

3. FREIGHT FORWARDERS AND CUSTOMS BROKERS

TRANSPORT ANALYSIS

The objective of any exporter should be to get the product to market at the right time, in the right condition, and at the best price. The following checklist may be helpful in choosing between the various transportation options:

- determine the type of product being shipped;
- identify the characteristics of the goods being shipped;
- consider the size and shape of the product;
- decide whether to ship in bulk, as general freight in large volumes, or in small quantities as full or partial loads;
- determine the optimal frequency of shipping;
- consider the distance to be covered;
- determine whether assistance is required for packing, loading, blocking, bracing and unloading the product;
- decide whether temporary storage is required;
- decide whether door-to-door, port-to-port service, or some combination, is required;
- consider whether the services of a third party, such as a freight forwarder, are needed;
- identify what transportation documents are required; and
- specify the terms of sale regarding freight charges and cargo insurance and determine who is making arrangements for each.

The small or inexperienced exporter can benefit greatly from the assistance of freight forwarders and customs brokers. Freight forwarders plan the details of a shipment, make arrangements for packing, prepare documentation and organize transportation. Customs brokers help to ensure that shipments meet all customs requirements and that the accompanying documents are completed correctly. Other brokers provide insurance coverage for freight shipments, although insurance can often be obtained directly from the carrier.

To take advantage of these services, the product must be properly prepared, unitized, and/or containerized, otherwise, carriers may refuse to carry the goods and insurance companies may refuse to cover any damage or losses. Here are a few simple rules for preparing a shipment:

- assess the total transportation route and pack for the toughest leg;
- determine the frequency of trans-shipment or unloading/reloading, and prepare the goods for multiple handling;
- determine the packaging requirements that apply in the country of origin, for each carrier, at all ports of exit and entry, and in the country of destination;
- know the packaging capabilities: the strengths and weaknesses of goods, their "stackability", and their susceptibility to weather;
- package the goods to minimize internal movement and to protect corners, edges, finishes, valves, dials and knobs, or upholstery and material;
- use appropriate unitizing devices and place, load and secure goods properly; and
- determine the kind of handling equipment to be used and its availability at trans-shipment points.

FREIGHT FORWARDERS

Freight forwarders are independent companies that handle export shipments for a fee. They provide advisory, administrative and physical services to facilitate exports. Freight forwarders can arrange shipments for Canadian exporters using any mode of transportation. They offer a complete service package that can be especially valuable to the first-time exporter. They are an excellent source of information on regulations, documentation and shipping methods and can save the exporter money on transportation rates because of economies of scale. The services provided by freight forwarders typically include the following:

- providing or arranging shipment handling including packing and crating, marking, inspection and storage;