

2.2 International Freight Forwarders and EDI

Huge volumes of information are exchanged to facilitate the movement of goods internationally. The entire shipping process involves a complex flow of information that requires the frequent exchange of numerous documents between many trading partners.

International shipments involve many specialized businesses, including freight forwarders, agents in foreign countries, air and ocean carriers, brokers, customs, warehouses, motor carriers, banks and import/export firms. Many different types of documents have evolved over time to serve these various organizations. For individual shipments, these documents may include shipment advice, booking request, waybill, manifest, commercial invoice, delivery instructions, pre-alert, customs declaration and release, certificate of origin, letter of credit, duty invoice, duty payment, as well as shipping invoice and payment.

It clear, then, that there are significant opportunities for business efficiencies and cost savings for freight forwarders who communicate by means of EDI with their customers. The traditional paper-based environment is error-prone and has many inherent inefficiencies that EDI can readily overcome. Using conventional methods, the flow of information between forwarders and their trading partners involves redundant re-keying of the same information with manual processing and manual delivery of documents throughout the process. By electronically exchanging required shipment information between partners, document processing costs can be significantly reduced. Just as importantly, time in the shipment process can be reduced by processing shipment information in advance of the shipment.