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Choosing and Evaluating Your Transport Intermediary

There are three basic steps to build an international transportation strategy:

1. selection of mode/transporter;
2. negotiation and purchase of service; and
3. evaluation of service.

1. Selection

Each mode of transportation and each transport provider (carrier, freight forwarder, etc.) has its own built-in advantages. There is no "good" or "bad," only what is best for a specific purpose. In the final analysis, your particular requirements as an exporter will dictate the type of transport services you select and the transport providers you choose to deliver and manage those services.

Your choice of modes and of transport enterprises will depend on their service offerings, their routing and scheduling, their capacities, their pricing and negotiating strategies, their marketing activities and their competition.

In a complex international movement of goods, the transport enterprise you choose is the one which can offer all of the following:

- to arrange door-to-door service in a multimodal movement, as principal responsible for preparing, documenting and insuring the shipment of your goods;
- to deliver the goods in a timely, dependable and consistent fashion;
- to meet your customer service requirements; and
- to do it all at a reasonable price.

2. Negotiation and Purchase

Once you select a suitable transport enterprise, you must negotiate a contract for their services. The economic deregulation of the transport sector in Canada effected by the *National Transportation Act of 1987* allows the negotiation of price/service transport contracts between shippers and carriers.

Figure 5: Breakdown of Transportation Intermediaries

