

SWOT Analysis on Frieght Forwarders in Chennai

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Abstract- A freight forwarding agent/company or the entity which forward or move products and goods from one place to other place, they are also widely known as a non-vessel operating common carrier (NVOCC), they not only transfer goods, but vitally do all the services necessary to transfer the goods. Most of the times they own vehicles and containers for the transaction, they work on behalf of the manufacturer or the producer of the product. Since most of the manufacturing goods are fully or partially exported, they are in a dire need of an expert, who understand the process of the export and wee-versed with the procedures necessary to conduct a business inn foreign countries. They are the certified professionals to engage in the export & import process.in this study we are going to do a SWOT analysis on the challenges faced by freight forwarders in Chennai region.

Index terms- Logistics, freight forwarding, import and export

LITERATURE SURVEY

- Pradeep Kumar Dubey and Janat Shah (2002), examines the relationship between
- the Strategic Attributes (SA) and Value Added Services (VAS) of Logistics Service Providers
- Konstantin Makukha and Richard Gray (2000) said although logistics partnerships are
- Common, the collaborative benefit for both the companies are not clearly understood.
- Murphy et al., and Daley et al., (1992)⁵ explained in their article that the freight forwarders are referred to as international trade specialists offering a variety of services to facilitate the movement of international shipments. They also have studied the determinant factors of international freight forwarders selection and conclude that forwarder's expertise and reliability of service are the most important selection criteria while forwarder size emerged as the least important one.
- Jacob Koshy (1999)⁶ In his study GAC strives to blend traditional excellence and trust with professional competence and state of the art technology to provide service in Marine and inter modal transport . The shipping industry as a whole at Cochin will experience more uplift because the trend in the foreign trade will increase in the coming years. It has also been noted that the clearing and forwarding and shipping procedures, the custom formalities etc. is being more complex than that in Chennai, Mumbai etc. Therefore, the services of such accredited agents are very helpful and necessary
- Shankar (2003)¹⁴ From this study the researcher concludes that most of the respondents i.e., the exporters in Tirupur city have perceived that the services of C&F Agents are indispensable as far as export trade is concerned. Also it is evident from the study that the service rendered by the C&F Agents is satisfactory.
- Aneesh (2004)²⁰ in his study highlighted that across the globe, shipping lines and their exclusive general agents are fighting a battle against the survival of the fittest. The agent renders a number of services like documentation, cargo consolidation, loading and unloading and customs operations. In addition there are short term information flows like arrival and unloading status, custom release status and information about pre-mentioned schedules. Agent's participants have different level of technical sophistication.
- Savitha (2007)²⁸ in this study, the researcher reveals that their role in logistics is significant for the purpose of export and import. The exporters and importers find less risk for the documentation procedures. The number of active cargo handling and custom house agents has been increased for the upliftment of export and import. The smaller exporters are benefited by custom house agents. Multimodal transportation

has to gain importance in India. The logistics activities are in a developing stage and a successful road and rail transportation has to be improved.

Objectives of the freight forwarders:

- Ensure that material received and related information are processed and made available and promptly to production, store and department.
- Completely and accurately documents goods received and goods returned.
- Accept only material that meet purchase order specification.
- Safeguard goods being received.
- Ensure the vendors being transacted with the products to be delivered.
- Return rejected items promptly.
- Enhanced Customer Service.
- Innovative approaches for loading and transporting goods, and optimizing product/package volumes.
- Shifting cargo to more sustainable, energy-efficient modes to improve the environmental performance of the transport system and to reduce external costs of transport

Improving the integration between the transport modes to increase reliability and efficiency of existing multimodal services in terms of time, quality and costs

GLOBAL SCENARIO

- Reducing air and sea freight rates due to falling oil rates, development of the e-commerce industry and increasing prevalence of cloud-based operations that simplify supply chain management are becoming the new trend in world.
- According to the World Trade Organization (WTO), the global growth rate for world trade was estimated to be 4.4% in 2018, registering a marked increase of over 3.6% in 2017. Stronger growth in 2018 is attributed to the resurgence of Asian trade flow as intra-regional shipments picked up and import demand in North America recovered after stalling in 2016.

- The global freight forwarding market is expected to grow at CAGR of 4.6% during the forecast period, 2019–2026.

SWOT ANALYSIS OF FREIGHT FORWARDING COMPANIES

Strengths:

Below is the Strengths, Weaknesses, and Opportunities & Threats (SWOT) Analysis of freight forwarding companies are:

1. Freight forwarding companies are the subject/domain experts in their field.
2. Freight forwarding companies are registered bodies with customs to do export related works.
3. Manpower strength of the companies.
4. They are having a better buying power and service level.
5. Effective single point contact for manufacturers.

Weaknesses :

1. Relying on third party warehouses.
2. Outsourcing to other companies.
3. Lack of awareness and overall coordination with manufacturers.

Opportunities:

1. Lot of FDI in Indian manufacturing companies.
2. Government subsidies and promotions.
3. Growth of retail sectors and online business.

Threats:

1. Too much of competition in freight forwarding industry.
2. Stringent government norms.

CONCLUSION

The freight forwarding industry going to witness lots of transformation and those who fulfill the need of the customers can only survive. The value and the dedicated attention given to individual company going to dictate which logistics/freight forwarding companies going to survive. Cost is going to be the important factor, since India is cost oriented market. Freight forwarding companies can minimize their cost by integration and embracing technology.

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