

# How to choose the right forwarder ?

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**A**s an importer or exporter, choosing the right logistics partner or changing your current forwarder can be a tough decision. Each companies has its own selection criteria but the commonly made mistakes is choosing the “cheapest” forwarders without considering the impact which could cost you a bomb later on. Below are the considerations you might want to have before you decide who you would appoint to handle your cargo.

## THE CORE BUSINESS

There are many kinds of forwarders out there, freight forwarders, shipping agents, NVOCCs, warehouse operators, custom brokers, hauliers, transport companies or just agencies. It is important for you to know the differences of these forwarders and also understands what kind of services you need. Example, if you need customs brokerage services, you do not want to look for forwarders whose core business is in warehousing. The key is to understand a forwarder's core business and their expertise. When it comes to custom clearance, it is important to select the right one as the custom broker is like your lawyer representing you with the customs. Selecting the wrong one can cause a lot of problems and you may end up having problems with the Customs later on. Ensure the core business of the forwarder is handling legitimate cargo and not those fly by night, get rich fast service providers. Look for a forwarder that is putting serious effort in doing a good job and those investing in services.

## COMPLIANCE TO CUSTOMS REGULATIONS

Using the services of a forwarder who has good reputations and full compliance with customs regulations is very important. A forwarder will represent your company to declare the import and export cargo. Any inaccuracies or failure to declare correctly could lead to future complications such as slower clearance and is more susceptible to physical customs checks and examination which will cost you extra removal costs and waste precious time. Worst, your imports and exports could be disrupted if your forwarder is blacklisted by the customs., therefore it is important to choose the right customs broker.



## FINANCIALLY STRONG



Ensuring your forwarder is financially sound and well managed financially is also crucial. A financial sound forwarder can help you speed up the clearance without any problem. Even though you are the paying party, you should always check their financial strength. Let's say you made your payment for the freight to your forwarder then you find out your cargo has not been released because your forwarder couldn't pay to the ocean carrier. This might delay your cargo release and accumulate other charges such as demurrage and detention which might cause you to pay more.

As most of the ancillary charges will be paid on your behalf before the cargo can be cleared such as local charges to the carriers, port charges, warehouse handling charges, transportation charges etc. If any of these ancillary charges failed to be paid timely, your cargo delivery will be affected as most shipping carriers will not release the d/o without payments. Worst, if your forwarders has an overdue with the carriers which has not been paid, your cargo might also be blocked or sanctioned by the carriers until the due is paid. Sometimes, these delays will cost you additional penalty such as port storage, demurrage and detention charges.

## EXPERTISE

When it comes to custom clearance, you may want to be very certain that the forwarder you have appointed is a reputable forwarder who has the expertise and who also has the first hand information on customs regulations and development. A custom broker's role is to represent the client to deal with the customs and also provide expert advice on how to comply to the authority's regulations. Avoid forwarders or agency house that gets your business and simply outsource it to a different custom broker. The forwarder you appoint should be a licensed custom broker and endorsed by the forwarding association such as SFFLA.



## INFORMATION SECURITY

In the developing country such as Malaysia, shipping of contraband or smuggling is still rampant and therefore it is important you choose a forwarder who has a good and clean track record. Ensure that your information is handled with top confidentiality. At DNE, we ensure your declaration data is handled discreetly and protected by our NDA ( Non disclosure agreement ). It has happened before that there were forwarders who abused customers' documents to do illegal shipments without the customer's knowledge. The customers will only get to know it when the customs detected it and do a field audit operation and conduct a raid on customers. Such forwarders are those fly by night companies whose primary business activities are obscured or overshadowed by great offers of cheap rates.



## DOCUMENTS AND DATA MANAGEMENT



A good forwarder should maintain a good house keeping and having good documentation management systems. Files pertaining to exemptions, bank guarantees and other documents must be well handled to avoid misplace or even loss. Losing these documents can cost you a bomb . In DNE, we have a scanning system where we scan every document and stored the documents in a safe place in pdf digital format. This gives us the ability to retrieve both customers' and our own documents quickly and effortlessly. No more worries due to staff turnover as all your documents are digitally stored and can be made available to you when you need it.

## TRANSPARENCY

In our modern working environment, customers demand for instant feedbacks of information. Many service providers could not provide this due to the fact that many would still want to keep certain information from the eyes of the customers so that they could provide a safety net for themselves in case of service failures. In DNE, we believe in transparency.

We like you to see the rates, the procedures, the process clearly so that you could understand how we have served you. Performance reports based on KPI and full visibility of each job's history will tell you what has happened. We work very hard to ensure we are able to update the customers quickly on the status, what went wrong and how it will be solved. This gives the customers the total control over the situation and able to resolve problems together faster. We also provide the customers with online login for them to see their shipment status and job status and history.





## STRONG SYNERGY AND SUPPORT

Most of the forwarders today are expected to perform more and more value added services for the clients due the demand for convenience. You may not want to choose a forwarder who has very weak support functions with other supply chain party such as hauliers. Use a forwarder who has good haulage connections who could provide you with a hassle free arrangement. If possible, use a forwarder who has multiple haulage accounts so that you will not be forced into using only one haulier's service if you find the service is not good.

A forwarder such as DNE has multiple haulage partners where the selection of hauliers is done for you based on your requirements, rates and locations. In the end, you will get an uninterrupted service and gets the best services.



## FOCUS ON SERVICES, GROW WITH YOU



Logistics is a complex business and to be able to fulfill the needs of the customers, forwarders need to understand the requirements in the smallest details. Because of this, be careful of forwarders who are too quick to promise you cheap rates and claim to be able to do all you need. Also avoid service providers who use "dragnets" marketing approaches to quickly rack up the sales but cannot deliver the services they promised. At DNE, we do not promise you the "cheapest rates" in town but we promise you the "best value" you can get. We invested heavily in customer service and even invented new ways to provide customers with a superb customers experiences with state of the art IT tools. And most importantly, we grow with our clients. Many of our clients have been with us for more than 10 years.

## COMPANY WITH GOOD SUCCESSION PLANS.

Logistics business is a very challenging business and rely heavily on human talents. Therefore many forwarding company is facing the problems of aging staffs and the challenges of how to replace with a younger workforce. Many forwarder's services relies heavily on the staff's output., however, the moment the staff resigns, they could not maintain the level of services they provides to their customers. In DNE, we believe in creating a good succession plans so that the aging staff will play a different role at the different time but yet developing the new generation of staffs who could continue the legacy and the service culture of the company and trained by the senior and aging staffs. In addition to this, we also equip the staffs with cutting edge technological tools to make their job easier and able to produce a better output.





Contact us today  
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### DNE Group of companies

DNE Forwarding ( M ) Sdn Bhd ( 538624-W )  
DNE Total logistics ( M ) Sdn Bhd ( 491107-T )  
DNE Intergrated Logistics ( M ) Sdn Bhd ( 889305-T )  
Antara Benua Logistics Sdn Bhd ( 507062-H )  
Compact Wealth Haulier Sdn Bhd ( 721818-D )  
AP Carriera Talent Resources Sdn Bhd ( 1058296-H )