

## Customer Success Story

# Cargo Express

## Turns to Descartes GLN to Deliver End-to-End Visibility

Founded in 1996 in Yardley, Pennsylvania, Cargo Express, LLC is a transportation logistics solutions provider that specializes in ocean import/export. As part of its day-to-day operations, Cargo Express coordinates intermodal and domestic transportation services across rail, truck and air; consolidates shipments from various manufacturing operations on behalf of its clients; and provides customs brokerage services to ensure the clearance of goods through U.S. Customs. Currently the company has contracts with over 15 different shipping lines and operates in 21 different countries on six continents. Its primary area of focus is the Trans-Pacific trade lane.

### Creating Visibility into Shipments from Point of Origin

The key to effectively managing ocean freight has always been visibility into shipments from point of origin. "We had limited shipment visibility through our partners, and we found gaps in the system because various carriers simply weren't sending messages," says Joe Pfender, co-founder and President of Cargo Express. "We knew we needed to set things up internally so that we could take control of the process from the source, and help our customers streamline their shipping operations."

A major player in driving the visibility initiative forward for Cargo Express was a leading shoe manufacturer with production facilities around the world. "Our customer was a big driver of this program," Pfender says. "They were moving a lot of product that ended up sitting in loaded containers. They needed to find a way to better manage the movement of inventory from the day a purchase order was received at the factory to the final delivery of goods."

The shoe manufacturer shipped goods directly from several factories in southern China to their distribution center in the United States. A consolidation facility in Shenzhen helped the manufacturer match production with demand. Bar-coded cartons coming into the consolidation point would generate a warehouse receipt, which would automatically send a notification to the manufacturer to issue routing instructions.

Cargo Express found that gaining visibility into its customer's shipments involved a lot of manual processes. There was also no control over what was leaving the factory facilities. "While our customer was presented with details about each shipment at the consolidation point, it was too late to manage that flow," says Pfender. "At that point they were facing fixed shipping windows and needed to get product moving, whether it was a rush item or not."

As a result, the shoe manufacturer ended up paying demurrage charges and significant per diem invoices because they were not ready to receive their shipments. "The factories are naturally focused on production and not container loading efficiency. They made the shoes and pushed them out the door."

While surcharges were one impetus, Cargo Express and their customer also knew they needed to get smarter about the way loading was handled at the production facility. "Better visibility would enable us to drive efficiencies for container usage and lower freight costs," says Pfender.

## Descartes GLN brings Together Cargo Express Customers and Trading Partners

Since Cargo Express wanted to tailor its offering to suit the needs of each importer, it required a solution that could act as its “back-room IT department” to bring customers together with carriers. After evaluating a number of portal solutions, Cargo Express selected the Descartes Global Logistics Network (GLN).

Within a few months, Cargo Express transitioned its customer to the Descartes GLN and gained much needed visibility into its warehouse loads. Real-time Warehouse Receipt Advice messages (EDI-944) were sent to the manufacturer. With insight into product availability when shipments were received by the warehouse, the manufacturer could provide loading and shipping instructions based on immediate demand and distribution needs. The manufacturer then conveyed loading and shipping instructions via Warehouse Shipping Orders (EDI-940). The Descartes GLN implementation team worked closely with all parties involved to understand the unique nature of their supply chain process and to design a cost-effective solution enabled through real-time information.

Cargo Express has been using the Descartes GLN as its value-added network (VAN) for over a decade. This multimodal network of transportation providers and customers facilitates the interchange of logistics information and helps companies manage their logistics functions more effectively. Today, the Descartes GLN connects thousands of shippers with 90+ air, 30+ ocean, and 1400+ truck carriers, along with regulatory agencies such as the Federal Maritime Commission and U.S., Canadian, Dutch and Indian customs agencies. It handles numerous standards and message specifications for manufacturers, retailers and distributors at both a regional or global level to help operators gain greater visibility into and control of global inbound and outbound shipments. The Descartes GLN supports a series of additional applications that leverage the community connected to the multimodal network and enable rate management, customs filing and compliance, multimodal track and trace, shipment and fleet management and more.

### The Benefits of Increased Visibility

With the Descartes GLN, the shoe manufacturer can now take advantage of routing options such as all-water transit instead of mini-landbridge services resulting in lower ocean freight charges,

Pfender explains. “For example, if our customer doesn’t need product immediately, they can switch that shipment to another vessel with longer ocean transit time at significantly lower ocean freight costs than an intermodal route.”

The Descartes GLN has helped this shoe manufacturer significantly reduce demurrage charges incurred when containers are kept beyond the allotted time frames. “Invoices for demurrage charges could result in significant unplanned cost – in some cases hundreds of thousands of dollars,” explains Pfender.

Pfender also says that with more real-time information, its customer can better respond to dynamics on the ground. “In the past, flat files of data showed what was coming and when, but there was no chance to respond to that data. Our customer was at the mercy of factories that were loading containers and getting them out the door.”

Descartes GLN has dramatically changed the way the shoe manufacturer collects and makes data readily available. Managing its supply chain has also become a much more interactive process. With the ability to collect and make data available in real time, the manufacturer can manipulate processes more easily to manage costs and drive efficiencies from the time the containers are loaded until they reach the warehouse. This enables the manufacturer to provide loading instructions and build loads that are tailored to current demand and distribution requirements.

According to Pfender, its customer initially saw an 8% to 10% improvement in its load factor by shifting to larger containers and combining freight from multiple sites. The manufacturer also has greater visibility into smaller parcel loads at the consolidation centre, which helps in determining schedules.

“Visibility through the Descartes GLN has given the shoe manufacturer the ability to prioritize every aspect of each shipment,” Pfender says. “For example, it shifted about 30% of its volumes over the recent fall season to lower priced, longer lead-time processes, which has saved hundreds of thousands of dollars.”

Cargo Express and its customer continue to work with Descartes to increase visibility throughout the process and further reduce costs in the supply chain, he adds. “Working with Descartes, we can enable more intelligent selection of cheaper, lower cost routes while meeting my customer’s product demand and distribution requirements.”

## Summary

### Challenge:

Cargo Express wanted to provide a customer with real-time, end-to-end visibility into shipments coming from production facilities in China to streamline processes, reduce shipping costs and drive efficiencies.

### Solution:

Descartes GLN provides the Cargo Express customer with visibility into the movement of goods in and out of its consolidation facility. This insight enables shipping schedules to be manipulated to take advantage of reduced rates and eliminate penalties.

### Benefits:

- Seamless communications with a global partner network
- Ability to transition 30% of shipping requirements to significantly lower FOB costs
- Dramatic reduction in demurrage charges
- 10% improvement in load factor by shifting to larger containers for multiple shipments
- Visibility into smaller parcel loads at the consolidation center helps determine schedules