annum**

\$27bn Comparing costs USD per annum**

* National Retail Federation 2020
 ** Drewry Benchmarking Club 12/20

Drewry Supply Chain Advisors

"Drewry's Benchmarking Club has made industry rate data and expertise readily accessible. We successfully leveraged their industry knowledge in our 2019/20 ocean carrier contract negotiations and continue to do so when evaluating changes to our organization's sourcing strategies."

"Project work and reports were prepared in a most professional manner, and the work was turned-round in a timely way. We are very pleased with our association with Drewry and would certainly highly recommend their consultancy arm."

"Our team was impressed by both the team appointed and the [eSOFS] solution presented - and very satisfied with the results achieved. I would be happy to recommend Drewry."

"Drewry's advisory team brought professionalism and invaluable insight to all stages of the RFI and RFQ process."

"Drewry provided advisory RFI/RFQ services for our...complex Ocean Freight Global Procurement Event. Drewry met our requirements and provided a high level of expertise, advanced analytics and responsive communication."

"Drewry's Benchmarking Club enables us to ensure that we secure competitive freight rates with carriers and identify lanes where we could possibly further lower our costs."

"Drewry has been very helpful to us in benchmarking our shipping costs and in developing strategies to improve our shipping efficiency and cost effectiveness."

"Drewry's Benchmarking Program has provided us with the insights... to understand how we are positioned, especially important given the volatile and potentially irrational nature of the container marketplace."

TO LEARN MORE, CONTACT US AT supplychains@drewry.co.uk

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