Moving right along

Planning for the peak

BY THEODORE PRINCE

The peak import season is upon us. Actually, "peak season" is a misnomer, given the relatively full ships that have been arriving at U.S. ports since early this year. To support this crucial period for imports, customers must find ways to cope. One thing is clear: If you fail to plan, you plan to fail.

Here's some advice.

Don't try to tie the recent $300 general rate increase (GRI) to guaranteed service. You will not be able to shame ocean carriers into better service for higher rates. You must be prepared for possible problems. In fact, if the $300 is the only extra cost you incur, you may wish to consider yourself fortunate.

Stay focused on what matters. If not every single load is urgent, understand what the requirements and priorities are. It would even be beneficial to have them clearly outlined in advance. Remember George Orwell: "All animals are equal, but some animals are more equal than others."

Understand the service process well enough to anticipate potential problems. First, you need an empty container — hopefully the size you desire. Second, you need space on the vessel. You may also require space on a feeder vessel. Third, you need timely discharge. Fourth, you need ultimate delivery, whether local or long-distance intermodal.

Be mindful of the overall objectives. Don't micromanage the process. You can't do the steamship lines' job for them.

Next, manage your carriers. Make sure the shipping lines you have used in the past are prepared to support your requirements. Otherwise, it may be too late to find another carrier. This is not the year to experiment with new lines.

Leverage your volume. Using slack season volume to ensure peak season space and equipment is a longstanding practice.

Rely on it again. Furthermore, lines are desperate for export cargo. Find a way to exploit that volume — there may be more ways than you think.

For example, if you are importing shoes with Line A but your factory is using Line B to export shoe boxes, use one line. Try to leverage multiple peak season loads for each alternative.

Make yourself an attractive customer. Do things to make yourself more profitable to the carrier. There are many actions that don't increase your expense but reduce carrier's costs. (Examples: Be flexible on vessel strings and equipment size, and reduce extended free time.) You might even want to embrace the GRI. The lines are very pleased with the results, but fear their unity may crack after October. Agree to minimize the reduction in the GRI during the slack season in exchange for peak season space and equipment.

Think big picture. Use whatever influence you can from industry groups. Try to bring your domestic cargo to bear as well. This might help getting trucks.

Be reasonable. Don't make all your cargo critical. When everything is hot, then nothing is. Be selective, and stick to your original intent. This is important with on-dock and stowage.

Clearly establish understandings. Side letters with your carriers should ensure that there are no misunderstandings later.

Avoid the West Coast port shuffle. Shunning San Pedro ports may be a case of jumping from the frying pan into the fire. The other ports have significant problems, too. (Lack of adequate port infrastructure, insufficient railcar balance, rail congestion.) Don't make changes for the sake of appearing to do something.

Don't wait for subsequent on-dock trains. Large vessels may require three to six on-dock trains to move all their cargo. Some lines wait for subsequent vessels to arrive and combine on-dock cargo. If your cargo isn't scheduled for the first train — to depart within 12 hours of vessel arrival — then get your critical cargo off-dock.

Get critical loads stowed "hot-local." Vessels are stowed like layer cakes. Make sure that your critical cargo is stowed on the first, or top, layer. That will ensure discharge within eight hours of arrival. Lines will resist this, but insist on it if at all possible. You will need to be very selective, and you must immediately remove it from the terminal.

Start managing overseas. Oversight of these functions should start in the Far East, where vessels are stowed and equipment and space are controlled.

Avoid West Coast clearance for intermodal cargo. In-bond movement is easier for the steamship line than the service "roulette" of West Coast clearance. Easier handling equates to less likelihood of mishap.

Consider transloading import into domestic trailers and containers. There are several benefits here. First, the domestic carrier may have better service levels than the steamship line, lessening destination impact. Second, the domestic portion of your business may have a strong relationship that will ensure access to capacity. Third, it may even save some money. This is not an option for extended free-time cargo. Truckers are much more anxious to get their equipment back than steamship lines.

Don't change priorities. First, resist the temptation to get distracted by each problem. Second, don't upset your course of action by being in a constant state of reaction.

Finally, review your plans now. Don't wait for chaos to be upon you. It will be too late.

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