

Soft Economic Period Can Be Wise Time to Invest in IT Systems *Freight Forwarders Can Benefit from Robust IT Platform*

While many freight forwarding executives view the current economic conditions as an imprudent time to expend capital in implementing new business functions, this can, in fact, be the perfect time to conduct a thorough evaluation of current business processes and systems to maximize economic performance in the long-term.

With the logistics and freight forwarding industry in the midst of economic challenges, this may be the perfect time to assess company business processes and consider implementing newer and leaner operating systems that will provide ongoing benefits. Typically, when business is slow, company management has more time to evaluate how they are conducting business in the current market environment and consider options available to them that can help them to not only weather the storm, but better position themselves to meet future expansion requirements for when the economy rebounds. Optimizing their business practices and systems now can influence the degree to which they maintain or gain a future competitive advantage.

One area that is often overlooked during economic downturns due to perceived capital outlays is IT optimization. While today's current economic conditions may not be suitable for large capital expenditures, and loans may be difficult to obtain, monthly licensing options (ODPL) provided by enterprise service providers can require minimal cash outlays to implement new IT enterprise systems. Implementing an integrated IT system is one area frequently overlooked by company management that can have both immediate and long-term benefits with very little capital outlay.

If freight forwarders are uncertain how to get a feel for market conditions and exactly what their IT needs are to optimize their own freight forwarding process, they can turn to a software service provider for assistance. Some software service providers offer consulting services to help forwarders and shippers evaluate solutions for the most efficient and cost effective enterprise system with maximum results. This is always a good place to start and can often reap significant lasting benefits.

Slow economies not only free up management time, but often provide increased time and IT personnel availability to assess company software requirements and more carefully focus on the most effective IT-based operating platform that best fits the company's supply chain requirements in both the short-term and long-term. Weak or slow economic conditions can provide the needed window of opportunity management and IT staffs need to carefully analyze the best manner in which to implement operational technologies that can provide IT optimization platforms across extended supply chains. Most companies will find that establishing a single, robust cross-departmental IT solution across all business functions within an enterprise can play a significant role in minimizing the degree of economic risk a company absorbs in unstable economic times. It will also improve ROI performance and long-term growth.

It is during these times of introspect that IT staffs have the time and ability to focus not only on the implementation of new software systems and enhancements, but for the proper training of all personnel that will be utilizing any new enterprise system put in place. Shippers and freight forwarders have a variety of training options available to them today. Companies can undertake IT training programs that are best-suited to their personnel and financial needs.



Lisa Tree, Marketing Manager

Some will opt for on-site training, while others may select remote or self-training programs, or a combination of all three options. The point is, with more time to analyze supply chain and IT needs, forwarders can tailor their training programs to fit their budgets and operational requirements.

Rather than simply maintaining the status quo in these times, working closely with an enterprise solution provider, freight forwarding companies can gain valuable insights through consultation into what IT operating solutions can consistently enable them to maximize economic performance through all types of market conditions, while lessening economic risk regardless of market conditions. These economic conditions will eventually level out and return to normal. In the meantime, freight forwarding management should view this economic climate as a real opportunity to step back and determine how it can help to cost-effectively improve their business practices with robust IT-based systems that optimize their operating performance in the long-term.

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