![Fluent Cargo logo] **FLUENT** CARGO

Route Planning & Research Practices in the Logistics Industry

Global Survey Results

Introduction

Route planning plays a pivotal role in the logistics industry. Planners seek to find the most efficient way to move goods while considering key factors such as distance, transit time, cost, mode of transport, and environmental, social, and governance (ESG) criteria.

The prevailing methodology for route planning is comprehensive web research, which invariably involves the cross-referencing of multiple sources to obtain or confirm information. This labor-intensive process consumes valuable time that might otherwise be allocated to subsequent and no less critical steps in the shipping process.

Survey Overview

The survey, conducted in April 2023, identifies the primary factors that impact route planning activities in the day-to-day work of logistics industry professionals.

The survey looked into various issues, including:

The time stakeholders spend on researching shipping options	The tools used for route planning research	The most time-intensive components of pre-shipment research
The types of shipments that require the most research	The types of cargo that require the most research	How decisions are made

A total of 187 responses were collected for this report, comprising a diverse range of stakeholders including freight forwarders, beneficial cargo owners (BCOs), third-party logistics service providers (3PLs), carriers, consultants, buyers and traders. The survey results suggest that to expedite their decision-making processes and secure a competitive edge in the marketplace, logistics professionals need more streamlined and innovative solutions for their route planning and related research needs.

Survey Findings

Time spent on research

The survey findings confirm that freight forwarders, 3PLs, BCOs and other logistics industry workers spend a significant amount of time each day on web research.

Understanding exactly how much time was a key goal of the research. A breakdown of the time respondents spent on web-based research per shipment shows:

Time spent on web research per shipment

13.9%

9.9%

48.5%

27.7%

- 45 minutes+
- 30-45 minutes
- 15-30 minutes
- <15 minutes
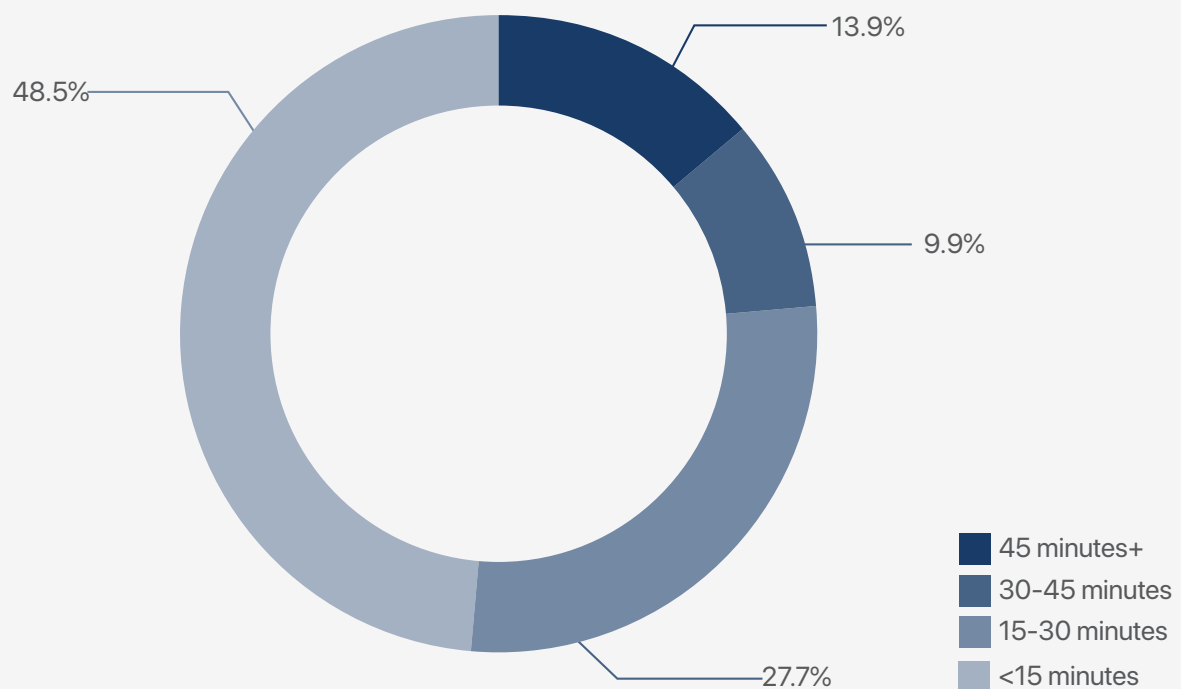
Starting shipment research

The survey sought to discover how respondents began the process of route planning and related tasks.

Fully 49% of respondents began their research with a Google search; 40% went directly to bookmarked websites; while 11% of respondents stated they did not use the web at all, relying on their company's internal software systems instead.

49%

40%

11%

- Google Search
- Own internal software
- Websites that are regularly used
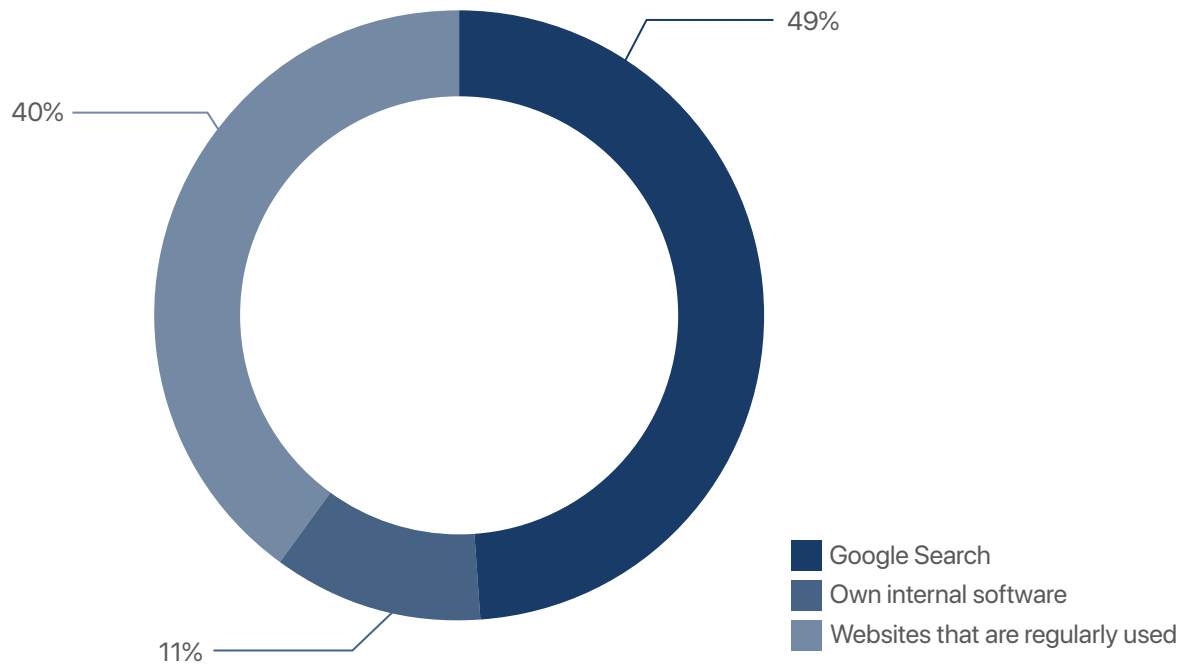
Drilling down on information sources

The survey sought to understand more about the specific resources, either on or off the web, that respondents relied on for information.

Unsurprisingly, 53% of respondents reported that they used ocean carrier websites regularly, while 25% said they used air cargo (PolarAir, China Southern, etc) and carrier sites (DHL, FedEx, etc). A slightly smaller percentage – around 19% – cited 3rd-party schedule aggregator sites such as SeaRates, Linescape and OAG as being regularly used.

Major logistics systems – Wisetech and Descartes, for example – are relied on by 27% of respondents, while 30% said their company's proprietary systems were a key source of information. Twenty-three percent of respondents reported that asking a colleague for advice was another option when seeking route planning advice.
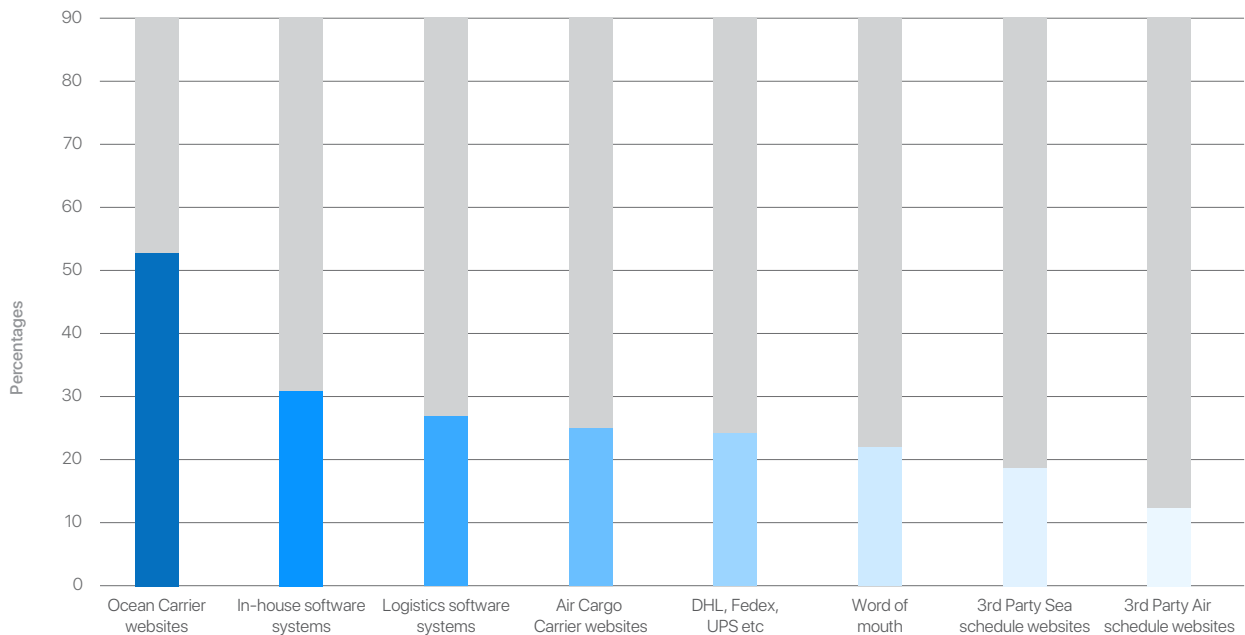
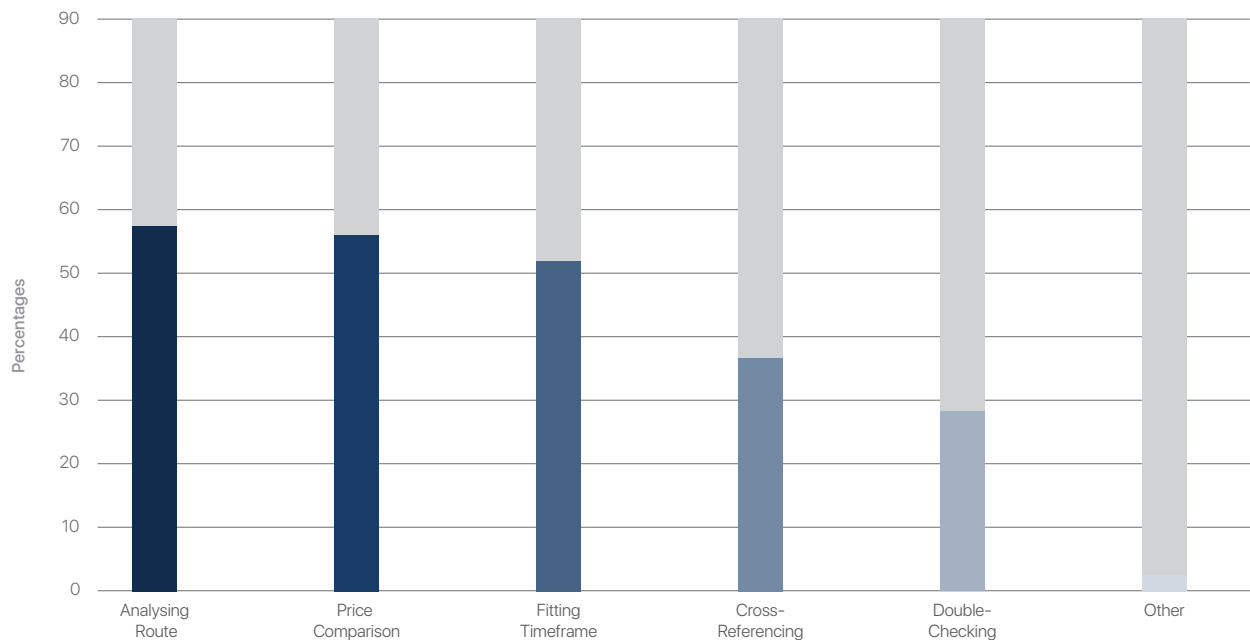## The most time-consuming research types

The survey quizzed respondents about the problems they were attempting to solve through web research, and the time each activity took.

A multiple-choice question offered the following options:

- Analyzing the most effective route (for cost, time, etc.)

- Price comparison

- Finding and confirming schedules that fit the shipment time frame

- Cross-referencing multiple sites to compare schedules

- Double-checking 3rd-party schedule sites with carriers directly

- Other

Almost 60% of respondents cited analyzing the most effective route to be their greatest challenge, while just over 50% reported that price and schedule related issues were significant time sinks.

Of particular interest was the finding that 36% of respondents spent considerable time cross-referencing sites to compare schedule data, while 29% of respondents cited double checking information from 3rd-party websites against carrier websites as being the most time-consuming task.

Shipment types requiring the most research

The survey set out to learn which types of shipment require the most research and analysis during the pre-shipment phase.

While 47% of respondents cited international shipments as the most time-consuming, an even larger number – 65% – indicated that shipments to unfamiliar destinations, which might be either domestic or international, was their most time-consuming challenge.

Multi-modal shipments were at the top of the "most time-consuming" task list for 39% of survey respondents, while 35% said that shipments from (not to) unfamiliar destinations were also highly placed on that list.

Air or sea charters, road freight and domestic shipments were cited by 19%, 18% and 10% of respondents respectively.
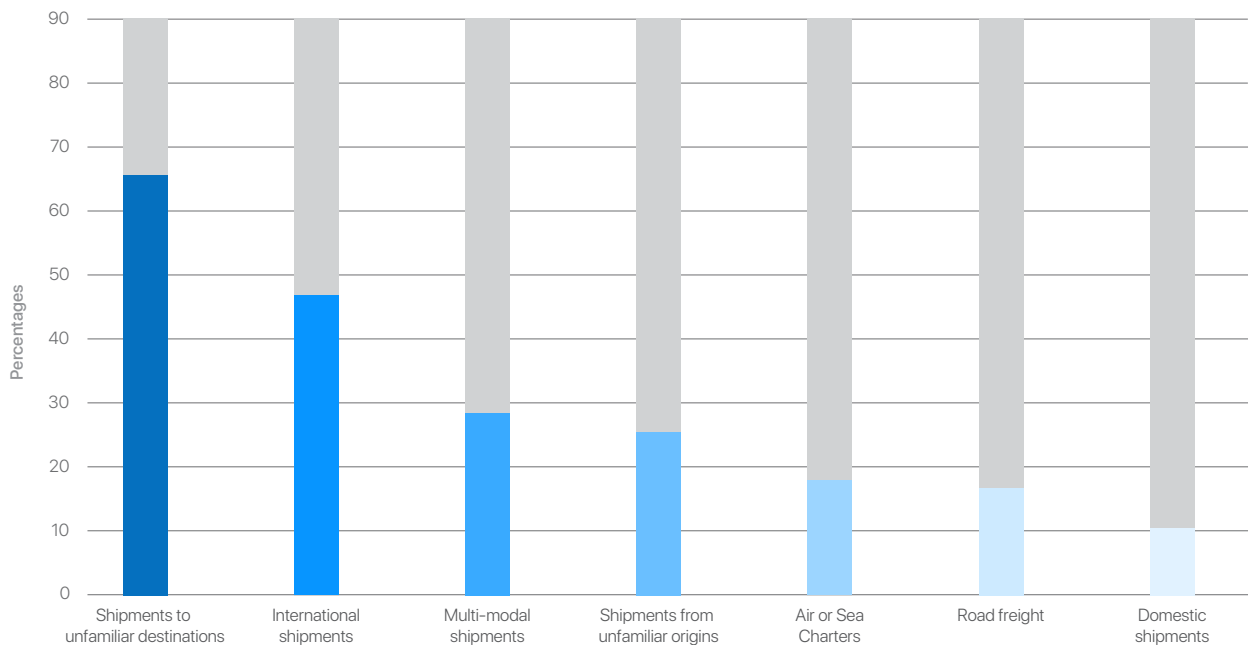
Standard cargo vs. special cargo

In another perspective on the same question, the survey sought information about the types of cargo that require the most pre-shipment research time.

The results reveal that 52% of survey respondents sought help from the web when dealing with a hazardous goods shipment. Oversize (OOG) and project cargo shipments (49% and 46% respectively) were also chosen, while time-sensitive and break-bulk shipments were selected as additional causes for web research by 42% and 31% of respondents respectively.
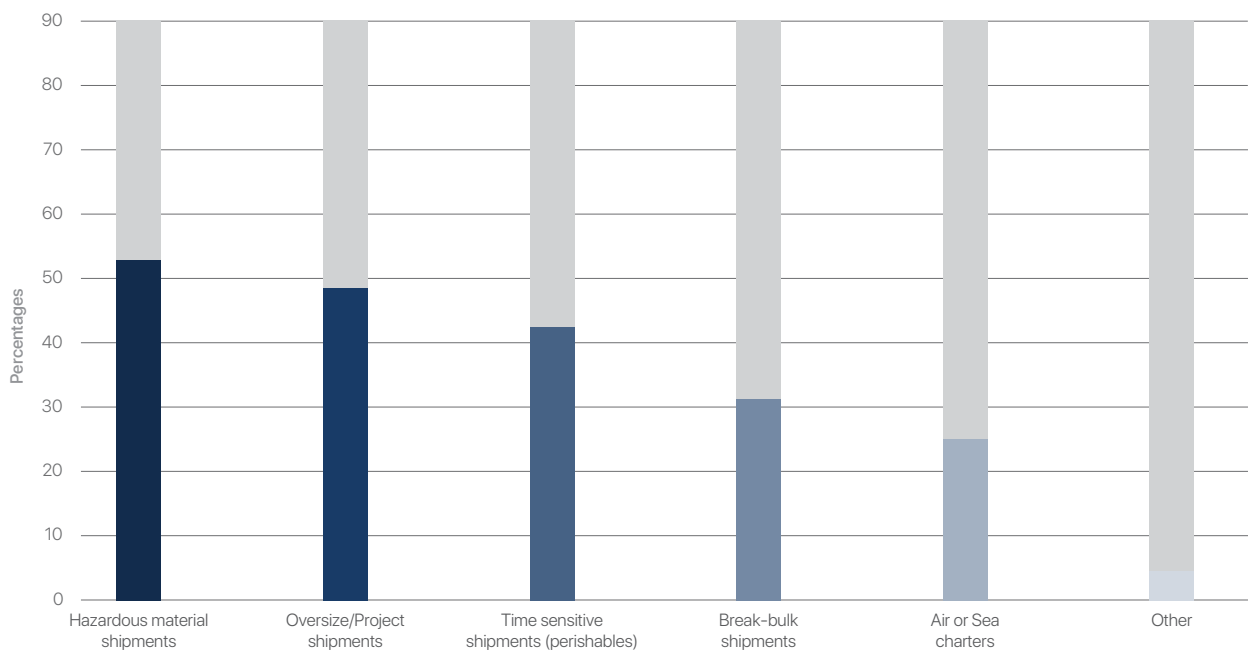
Summary &
Key Takeaways

- The survey highlighted a variety of inefficiencies in route planning and related tasks critical to pre-shipment planning. Logistics professionals are spending 15 minutes on web research for a shipment that entails standard routes and carriers, and two or three times as long for shipments to unfamiliar destinations, shipments that contain hazardous goods, or a variety of other everyday complexities.

- A key finding related to the amount of time spent cross-checking and double checking one set of results – often schedule or price data – found on website A against results from websites B and C. This lack of a "single source of truth" is wasting a lot of the industry's time.

- Effective route planning is crucial to achieving efficiency, particularly in international shipping. Nonetheless, the prevailing dependence on a broad and unmanaged mix of web sites – none viewed as 100% reliable – is letting industry professionals down. New approaches are needed.

- In-house systems go some of the way towards meeting user needs, however the survey findings make it clear that for all the sophistication of these specialised products, the web is a more valuable tool for pre-shipment planning.

- Companies ought to consider adopting more streamlined solutions, including specialized route planning software and websites, in order to enhance their logistics operations, expedite response times, and secure a competitive advantage within the marketplace.
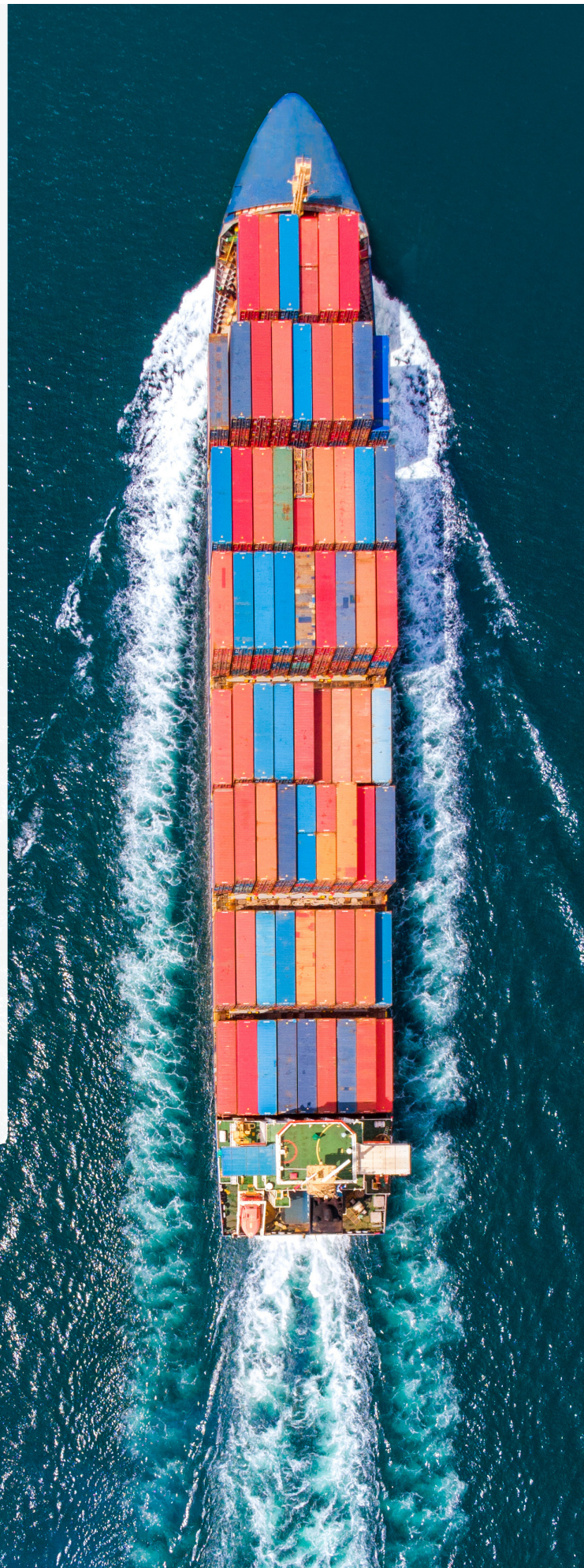
About the Survey

This survey was conducted by CHARLIE PESTI and Shipping and Freight Resource on behalf of Fluent Cargo. One hundred and eighty seven respondents completed the online questionnaire during the first two weeks of April, 2023.

Sixty-five percent of respondents were freight forwarders or 3PLs, 13% BCOs, while the balance were professionals from other sectors of the logistics industry. 40% of survey takers were from the EMEA region, while North America and the Asia Pacific region each accounted for 28% of respondents.

Operations staff accounted for 45% of respondents, with 28% from sales, while customer service, channel controllers and others made up the balance of respondents. Sea and road were each listed as the primary mode of shipping by 65% of respondents, while 52% nominated air and 25% road.

Readers interested in learning more about Fluent Cargo and its offerings should visit www.fluentcargo.com, or contact the company at info@fluentcargo.com.