

Is it time to tame the paper tiger?

Checking bills is tedious – who would not rather spend time on business-critical activities? But a closer look at the internal auditing processes of many shipping companies reveals good reasons for keeping an eye on the internal auditing process, says general manager, of supply chain logistics software specialist AEB International, Mark Brannan.

Well into the digital age, many shippers still maintain their rates in spreadsheets and calculate their consignment freight charges manually. This can be time-consuming. Shippers face both inbound and outbound shipments, as well as a big pile of monthly invoices from transport service providers – all of which need to be checked, approved and paid.

In contrast to other invoices, freight invoices are based on rather complex rates, often consisting of various tables and conditions. Moreover, most shippers still gather shipment details manually, and invoices go through several departments where they are checked, line by line, until they are finally approved and paid.

Even though the whole workflow for manually checking freight payments is quite labour-intensive, research by the Aberdeen Group suggests that only 7% of companies have significantly automated process for managing freight payment and audit internally. As a result, many only conduct random checks of invoices, and incorrect bills often go unnoticed.

The chances are that large companies in particular could reduce spending on freight and save money.

They could achieve this by using advanced transportation technology, which would replace the manual data collection and inputting with an automated invoice verification process. There are several solutions on the market, but ideally

companies should choose one that gives them efficient control over their transport costs. At their best, software solutions let shippers know in advance exactly what the costs will be. Freight costs can be calculated in advance to support sales or during goods issue/receipt, and expected invoice amounts are compared with those actually billed.

ROUND-UP: AIRFREIGHT

Star Alliance airline BMI is to introduce daily A319 passenger flights from Heathrow to Trioli, Libya from 1 December. The route is already served eight times a week by BA and twice a week by Libyan Arab Airlines.

Coyne Airways has added a weekly (Tuesday) Boeing 747-400 freighter service from Dubai to Bagram, Afghanistan. It already operates an IL-76 freighter every Friday. CEO Larry Coyne added that he hoped to increase the Bagram service to twice-weekly within six months. In Afghanistan, Coyne serves Kabul, Kandahar and Camp Bastion as well as Bagram and also provides safe transport services to other cities, military camps and forward operating bases in Afghanistan. In Iraq it offers freighter services to Baghdad, Balad, Erbil and Sulaymaniyah, and can arrange onward transportation to destinations such as Basra, Mosul, Tikrit and Kirkuk.

EgyptAir has added two passenger flights per week from London Heathrow to its Cairo hub. The airline's cargo subsidiary, Egyptair Cargo, now has access to 11 passenger flights per week from the UK, operated with A330 and B777 aircraft, supplemented by twice-weekly freighter services from Kent International and Brussels, along with a weekly freighter flight from Ostend.

British Airways chief executive Willie Walsh says that his global expansion ambitions will not end with the formation of International Airlines Group (IAG) with Spanish flag carrier Iberia, expected to be completed by the end of the year. At a launch of the carrier's new 777-300ER aircraft in mid-September, Walsh revealed that IAG had drawn up a shortlist of 12 other airlines that could be potential partners, although it was unlikely that all would ultimately be included. The list is confidential, but it is understood to include a range of carriers, many in emerging markets. Meanwhile, BA has signed a five-year agreement with Global Supply Systems Limited to replace its three Boeing 747-400 freighters with new Atlas Air Boeing 747-8 freighters in early 2011.

The New Zealand Commerce Commission has launched a probe into anti-competitive conduct by six air freight forwarding companies. They are DB Schenker, the Brinks Company and Bax Global (before their acquisition by the Deutsche Bahn Group), Kuehne + Nagel International, Panalpina, Ceva subsidiary EGL and Geologistics. The investigation relates to alleged collusion over surcharges and fees to and from New Zealand. The Commission added that it had already reached agreement to resolve the proceedings against EGL and Geologistics.

AirBridgeCargo Airlines has added a new twice-weekly B747-400 freighter flight from Zhengzhou to Europe, via its hub in Moscow.

Cargolux has introduced a fourth weekly frequency from Luxembourg to Taipei. The 747-400 freighter departs Mondays and the return flight departs from Taipei on Tuesdays, operating via Bangkok back to Luxembourg.

Cargolux has also added a fifth transpacific service, departing Luxembourg at 15.40 on Saturdays, operating via Singapore, Hong Kong and Los Angeles. In August, the carrier introduced a weekly frequency to Riyadh, in addition to its existing twice weekly service to Dammam.

Abu-Dhabi-based Etihad Airways took delivery of the world's first A330-200 freighter aircraft on 9 August. The A330-200F can carry up to 64 tonnes of cargo and up to 7,400 kilometres non-stop.

Two Ghanaian cargo airlines have been added to an EU blacklist of banned operators. Meridian Airways, which flies into the UK, Belgium, France, Germany and the Netherlands is subject to a total ban, while Airlift International has had three of its four aircraft prohibited. The European Commission said it would review the two carriers' cases in November.

Financially troubled Japan Airlines Group is to sell its 72% stake in its Logistics arm to local cargo company Hamakyorex. JAL, which has already announced the disposal of its freighter fleet, said that Shizuoka-based Hamakyorex had "a high level of know-how in the field of third party logistics."

Delta Air Lines has filed applications with the European Commission and the US Department of Transportation to operate twice-daily year-round service from 27 March 2011 between Heathrow and Boston, and daily year-round service between Heathrow and Miami. The slots are available following approval of the American Airlines-British Airways transatlantic alliance, which required the airlines to divest some Heathrow slots.

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2010 Irish Sea Shipping Line of the Year

Stena Line Freight has won the Shipping Line of the Year award at the prestigious Export & Freight Transport & Logistics Awards 2010. The awards ceremony is recognised as the premier event in the Irish transport calendar with the aim of identifying the best in the industry for service, facilities and choice of sailings.

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