FALL 2022

THE TECHNOLOGY ISSUE

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170 Attwell Drive, Suite 480, Toronto,Ontario M9W 5Z5

Managing Editor: Julia Kuzeljevich

Publisher: Nick Lutz

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FALL FORWARD 2022 EDITORIAL

Dear CIFFA Members,

The Fall 2022 issue of the Forwarder is largely dedicated to the topic of Technology and the trends and issues forwarders and other supply chain stakeholders face in adopting it, adapting to it, and harnessing it for success and transparency.

CIFFA is pleased to have an in-house Technology Committee, which has as its mandate the following:

- *track how technology develops and adapts,*
- *research new advancements to enhance efficiencies and value,*
- *identify potential threats and the steps to mitigate them,*
- *prioritize initiatives made throughout the freight forwarding industry on behalf of membership, and*
- *educate our members on the changing advancements in this area.*

Evolving technology is pushing the boundaries and changing how the world does business. While some of the effects can disrupt the logistics industry, over the long run they can also help leverage the use of automation, workflow optimization, digitization and artificial intelligence. In the context of the supply chain, improved technology has also increased productivity, minimized costs and errors, enhanced customer experienced value, and facilitated data-sharing to multiple sources in real time. These advancements should be explored and analyzed in detail by the freight forwarding community, ensuring that they are well informed and prepared to meet the future demand.

In addition to coverage of our events, new members and committee work, we are pleased to feature various technology articles in this issue, with heartfelt thanks to our members who have contributed their input and insight.

Some of the top technology trends and takeaways that have emerged from our contributors, for transforming the future of supply chain management, and as you will read in more depth in this issue, are the following:

- The need to truly understand your customers' tech needs and capabilities in order to compete. Each customer has unique IT needs and the game is changing.
- It is always about the customer. COVID did so much damage to the world, but it also forced us to think and act differently. One positive side effect is it made global freight companies and their customers see the value of investing in technology.
- Customer expectations for tech are on the rise. For many BCOs, it's no longer enough to receive periodic updates from their forwarders. Or, worse yet, to have to chase these updates themselves. Instead, they need to feel informed and in control of the process so they can make strategic planning decisions.
- COVID-19 exacerbated freight digitization and hit the fast-forward button, putting automation front and center of corporate strategy. Many mid-sized freight and logistics companies embraced technology, data sharing, and remote operations. System intelligence is now an essential commodity. Digitization doesn't replace customer service, but it augments and strengthens the service model.
- A more advanced state of digitization is becoming required, moving the journey to the next stage - digitalization. Whereas the former transforms existing processes into digital format, digitalization leverages digital capabilities to develop entirely new functionalities and capabilities that are digitally native.

For CIFFA's technology committee, the next goals are going to be about operational efficiencies and technology, looking at process automation and productivity and highlighting leading practices.

(All regular and associate members interested in CIFFA's Technology Committee are invited to contact the committee's Chair, Marc Bibeau, OEC Group, Marc.Bibeau@oecgroup.ca)

We hope that you enjoy this issue, and gain much insight and info in the process! TF

Julia Kuzeljevich,
CIFFA, Managing Editor

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Top Trends in Cybersecurity

As Cybersecurity continues to evolve, here are five trends Freight Forwarders should watch for:

1. Passwords

Passwords are going away. This is great news for both security professionals and end users. With more than 80% of breaches resulting from weak or stolen passwords, users are bombarded with messages to create complex passwords for every system they access. This, in turn, has led to bad habits like keeping passwords in Excel spreadsheets or using the same password for multiple systems. The introduction of Multi Factor Authentication (MFA) is allowing firms, even as large as Microsoft, to eliminate the requirement for passwords while, at the same time, making their systems more secure.

2. E-Mail Security

E-Mail continues to be the weapon of choice for cyber attacks. Some of the old ways of sending and receiving e-mail (POP3, IMAP, SMTP) are being discontinued. Microsoft will stop supporting them in October of this year. Other vendors are likely to follow. This may stop older e-mail systems, or devices like scanners, from being able to send or receive e-mail. There will also be greater adoption of initiatives to secure e-mail such as DNS filtering (when you click on a link in a message, it is checked to make sure you are not being directed to a hacker's site) and DMARC (a way to ensure that the person sending you an e-mail is really who they say they are).

3. Supply Chain Compliance

Customers are realizing the importance of ensuring that their suppliers comply with cybersecurity requirements. This is especially true as they look for productivity improvements by integrating supplier systems with their own. More customers (and insurers) are demanding proof of compliance. Many require completion of a cybersecurity survey. There will be increasing demand for compliance with cybersecurity standards such as SOC 2 or ISO 27001.

4. Convergence of Information Technology (IT) and Operational Technology (OT)

Whenever the discussion of cybersecurity is raised, most people immediately think about their computers and the networks that connect them (IT). However, as companies push to increase productivity and reduce costs through the use of robotic systems, intelligent thermostats, security systems, etc., they are creating new ways in which cyber attacks can occur. There will be an increase in affordable Vulnerability Management tools that can find, and recommend solutions for, vulnerabilities in this converged environment.

5. Quantum Computing

The impact of quantum computing on cybersecurity won't be felt for a few years yet. However, it is on the horizon. As access to this powerful technology becomes more widespread, the fear is that hackers will be able to use it to easily decrypt any data they can access. Encryption (for example when you see HTTPS: at the beginning of web link) is the bedrock for keeping data secure. It is based on the concept that it takes years of continuous computing power to decrypt data. With the introduction of Quantum Computing, this would be reduced to minutes, making current encryption schemes useless. Many experts are predicting that the changes required to protect against this potential threat will be similar in size to those that were required to prepare for Y2K. Some estimates put the expenditure to prepare for the year 2000 at $100 billion in the US alone. TF

Drew Simons is a trusted advisor with close to 40 years' experience in IT and Business Management. He works with senior management at small to mid-sized firms and helps them realize the benefits available from the appropriate implementation of business processes and technology.

He has held senior roles with Bell Canada, Bell-Telic, PC Service Partners (an IBM subsidiary), and others.

In 1998 he founded SICON CRM, a consultancy which helps firms increase their profitability through the implementation of the processes and systems that drive Customer facing teams in Marketing, Sales, and Customer Service. Simons founded Roxville Technology in 2009. Roxville acts as the bridge between Senior Management and their IT Teams and/or suppliers.

He is also a Professor at Seneca College.

He is a member of the Canadian International Freight Forwarders' Association's (CIFFA) Technology Committee.

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CYBERSECURITY-PROTECT YOUR BUSINESS, TOMORROW

A CIFFA Member to Member Webinar on Cybersecurity – "How to Protect Your Business, Tomorrow", was held June 28, 2022, offered as follow-up to the 10 Best Cybersecurity Practices paper created by CIFFA's Technology Committee.

A panel of seasoned professionals provided expert advice and best practices on how to protect your business – both before and after a cyber attack.

Many cyber attacks happen because hackers spot a security vulnerability and exploit it. They can do this by: brute-forcing the password, eavesdropping on communications, and extracting personal information through phishing attacks, and through many other means.

Moderated by Drew Simons – Principal, Roxville Technology Inc., webinar panelists included John Berry – SVP of Information Technology, OEC Group, Shawn Davidson – President, Trapp Technology, Ashish Mathur – Global CIO, ECU Worldwide, and Aadhar (Ady) Sharma – Vice President, AON.

According to Trapp Technology, today's most common threats and attacks include: social engineering (human error), phishing, (a type of social engineering where an attacker sends a fraudulent message designed to trick a person into revealing sensitive information to the attacker or to deploy malicious software on the victim's infrastructure like ransomware), vishing, (just one form of phishing, which is any type of message - such as an email, text, phone call or direct-chat message - that appears to be from a trusted source, but isn't-(the goal is to steal someone's identity or money), and smishing, (a phishing cybersecurity attack carried out over mobile text messaging, also known as SMS phishing), ransomware (Crypto Locker), distributed denial of service (DDoS), (a cybercrime in which the attacker floods a server with internet traffic to prevent users from accessing connected online services and sites), brute force attacks, (uses trial-and-error to guess login info, encryption keys, or find a hidden web page), and man-in-the-middle, a type of cyber attack in which the attacker secretly intercepts and relays messages between two parties who believe they are communicating directly with each other. The attack is a type of eavesdropping in which the attacker intercepts and then controls the entire conversation.

Attacks like drive by downloads exist when a hacker creates a vector for malware delivery — online message, ads, legitimate program downloads. You interact with the vector for example by clicking a deceptive link.

The most common and the most prominent ways that ransomware enters an organization are the following: e-mail link, 31%, e-mail

attachment, 28%, and via website or web app, 24%, (with unknown at 9%, social media at 4%, USB stick 3%, and business application 1%.)

As guidance, unsolicited emails should not be trusted, nor should funds be sent to people who request them by email, especially not before checking with leadership. Spam should always be filtered, and an antivirus, firewall and detection programs installed and kept up to date.

Never click on unknown links in email messages.

Also, beware of email attachments. If you get one from what looks like a friend, contact them independently to ensure that they actually sent it.

Slow down. Hackers want you to act first and think later. Never let someone's urgency prohibit your careful review of the situation. Delete any request for information that seems suspicious. Do not reply or forward the message.

Any email that randomly asks you to change your password or payment information could be a scam (phishing) and must be verified by other means of communication. Phishing is one of the most successful forms of social engineering attacks used today.

The government or any financial institution will never contact you using email to request private information.

Cyber insurance: what's its role?

According to AON, the role of cyber insurance is to help protect an organization with pre-breach assessments, access to pre-vetted vendors, and cyber security information. Assistance can be provided via forensic investigators, legal services, credit monitoring, call center services, crisis management and public relations.

Proper insurance enables a business to return to "operational", accounts for the loss of revenue, income and turnover, and accounts for costs incurred to recreate or restore data and information.

Insurance can also mitigate legal costs and damages from claims alleging privacy breach or network security failure.

Cyber insurance can offer coverage for items such as breach event expenses, for example reimbursement coverage for the insured's costs to respond to a data privacy or security incident.

Policy triggers vary but are typically based on discovery of an event, or a statutory obligation to notify consumers of an event.

Insurance can also cover digital asset restoration, cyber extortion, network business interruption, system failure, dependent business interruption, dependent system failure, privacy and network security liability, privacy regulatory fines and penalties, media liability, and PCI fines and penalties. TF

CIFFA's Input Towards Canada's National Cyber Security Strategy

The Government of Canada launched the National Cyber Security Strategy Consultation this summer, requesting feedback to the changing digital landscape and the exposure to cyber threats and cybercrime.

An eight-week public consultation ran until August 19, 2022, with contribution from a broad range of Canadians.

Canada's National Cyber Security Strategy was initially launched in 2018. Since that time new technologies and international events have impacted how we use the internet, and increased potential risks. The COVID-19 pandemic and the significant increase in ransomware are just two examples of events that have changed considerations around cyber security since the Strategy's release.

Input received will be compiled and analyzed to identify key themes, ideas and suggestions to help inform and guide the Renewal of the National Cyber Security Strategy. Results may be used to inform policy and may be shared within the Government of Canada. Public Safety Canada will retain completed online survey and email submissions in order to develop a summary of findings and to develop a high-level public report.

Goal 1: Secure and Resilient Canadian Systems:

The threats we face in cyberspace are complex and rapidly evolving. Governments, businesses, organizations, and Canadians are vulnerable. With more of our economy and essential services moving online every year, the stakes could not be higher.

In terms of concerns related to cyber security, cybercrime, etc., and how the Government of Canada could help to better protect individuals and organizations, CIFFA indicated that :

"*Our members are struggling with assessing the risks that they face and the level of investment those risks justify in Cybersecurity and/or Cyber insurance premiums. It would be helpful to have a risk calculator developed by the Government of Canada that would allow them to establish appropriate budgets.*

Our members are also concerned about risks (unintentional or otherwise) from with their firms. Clear guidance on what they can and cannot do with respect to monitoring the use of company IT would be helpful. This is especially true in Work from Home situations."

Goal 2: An Innovative and Adaptive Cyber Ecosystem

In terms of Cyber Security Awareness, and initiatives needed to help increase cyber security awareness for all, CIFFA indicated that:

"*We would like to see the Government of Canada advertising the resources that have been made available (www.getcybersafe.gc.ca). The advertising should be broadcast across as many channels as possible and specifically address securing Work from Home environments.*

We would like the Government of Canada to partner with Associations like ours to get the message out to Members. The Government should provide a quarterly bulletin that we can incorporate into our regular Member communications. We would like access to more up-to-date information. In many cases the information provided by the Government of Canada is 10 years old."

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Agile and Adaptive Cyber Security Capabilities

What steps should be taken to secure networks, emerging technologies, and to better protect Intellectual Property and consumer products (like Internet-of-Things and apps)?

CIFFA responded that it would like to see the Government of Canada certify any device that attaches to the network as meeting Cybersecurity standards.

"*We would also like to see the introduction of penalties for firms that deploy apps and/or hardware that collect and disseminate information for which they do not have appropriate permission. "We would like to see clearer guidelines for reporting Cybersecurity incidents. We would also like to see the process clarified and simplified. When do members contact police, privacy commissioner, etc.?*"

Cyber Skills and Talent Pipeline

What can be done to increase Canada's cyber security workforce capacity and create job-ready workers? (For example, is there a mismatch between the in-demand skills and the skills of post-secondary graduates, is there a misalignment between job descriptions and the experience of candidates, is there a need for standardized curricula and outcomes, access to work-integrated learning opportunities, and short-cycle training and upskilling for workers and graduates, etc.?)

CIFFA noted that "we believe that there are unique cybersecurity concerns in the supply chain for which skills are not being developed. We recommend, in cooperation with the Government of Canada, the development of a short cycle training program that is made available to our members to ensure their staff have the appropriate skills for dealing with these unique challenges."

Goal 3: Effective Leadership, Governance and Collaboration

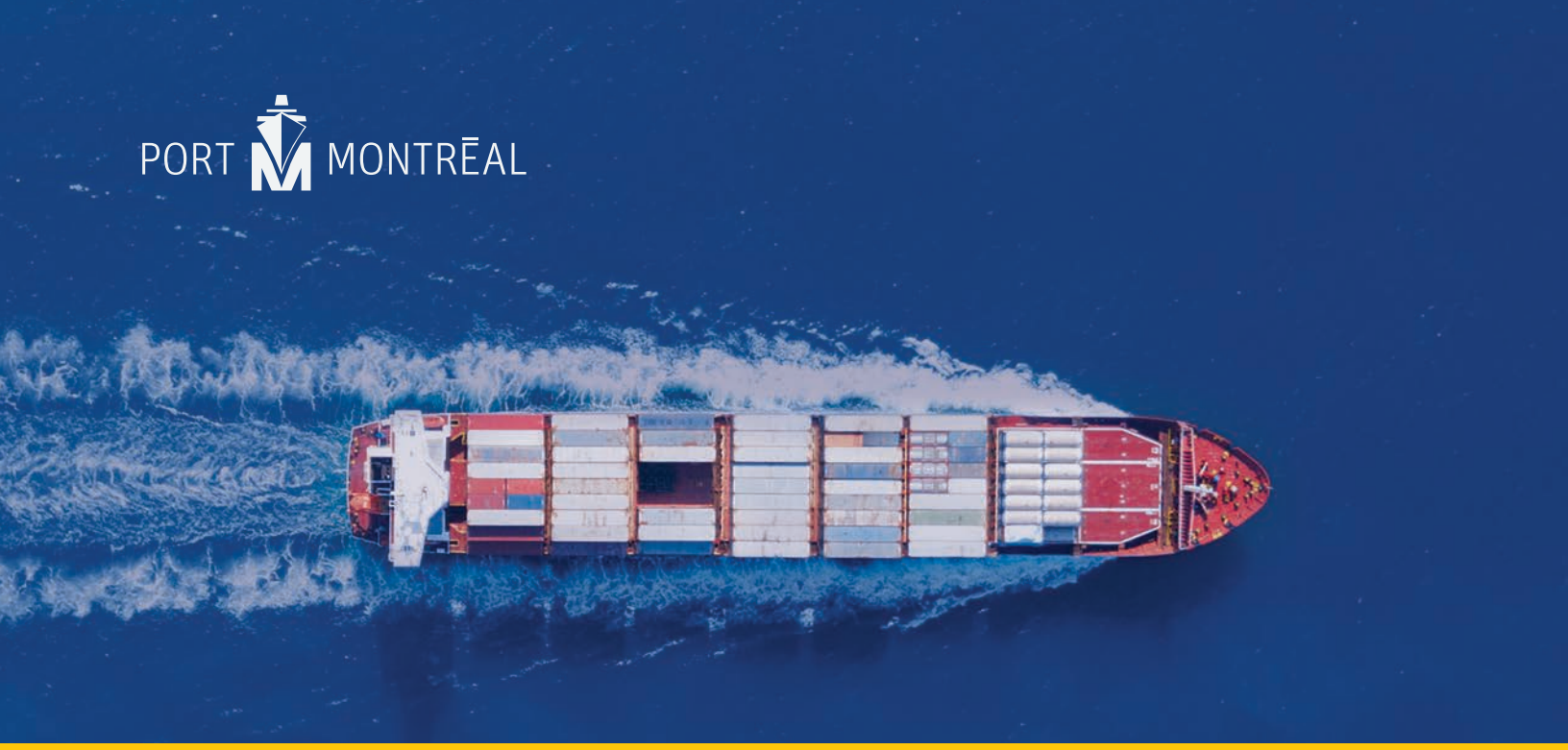
What is needed to strengthen collaboration and engagement on common interests between the provinces, territories, Indigenous communities and Municipal governments, regulators, private sector, academia, not-for profits, labour organizations and the Government of Canada?

CIFFA would like to see cooperation between the Government of Canada and providers of cybersecurity insurance so that a common understanding of the risks and ways to mitigate the risks in the most cost effective manner can be developed and shared with our members.

What can the Government of Canada do to help shape the international cyber security environment in Canada's favour and advance Canada's international cybersecurity interests?

Finally, CIFFA indicated it would like to see the Government's support and/or participation in the global initiatives to enhance cybersecurity in the supply chain. This includes topics as diverse as smart sensors (IOT) and Blockchain. TF

PORT MONTRĒAL



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How Freight Forwarders Can Use AI to Gain a Competitive Edge

By Gabriel T. Ruz Jr., Chief Innovation Officer, Co-Founder, and Board Member, Magaya

With a mere **12 percent of supply chain professionals** currently using artificial intelligence (AI) to benefit their operations, it's clear that opportunity abounds for early adopters. Alas, although AI is not new, its use in the freight forwarding industry is still very much in its infancy. Its time has arrived, though. As supply chains complexify and customer expectations soar to new levels, it has become a necessity for freight forwarders to turn to technology like AI simply to keep pace.

The possible uses of AI in freight forwarding are both endless and exciting. Defined by Gartner as technology that "applies advanced analysis and logic-based techniques, including machine learning (ML), to interpret events, support and automate decisions, and take actions," artificial intelligence can be used in myriad ways to improve the freight shipping customer experience and help freight forwarders operate at new heights of speed, efficiency, and service.

AI Bots for Faster Carrier Contract Management

Uploading lengthy carrier rate contracts into a rate management system is a time-consuming, error-prone process that freight forwarders are all too familiar with. AI-powered bots can perform the same task in seconds, scanning carrier contracts into a rate management solution and parsing the data with superior levels of accuracy.

AI Transforms the Quoting Process

Perhaps one of the greatest opportunities for AI to have a positive impact on a freight forwarder's day-to-day operations is in the quoting process. For years, the quoting process for freight has looked the same: customers email their requests, then the freight forwarder gathers rates from several different sources, pulls them back into an email, and then the exchange continues from there.

With AI, a computer can **automate the whole quoting process** from end-to-end: reading incoming emails, automatically extracting key data points using natural language processing, pulling rates from carriers, and bringing a formatted quote back into an email. This can save as much as 15 minutes of data entry and research time per quote and eliminate hours of back-and-forth exchanges for freight forwarders and their customers.

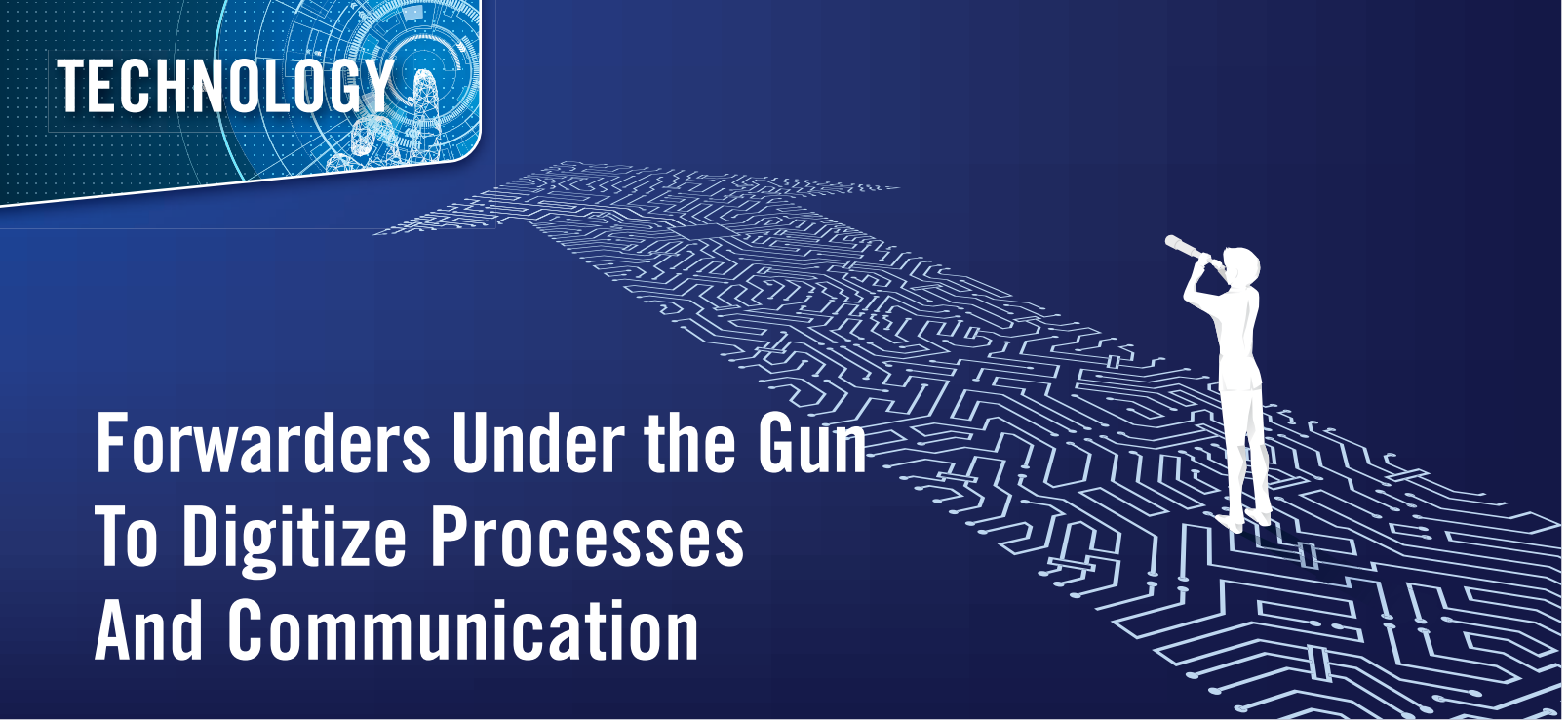
Faster Warehouse Operations with AI

The uses of AI for freight forwarding extend beyond the office. In high-volume warehouses, slicing just seconds off the handling time per parcel can yield impressive cumulative results. Smart freight forwarders are now using AI technology to automate the manual process of measuring, weighing, and photographing cargo as well as capturing label information and inputting it into the freight management system automatically.

The Road Ahead

The freight forwarding industry is about to experience a long-awaited renaissance. As artificial intelligence becomes more accessible, the possibilities to maximize productivity, lower costs, improve the customer experience, and increase accuracy are exciting. Now is the time for freight forwarders to learn more about how AI can address their pain points and set them up for sustainable success. TF

Soon.



Forwarders Under the Gun To Digitize Processes And Communication

By Ian Putzger

Vancouver International Airport has initiated a project for proof of concept for a cargo community system (CCS). It will involve a handful of ground handlers, forwarders and trucking firms. The program kicks off with truck slot booking functionality and will subsequently be expanded to other features, according to Amar More, CEO of Kale Logistics Solutions, which will implement and run the CCS.

CCSs are on the advance at a growing number of North American airports – including Boston, Philadelphia, New York and Chicago Rockford – as airport authorities see a need for a digital ecosystem for their cargo communities. Forwarders also face pressure to digitize from airlines pushing e-air waybills and online bookings, as well as from customers demanding improved visibility.

At the same time, there are internal pressures to digitize, from the need to free up overstretched personnel from routine processes to cost containment and the ability to respond faster to disruptions.

"Digitization and IT have been front and centre at OEC. We've invested heavily in tech in our network," said Marc Bibeau, president and CEO of Overseas Express Consolidators. He is also CIFFA's technology chair.

Stan Wraight, president and CEO of Strategic Aviation Solutions International, regards digitization as inevitable. "It saves money, is ecologically sound, it helps alleviate staffing shortages, and you know what's coming," he remarked.

Some evangelists of digitization have hailed the digital forwarder as the future of freight forwarding. While this is technologically possible, it is extremely difficult today, noted Kareem Naouri, CEO of logistics software provider LogistaaS.

"The industry is still facing some serious obstacles. Each process has to be digitized individually with carriers, with truckers and the other parties you're dealing with. Interactions with platforms must be intuitive. Nobody is going to learn a complex system to deal with a platform," he said.

Technology itself is less of a hurdle now, although cost is still somewhat of an obstacle for smaller forwarders at this point. Bibeau sees this change in the near future. "We're going to get to a point where technology is available as SaaS at an affordable price," he predicted.

More said that the technology required to interface with KALE's CCS will be relatively straightforward for small forwarders to use, adding that there are some shortcuts to deal with technology challenges. Forwarders who are unable to transmit e-air waybills can send a system-generated PDF of their AWB to the CCS platform as an e-mail, which will convert it into the required format.

Regardless of the state of technology a company is using, one element that is indispensable is data quality. If the master file is not up to date, players find themselves in a case of garbage in, garbage out, noted Bibeau.

Mindset can be another major obstacle. Digitization helps automate internal processes, but the full potential unfolds as data flow up and down supply chains. Many companies are uncomfortable with this, though, partly out of concern over cybersecurity, partly because they don't want to share any information that might compromise their competitive advantage. Bibeau sees this reluctance to share information as one of the biggest challenges with digitization. For supply chains to function well, transparency and access to information are paramount, he noted.

To forwarders that seek to facilitate information flow it makes sense to feed it into their transportation management system (TMS). The benefits vary a great deal, depending on the system used. Most of those currently in use are not cloud-based and have limited feature sets, noted Naouri.

"In future TMSs will be integrated, plugged into different third-party platforms and tools," he predicted. "I think the future of a TMS will be kind of a core operating system that is integrated with different systems and apps."

Season 2 of the Breaking Bottlenecks podcast explores the complex forces of global trade through the lens of the Port of Vancouver, Canada's largest port. This season will examine stories that depict the stress-test of the supply chain, highlighting real-time responses, innovations, and new thinking that demonstrate the resiliency of port customers, supply chain partners, and port communities.

Season 2 – Now Streaming at portvancouver.com/breaking-bottlenecks or scan the Spotify code

Air Canada has been one of the airlines that have driven the use of online channels to obtain pricing and book shipments. In addition to its booking functionality on its website, the carrier has engaged with the three largest online booking portals for airfreight – cargo.one, WebCargo by Freightos and CargoAI – in order to allow forwarders to connect with it through the main pricing and booking channels.

The volume of bookings through the third-party portals is not as large as what is processed through its proprietary channel, as these are recent additions to the mix, but uptake has been good across all channels, reported managing director commercial Matthieu Casey.

In some markets, including Canada, the share of online bookings is quite substantial, he said.

Most of the online bookings are for general cargo. "For special cargo we're not quite there. It's still early days," he remarked.

Most customers tend to use the online channels for domestic and recurring shipments to begin with before advancing to more complex bookings as they get more used to the system, he observed. Users are not necessarily the more tech-savvy forwarders, as those tend to be more interested in more sophisticated solutions, seeking integration through APIs.

The portals are used exclusively for ad hoc shipments and price queries. Casey does not altogether rule out opening them for contract cargo, but shippers that sign contracts usually already have a good connection with the airline, he noted.

Besides price queries and bookings, for most forwarders the other major focus in digitizing external communication is on shipment visibility. The disruptions of the past two years have brought painful illustrations of the need for timely information.

"Everybody has track and trace, but if you have outdated information, you're at a disadvantage,' said Bibeau.

In a digitized setting shipment status information can be conveyed to clients through control towers. Likewise, forwarders can put up dashboards for customers to monitor and control shipments – without having employees spend precious time chasing shipment data and conveying them to the client.

James Coombes, CEO of Vector.ai, emphasized the importance of connecting shipment visibility information with a forwarder's internal processes. His company provides digital freight forwarding platforms that automate processes and provide actionable visibility for aspects like accounts payable, arrival notices, pre-alerts and customs clearance workflow. Forwarders either adopt specific modules or the entire platform.

"Visibility should drive actions," Coombes stressed. Once a forwarder receives information about a change in a shipment's itinerary, it is necessary to communicate the requisite changes to contractors like truckers. Much of this can be automated if the flow of visibility data is digitally linked to operations, he said.

OEC complements visibility data with business intelligence and reporting, Bibeau said. Large shippers and players like DHL have embraced predictive analytics and artificial intelligence to get early warnings of potential disruptions. To that end they harness information on weather and elements like news on possible industrial action in an area that factor in a given supply chain.

This requires a more advanced state of digitisation, moving the journey to the next stage - digitalization. Whereas the former transforms existing processes into digital format, digitalization leverages digital capabilities to develop entirely new functionalities and capabilities that are digitally native.

Bibeau thinks the step into digitalization is inevitable. "I don't think we have a choice. The world is moving at a fast pace to automated environments," he reflected.

The spread and use of CCSs is a case in point. The need to manage truck flows and avoid landside congestion has been the spark for their adoption in recent years, but now more and more airports want to embrace a much broader spectrum of capabilities that these platforms can offer, More observed.

Moreover, there is a growing desire to connect these digital ecosystems and establish digital corridors that can provide end-to-end visibility and enable parties at both ends to align their activities virtually in real time.

"What would digital corridors between airports do? They would provide an instant alert of a delay and allow the receiving station to make the arrangements for staffing numbers, reschedule trucking etc.," said Wraight. "If you digitize airports, pharma that arrives should be on the customer's truck within 90 minutes after landing."

More listed three critical elements that have to be in place for a fully fledged digital corridor. It requires shipment status tracking capability, shipment data capture and the establishment of e-customs and e-certificates of origin.

He thinks that digital corridors for the likes of Vancouver to come within reach in about a year. "First we have to get the systems in place," he said.

For CIFFA's technology committee, the next goals are not quite as lofty. A fairly recent creation, it first focused on cybersecurity. According to Bibeau, this has been well received. "I think we've given our members a good toolkit," he said.

The next mission is going to be about operational efficiencies and technology. This will look at process automation and productivity and highlight leading practices. Interest should be high. TF

CONNECTING COMMERCE

Cargo at YYC Calgary International Airport

YYC CALGARY INTERNATIONAL AIRPORT

AI-Enabled Forwarder Automation: a Dose of Reality

By John Berry, SVP of IT, Overseas Express Consolidators (Canada) Inc.

A growing number of technology providers is offering services that leverage artificial intelligence to automate forwarding operations. This is extremely compelling given labour shortages and the immense pressure the forwarding industry faces with recent supply chain disruptions. Anything that can help operations teams to reduce toil and focus on solving problems can be a huge win.

These tools promise to reduce human labor by extracting information from emails, web sites or trade documents and feeding that data into TMS, WMS, ERP or CRM applications. Common use cases include automation of bookings, customs entries, freight payables, document management and shipment visibility. Although these services offer great promise, implementing them can be surprisingly challenging.

Most automation services offer well-documented APIs and prebuilt integrations with leading logistics applications. Although this can simplify the integration from a technical perspective, there are often basic logical differences with existing apps that must be overcome. The timing, batch size, and change frequency of incoming data might be awkward for the existing apps to handle. Master data like organizations, locations, or event types need to be mapped into codes your application can understand. These types of challenges can add unexpected complexity to the integration project.

Automation providers often use probabilistic approaches to extract information from unstructured data like scanned documents or emails. This can result in errors that require human intervention to fix data and retrain AI models. It is unlikely that your existing applications handle these types of exceptions gracefully. Some automation providers offer their own exception management interfaces, but this means that your team will need to flip back and forth between multiple applications. It is likely over time that logistics applications will adapt to an AI-driven world. They will need to alter their user interfaces to support more of a "human-in-the-loop" workflow. Until then, some of the gains from these services will be diluted.

To realize the benefits of automation, it is sometimes necessary to completely reengineer related business processes. A lack of holistic thinking about how the automation tools fits into the end-to-end value stream can lead to sub-optimization or unpleasant side effects. You cannot have a chat bot tell a customer where their container is if you have not integrated with carriers yet. You may not be able to load bookings into your TMS if your customer codes are a mess. Automating a particular task often requires improvements and fixes to existing systems and processes.

Despite these challenges, automation can offer forwarders a significant competitive advantage. Forwarders with strong competencies in application integration, process management and business digitization will see the largest gains from AI-driven automation services. Forwarders of all sizes should prioritize cultivation of these capabilities to capitalize on continued technology innovation within our industry. TF

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FOR GLOBAL FREIGHT FORWARDERS AND NVOCCS

Logistics Explorer

Use our real-time freight calculator. Quote your rates to thousands of customers at any time and get online bookings for FCL, LCL, Air, Road, Rail transport, and more.

Cargoes Runner

A highly cost effective and fully integrated ERP Solution for Freight Forwarding. Unlock new efficiencies and transform business process with digital innovation.

Tracking System

Track your cargo by container number, bill of lading (BOL), or booking. This tool collects all the necessary information to give you full visibility and up-to-date statistics for your shipments.

Cargoes Flow

An enterprise visibility and multi-vendor tracking tool for sea, air and land. It benefits large companies working with multiple logistics vendors, providing a single window view.

Ship Schedules

Our tool shows the current shipping schedules by routing, by port, by vessel, or by the carrier. Plan container bookings or analyze vessel movements and transit time.

THE NETWORK YOU ARE LOOKING FOR

GROW

- Create opportunities for your business by interacting with other members.
- Engage with the wider DFA team and become part of our freight forwarder's community.

TRUST

- An association created by one of the world's leading trade enablers DP World
- Giving you peace of mind by providing you with the security, tools and knowledge to develop your business.

ENGAGE

- A community that lives beyond borders joined through a single platform.
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Canadian Freight Forwarders and Third Party Software Providers: How third-party software has become critical to succeed in freight forwarding and CHB.

The following is a contributed article by Cris Arens, Managing Partner, Logisyn.

When I started my logistics career in the late 1980s, telex machines and typewriters were prominent in freight forwarding. Fax machines were almost magical when I was traveling around the world for a Chicago-based freight forwarder. While some logistics entrepreneurs had invested in a few personal computers, a good operator typing 70 words per minute was far more efficient than those old IBM machines fighting with dot matrix printers. It is still hard to believe what we accomplished without cell phones, email, internet or networked computers back in the day.

As a young man, I saw a different future and co-founded Fountainhead International. Our product was CargoWise which set out to build Windows-based systems for midsize freight forwarders in the USA and Canada.

For the past 14 years, with Logisyn Advisors Inc., a global M&A company for the logistics industry, I have pursued a new interest in mergers and acquisitions for logistics service providers (freight forwarders, truck brokers, trucking companies, e-commerce, etc).

Over the past two years, Logisyn Advisors has spent a lot of time researching and networking with logistics technology firms. Technology is core to the M&A integration process. Smart buyers and sellers need their advisors to understand this space. From startups to the new unicorns we have met many interesting tech entrepreneurs around the world. The industry has come a long way in terms of technology; however, Logisyn Advisors believes this is just the tip of the iceberg.

The five main points below apply to freight forwarders around the world who should all be asking these types of questions.

1. What is the long-term ownership exit strategy?

For privately held companies, ownership's long-term strategy is critical in determining tech budgets. If ownership has built a lifestyle business with a strategy to hand off to the next generation or exit 2-10 years down the road, you needed to begin investing in technology yesterday. In contrast, if you are planning on pursuing an exit strategy in the near future, switching systems may hurt your valuation short term. If you sell the firm to a strategic buyer (versus a financial buyer who would use the company as a platform), the new owners will be on their own TMS / visibility system. They will most likely have you switch again. Implementing new technology is painful, so make sure you think this area out before you start your research.

2. One size does not fit all in terms of Freight Forwarding / CHB solutions: TMS / Back office

If you are a multinational freight forwarder who needs customs capabilities in multiple countries with full global accounting…. your TMS solution was most likely already mentioned in this article. That game is over until a new competitor steps forward with a real global solution. However, if you are a 50-employee Canadian freight forwarder with offices in Toronto, Vancouver, and Montreal, you don't necessarily need or want that complexity or expense. There are great TMS providers out there for mid-size forwarders who have deep domain knowledge with country specific or regional expertise. With the new integration tools and companies focused on logistics (chain.io for example) you can integrate with customers, agents and vendors around the world even if they are on different systems.

3. You need to understand the tech ecosystem that is thriving around the TMS / back office providers

Shippers and consignees are demanding information solutions from their logistics providers that were just a dream 10 years ago. The list

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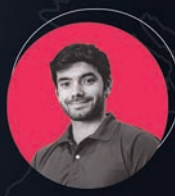

Membership with the Digital Freight Alliance opens up a new world of possibilities. It provides members with access to freight forwarders in more than 190 countries, proven and reliable logistics partners through the KYC process, increased sales, payment protection and many other features. The Alliance plans to increase the global market share of their members gradually.

4 000+
members

197+
countries

20 000+
shippers to search for rates

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To understand the philosophy behind how a wider vision grew from this beginning one needs to know that DFA was born from DP World and that DP World was born from the cultural background of Dubai as an entrepot. As barriers have progressively risen to world trade in the last ten years, DP World sees the digital revolution as an alternative engine to create growth.

To deliver this growth however we must provide the opportunity for SME forwarders to digitize, to compete with large scale players who are digitizing at scale. SME forwarders who are able to "go global" are the key to prosperity, we believe.

Membership Plans

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includes difficult shipment routings / tracking requirements at every step of the supply chain, visibility software, OCR standardization, electronic bookings with all vendors, global payment systems, AI enabled document automation, are just a few examples. Seamless integrations to customer ERP systems and competing TMS systems will become a requirement to compete.

Logisyn Advisors has spent a lot of time and money researching and writing about this topic in the logistics tech sector. Do not underestimate the importance of the adoption of quality visibility software. Every TMS provider claims to have visibility software, but if you ask the freight forwarders or their customers, many disagree that current TMS visibility solutions meet the new customer requirements. The unicorns in this space have convinced their investors that they will change the game. Firms like FourKites and Project 44 are the current leaders, but there are more coming.

(A research paper on this topic is available on our site: https://logisyn.com/news/item/46/Trends-in-Visibility-Software)

4. **You need to truly understand your customers' tech needs and capabilities in order to compete. Each customer has unique IT needs and the game is changing**

It is always about the customer. COVID did so much damage to the world, but it also forced us to think and act differently. One positive side effect is it made global freight companies and their customers see the value of investing in technology. For the small and mid-size CIFFA members without large IT budgets, that can seem daunting, but don't forget your main advantage. You can be nimble and move fast. When a firm has thousands of employees on legacy systems, implementing technology needs to go through committee and testing processes that can take six months to two years. Use your advantage.

5. **Finally, make sure your technology provider is in it for the long haul.**

Before the 2002 dot.com bubble hit, financial institutions were throwing money at tech companies promising to cut out the freight forwarder. We kept a list of firms that had raised over $10M on a whiteboard in my office. We always resented these companies because we had worked around the clock living on credit cards to build a real product. In contrast, these firms had raised millions of dollars selling vaporware via powerpoints to financial people who did not understand the industry. When the tech crash happened, our team felt vindicated when we crossed names off the whiteboard competitor list.

Twenty years later, we are in a different environment. But with rising interest rates, money has become more expensive for investors and they will want their portfolio companies to become profitable sooner than later. If your software partners had a Series A, Series B, Series C…into infinity fundraising strategy, make sure you have bet on the right horse.

We always seem to be moving from one crisis to another in logistics. It is the life we have chosen and the tech changes are going to change the game. With that said, Logisyn believes the small / midsize freight forwarders can thrive with technology in the new environment; but it will require strategic planning.

For more information about TMS providers best suited for both large and small freight forwarders in Canada, and about the interesting tech ecosystem building up around the TMS providers,please email max.arens@logisyn.com. TF

Going Beyond Visibility: The Next Frontier in Freight Forwarding Customer Experience

by Julian Alvarez, Logixboard.

Digitization across the logistics industry may have gotten off to a late start, but it's quickly catching up. Features like real-time visibility, which were previously novelties, are now table stakes for BCOs to do business with a forwarder.

As competition continues to ramp up in the freight forwarding industry, traditional 3PLs are searching for new ways to differentiate themselves. With a nearly commoditized service and comparable rates across most of the industry, the two other main factors for forwarders to differentiate on are their people and their tech.

Speaking with forwarders, we've found a trend of BCOs first evaluating price, then tech, and finally your people before becoming customers.

If, like many forwarders, you're confident in your price and your team, then tech is where the battle for customers is really happening.

Customer expectations for tech are on the rise

For many BCOs, it's no longer enough to receive periodic updates from their forwarders. Or, worse yet, to have to chase these updates themselves. Instead, they need to feel informed and in control of the process so they can make strategic planning decisions.

Many 3PLs are launching customer experience platforms to give their customers easy access to their shipment information. When forwarders provide real-time visibility, documents, messaging, accounting, and analytics all in one place, shippers have the experience they've grown to expect from "The Amazon Effect", as described in a recent Forbes magazine article, where ("As a consumer shopping in your own home, you get used to full visibility and predictability of everything that you order. Products come on time. It's easy to shop. Apps are beautiful, functional and fast-moving. So, as a consumer, you are a happy camper.") and feel the sense of control over their own business that they are looking for.

Unfortunately, providing this isn't as easy as it may sound.

The build vs. buy debate

The growing demand for customer experience platforms across the market has led many companies to weigh the cost of building vs. buying their software. With industry giants like Flexport making waves with their own tech solutions, it's understandable why some would lean toward a fully-custom tool to differentiate themselves.

Early in the digital transformation of the logistics industry, an in-house build may have been the best or only solution. However, increasing competition has forced existing and new tech vendors to develop better long-term digital solutions.

This means that today, rather than attempting to dedicate the significant resources and developing the expertise to design a user-friendly tool, build integrations, and continuously update a full-blown custom software, forwarders have the option to build an integrated stack from vendors like Logixboard– often without even having to change their core TMS.

Getting ahead in the changing logistics landscape

The winning formula in freight forwarding is pairing first-rate technology and a great digital customer experience with industry expertise. As logistics technology continues to evolve, we'll see all the disparate parts coming together until BCOs have what they really want: A single place to see everything they need. For immediate and long-term success, we believe you should prioritize your logistics tech stack with that in mind. TF

Top Technology Trends Transforming The Future of Supply Chain Management

By Siddharth Priyesh, Vice President (Americas & Caribbean) CrimsonLogic Pte Ltd.

For many years now, enterprise resource planning (ERP) systems have been a proven tool to digitize and enhance the efficiency of supply chains. But many legacy implementations of these systems work in silos and are not able to deliver insights that respond to dynamic shifts in supply and demand.

As more players accelerate their digital transformation plans, systems that have the intelligence to evaluate and analyse data en masse can help firms boost their competitive advantage, collaborate, and enjoy the synergetic benefits of exchanging data. Here are some frontier technologies that are leading the way.

Automation and Artificial Intelligence

As we envision a future where supply chains are highly automated and autonomous, Artificial Intelligence (AI), Machine Learning (ML) and Optical Character Recognition (OCR) are three keys to more productive supply chains.

When AI and ML are applied to ERP systems, they can further improve end-to-end supply chain management processes among stakeholders and reduce operating costs.

OCR too, plays a big role by giving a huge boost to productivity during this transition from traditional to digital systems. With the ability to read hardcopy trade documents intelligently and accurately, the digitized data can then be automatically inputted into the respective customs nodes in adherence with local requirements. This means fewer errors, better compliance, fewer delays, and faster customs clearance.

All these tools reduce the complexity and improve the operational efficiency of supply chains, as time-consuming processes are offloaded from humans.

Use of data through advanced analytics

Advanced analytics squeezes out insights, predicts future trends and events, and allows supply chain managers to make data-driven decisions. By making data work even harder with the help of AI and ML, advanced analytics allow supply chain players to better forecast demand and supply gaps from farm to table.

From planning and procurement to logistics and shipping, advanced analytics provide accurate forecasts that are backed by AI and ML optimisation models to increase savings from lower inventory and holding costs. This increases resource optimization and provides enhanced predictability and analytics for better decision-making – even during volatile situations – for a more resilient and agile supply chain.

Trade facilitation platforms

While these cutting-edge technologies may play a big part in bolstering supply chain resilience in times of crisis, what is truly needed is a platform that facilitates seamless end-to-end trade across borders, from import to export. This allows businesses and governments to automate customs clearance and logistics, reducing red tape while saving businesses both time and money, without compromising on government regulations.

With linkages to more than 80 customs nodes, 90 ocean carriers and NVOCCs across the world, CrimsonLogic continues to work closely with both government and private-sector clients through its one-stop platform for information exchange between traders and government agencies. By linking digital islands and turning them into an integrated ecosystem with end-to-end trade compliance and logistics, we can transform international trade together and help businesses and governments stay ahead of the curve. TF

Another Data Standard? No Need!

We already have a proven one – the Canada Border Services Agency

By Bryn Heimbeck, President and Co-Founder, Trade Tech

There have been lot of suggestions around how to manage port congestion in the past two years. The suggestion has been made to focus on a better flow of data in order to achieve the efficiency and productivity needed for our ports to handle the large cargo flows they have been facing. This would alleviate the need for major capital improvements. In the U.S., the Department of Transportation and the Federal Maritime Commission are looking to accelerate digitization within the industry in an effort to address the challenges that are plaguing today's supply chain.

Both the DOT and FMC have pointed to the lack of a global data standard as the challenge and calling for a new one to be created—working collaboratively with commercial organizations that will benefit from the government's investment in the massive undertaking of creating a new standard.

We know— as most Customs House Brokers know—we do not need another data standard. We have a well-established data standard system that has been refined over the last two decades to near perfection by U.S. Customs.

The industry welcomes the government's response and willingness to facilitate a solution to the supply chain crisis, but the DOT and FMC are overlooking that the existing U.S. Customs' standard is already a solid foundation upon which to build.

Neutral, not-for-profit U.S. Customs and its international counterparts represent a fine-tuned global data standard that is already used by Ocean Carriers, Port Terminals, Customs Brokers, and Customs Agencies throughout the world, with the standards established by the World Customs Organization (WCO) model tying them together.

Data standards are not new.

Congestion at ports has raised calls for many reforms, including greater transparency. But the government's call to create new data standards is misguided, as:

- WCO data standard has been followed globally since the early 1980s
- Regulations for compliance expanded in 2003 as part of increased security efforts following 9/11
- These regulations are strictly enforced by many global Customs agencies and carry heavy fines and penalties for non-compliance

A proven global data standard--U.S. Customs and Border Protection's Automated Commercial Environment (ACE) system.

Data Standards make it easier to create, share, and integrate information. The U.S. Customs and Border Protection's Automated Commercial Environment (ACE) is an exceptional system for today's Ship, Air, Rail, and Truck transport. This foundational standard also maintains well -regulated processes and procedures. Multiple stakeholders, including carriers and ports, are tied into this digital communication system.

Under ACE:

- Every required data element must be transmitted to ACE 24 hours before cargo is loaded aboard a vessel (the timeframe for Air Shipments is shorter)
- ACE covers all contingencies for cargo movement from origin to destination including the vessel arrival at the port of entry, any in-bond movements, Permits to Transfer (PTT), Immediate Transportation Entry (IT), Immediate Export (IE), and Transport and Export (T&E). Any failure to comply results in fines ranging from a minimum of $5,000 to the value of the cargo. Truly bypassing US Customs is called smuggling and can result in potential jail time.

An ill-advised pivot to creating new standards is an enormous challenge that will likely:

- Call for a vast number of resources, both labor and capital investments
- Take several years to develop
- Require more than a decade for any substantial adoption from the industry
- Will not be adopted globally TF

DANGEROUS GOODS CERTIFICATION DUE TO EXPIRE?

Can't find a class that starts when you need it? Finding it difficult to take time off work to complete your training?

M&A Deep Dive into Digital Freight Brokers

By Nikhil Sathe • Logisyn Advisors, Managing Director

Digital freight companies are creating an enormous buzz in the market. These are tech and HR companies that happen to be logistics and transportation providers. 3PL is a labor play - the companies that drive superior unit economics also drive value and rapidly increase market share, while creating significant operational, sales, and procurement efficiencies in a "lights out" business model.

This sector of the industry has been innovative - evolving as solutions providers and problem solvers; they set out to drive costs out of the business and create efficiencies across the board. Digital freight companies have been focusing on improving their business models to better achieve quality margin management and a higher level of customer service.

Defining Digital Freight Matching

Digital freight matching exists to create connections between truckers and shippers with digital brokers acting as conduits in the process. Leveraging a full spectrum toolbox including AI (artificial intelligence), ML (machine learning), algorithms, and process re-engineering, brokers efficiently convert tendered loads into revenue loads. Digital brokers differentiate in their carrier procurement to maximize loads per carrier rep and leverage an effective tech stack and carrier database. The cutting-edge technology seamlessly integrates the customer and carrier load tendering processes into their TMS or operating system. Due to these factors, digital freight demonstrates significantly higher output per capita in revenue loads and other unit economics.

Carrier procurement is a daunting task for brokers and digital freight companies. Utilizing machine learning, innovation, and AI technology assigns a load to a carrier in the most competitive time frame. Since the market size is huge and the carrier market is deeply fragmented, such automated procurement spearheads volume growth without many touch points, maximizing load and operational efficiency.

Digitization of Freight: Trendy or Inevitable?

COVID-19 exacerbated freight digitization and hit the fast-forward button, putting automation front and center of corporate strategy. Many mid-sized freight and logistics companies embraced technology, data sharing, and remote operations. System intelligence is now an essential commodity. Digitization doesn't replace customer service, but it augments and strengthens the service model. Looking inward, technology is a productivity toolbox to drive efficiency and superior unit economics. Outward-looking tech stacks create superior responsiveness, visibility, and a seamless process from distant freight to actual delivery.

In today's market where carrier and broker fragmentations run too deep, most intermediaries are trying to create customer and carrier hooks for load tendering and competitive capacity sourcing. Digitization at a higher-level means automating repetitive processes, efficient carrier procurement, AI-influenced and binary decisions, driving unit economics, workflow efficiency, and higher conversion of revenue loads.

Understanding the Market and Growth Trajectory

For the past few years, significant VC and Private Capital have flown into Digital Freight Companies claiming superior technology stack, power to scale market share, and load volumes. Some of these companies have experienced exponential top-line growth. Many of them are unicorns with robust proforma valuations. As the level of outsourcing grows at more than 3-4 times GDP, the market presents a huge opportunity for building scale and size. Fragmented broker and carrier markets present a unique opportunity to scale and stack synergistic brokers.

Most 3PL's are embracing technology in a significant way, especially in the wake of COVID. Digital freight companies' focus is placed more heavily on data than loads, superior unit economics than mere execution, automation than multiple touch points, and seizing market share than quality margin management.

Digital Freight Matching Considerations

- Saves time and avoids friction
- Less paperwork, higher digital footprint
- Provides dynamic routing and optimization
- Lower prices than traditional brokers
- 24/7 access
- Increases efficiency

Digital Freight Brokers also have their own set of complexities and challenges in their business models, including:

- Their customer service and carrier on-boarding functionalities sometimes leave a lot to be desired.
- Digital Brokers can be very effective for commoditized freight like dry van or flat beds; however these companies often struggle in finding carriers in project freight, temp controlled, refrigerated, or fresh produce.
- Companies have been found less efficient in partial loads regarding competitive pricing/sourcing equipment.
- Shippers tend to engage digital brokers as price point intermediaries, leading to inconsistent service levels.
- There is a load-level relationship with carriers and shippers - it's load-hauled and it's done!

The industry needs Digital freight, and these brokers are using innovation to transform business models and achieve greater operational efficiency. Digital brokers today can find trucks quickly at very competitive rates. With over 800,000 motor trucking companies in the US (87% of these companies own less than 6 trucks), we believe these brokers are doing a great job in creating efficient carrier networks to service their customers.

As of now, this is still a single-use service, but digital freight brokers are understanding the need for better quality of carrier procurement. The industry has seen a recent trend of these companies investing in expanding their carrier relationships to strengthen sourcing capacity.

*"**Global Digital Freight Brokerage Market to Reach $10.9 Billion by 2027***

Amid the COVID-19 crisis, the global market for Digital Freight Brokerage estimated at US$1.2 Billion in the year 2020, is projected to reach a revised size of US$10.9 Billion by 2027, growing at a CAGR of 37.3% over the analysis period 2020-2027. Roadway, one of the segments analyzed in the report, is projected to record a 38% CAGR and reach US$3.6 Billion by the end of the analysis period.

After an early analysis of the business implications of the pandemic and its induced economic crisis, growth in the Seaway segment is readjusted to a revised 42.1% CAGR for the next 7-year period.

The U.S. Market is Estimated at $341 Million, While China is Forecasted to Grow at 43.9% CAGR

In 2020, the Digital Freight Brokerage market in the U.S. was estimated at US$341 Million. China, the world`s second-largest economy, is forecasted to reach a projected market size of US$2.3 Billion by the year 2027 trailing a CAGR of 43.9% over the analysis period 2020 to 2027. Among the other noteworthy geographic markets are Japan and Canada, each forecasted to grow at 31.3% and 35.2% respectively over the 2020-2027 period. Within Europe, Germany is forecasted to grow at approximately 33.4% CAGR."

– Global Industry Analysts, Inc, April 2021, "Digital Freight Brokerage - Global Market Trajectory & Analytics", Research & Markets

Key Factors & Growth Drivers

- There is a domino effect happening in how tech stacks are influencing the transportation & logistics industry – even recent transportation conferences are now majorly comprised of technology companies.
- Tech entrepreneurs are bringing effective solutions to this vast addressable market - developing innovative mouse traps to solve problems like capacity sourcing, back office, and document management.
- The large number of tech start ups has influenced growth within the digital freight market and this trend is expected to continue with great momentum.
- Brokers have seen a significant impact from technology in improving their sales and procurement programs driving freight unit economics significantly.
- Web and mobile clients have a growing influence on carriers to match their equipment and improve online interaction, which supports centralizing logistics processes and maximizing operational / P&L efficiencies.
- Digital Brokers have brought in real time versions of value-added services including mobile platforms, track & trace, claims and document management, and post delivery activities. Making life seamless for shippers and carriers, these services are a huge arbitrage in saving precious labor costs and improving customer satisfaction and margin management.
- Lower, mid-market, and large brokers are also investing heavily in technology. Ironically, many of these large brokers hire more systems engineers than brokers to fast track their tech development.
- There is a surge of demand for digital freight brokerage platforms given market volatility and uncertainty from institutional shippers, large transportation carriers. These digital brokers are a "go to" solution to improve agility, reliability and performance of supply chains, spearheading growth in this segment.
- There is exponential growth in advanced technology providers in the transportation and logistics sector for sales, operations, procurement, and back office that use AI, ML or other toolboxes.
- Significant capital attracted to the digital freight market from venture and private capital has significantly improved their market profile and outlook.

"Analysts are predicting to expand at a CAGR of 33% during the forecast period from 2020 to 2030. The extensive use of smartphones and mobile applications for efficient shipping and logistics operations fuels the growth of the digital freight brokerage market. Solutions in the digital freight brokerage market include mobile applications that enable shippers and carriers to interact directly and match their services for transportation and logistics.

Significant capital investments leading to increasing use of technology are favorable to the growth of the digital freight brokerage market. This is attracting a number of small-to-large scale digital freight brokerage companies entering the fray.

The inclination of established transportation management companies to partner with digital freight brokers is creating new frontiers in the digital freight brokerage market. The announcement of the partnership of Uber Freight with Transplace and Cloud Logistics by E2open to provide added value, flexibility, and control of shipping logistics is a case in point. The move is expected to offer shippers transparency, and an exceptional degree of ease in the current fast-moving market."

– Transparency Market Research, May 2022, "Digital Freight Brokerage Market to Reach US$ 26 Bn by 2030", Globe Newswire

Digital Freight Competitor Highlights

- Arrive Logistics
- Book Your Cargo (BYC)
- Cargo Chief
- Cargomatic, Inc.
- Convoy
- Coyote Logistics
- Edge Logistics
- Echo Global Logistics, Inc.
- J.B. Hunt Transport Services, Inc.
- Loadexpress
- Parade
- Surge Transportation
- Transfix
- Transplace
- Torch Logistics
- Uber Freight

M&A Perspective on Digital Freight Brokers

The past few years have seen exponential VC and private capital attracted to this segment given the significant market opportunity. Many of these companies are characterized by high load and top-line revenue growth, superior technology stack, and robust proforma valuations. Valuations are influenced by the financing environment and capital structure is often influenced by the capital markets. We have also seen the transportation technology sector booming with new solutions, platforms, and architecture.

We often get asked about the difference between a logistics company and a tech company. The difference primarily lies in its operating model. A common question is if logistics companies would trade X revenue rather than X free cash flow. Our response is that it should be deal specific, which mainly depends on the target's growth story and buyer's investment profile and orientation. Superior technology stack in and of itself doesn't warrant the company to trade at X revenue, as we believe the technology stack should contribute to superior and exemplary P&L performance.

The digital freight market is estimated to be larger even than recent reports have captured and continues to grow at an exponential rate. Based on our indications and trendlines, The U.S. segment of the market could surpass $30 billion over the next decade. During the pandemic time between March 2020 and early 2022, we saw growing digitization in the mid-market segment, and these companies are now trying to close the technology gap between tech-forward and tech-enabled brokers.

"Over the past few years, large digital freight brokerages (DFBs) backed by venture capital have emerged in the global transportation and logistics industry. Although in North America startups like

Convoy, Uber Freight and Transfix dominate media coverage of DFBs, incumbents C.H. Robinson, J.B. Hunt, and others have made large investments in technology to digitize their brokerage operations.

It's not just in North America – Berlin-based company, Sennder, raised a $70 million Series C in July 2019 that valued the digital brokerage at $300 million, post-money. BlackBuck, a DFB from Bengaluru, India, raised a $150 million Series D in March that valued the startup at $862 million, post-money. Finally, Beijing's Manbang Group, a DFB created in 2017 by merging two other Chinese firms, is seeking a $1 billion investment that would value the company at $10 billion.

North American valuations have swelled and many of these DFB's are now unicorns, such as Loadsmart, Convoy, Cargomatic, etc. Uber Freight, a division of publicly traded Uber Technologies, is valued by the market at a multiple of its gross revenue, not its earnings before interest, tax, depreciation and amortization (EBITDA).

Moreover, there's a disconnect between the way that private markets value DFBs and the way that public markets value third-party logistics providers (3PLs) like Echo Global Logistics and C.H. Robinson…

…the truckload industry will grow along with nominal GDP and that freight brokerage has an approximate ceiling of 35 percent market penetration in 10 years, up from about 18 percent today. We also assume that DFBs will account for 50 percent of all freight brokerage in 10 years, up from about 1 percent today. Finally – to create a fair but realistic scenario where most factors work in DFBs' favor – the assumption is made that digital freight brokers are able to achieve an 8 percent gross margin in 10 years, up from about 1 percent today."

– Freightwaves, August 2019, "How much are digital freight brokerages really worth?"

Digital Freight Valuation

We estimate the size of the trucking industry is over $800 Billion, when using the total addressable market by digital brokerages. The current brokerage market is estimated to be north of $75 Billion. The trucking industry and brokers are deeply fragmented, making a strong case for scaling and stacking synergistic assets to maximize enterprise value.

Inherent in the valuation model are always underlying assumptions. Valuation is done based on Scenario Planning which assumes a financial model that includes a present-day number of future earnings - probability of earnings given the external factors and internal factors which sometimes are in your control and sometimes to the vagaries of the market.

The Valuation Dilemma

Some of these Digital Freight Brokers underinvest to maximize earnings, some invest heavily front end to spearhead growth, and others take a middle approach, starting with cutting earnings power and then speeding up the margin and EBITDA expansion. We think the latter option give these companies the best valuation potential.

Traditional buyers would value the target based on traditional valuation methods, and their financial models are typically based on X FCF. Most of these digital companies with solid proforma valuations are unicorns and would have challenges matching or exceeding actual valuation on exit. There is still no precedent for the exit valuations of these companies. In our view, exit valuations should be pressure tested with margin and profitability performance over the long term.

Digital Freight Companies, with their ability to spearhead high growth, their lean enterprise execution model, and their superior freight unit economics, would drive better-than-market valuations.

We are already watching some macroeconomic headwinds in the capital markets, and there seems to be a considerable slowdown in VC-backed investments in new ventures in 2022. Despite all uncertainties, we believe technology will continue to dominate the Freight Brokerage Market, and we are quite bullish about valuation expectations given strong and secular growth credentials in this high growth, fast paced, and dynamic market.

Logisyn's Expertise in Digital Freight

Logisyn is an M&A advisor that caters specifically to companies in the logistics sector. The Logisyn team has deep domain expertise in taking digital freight companies to market and determining the most effective market map of synergistic buyers driving valuations and optimizing deal structure. Our customers include global freight forwarders, customs house brokers, domestic forwarders, trucking companies, logistics software providers, and many other companies across the industry. Our team leverages our deep relationships in the market and our broad database to help buyers find the "right" target for the "right" value.

Nikhil Sathe • Managing Director

Nikhil Sathe has an extensive background in working with digital freight companies in North America to spearhead their growth strategy and maximize their enterprise value. Nikhil has successfully run strategic engagements for mid-size logistics companies as well as being known as a thought leader and domain expert in the 3PL and tech space. For more information, please email nikhil.sathe@logisyn.com.

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Get in Touch with Our Team

Karin Mellin • Marketing Director

Karin leads Logisyn's marketing initiatives and works with Logisyn's clients to position themselves in the market. For more information, please email karin.mellin@logisyn.com.

- Visit our Website - logisyn.com
- Follow Logisyn on Linkedin - https://www.linkedin.com/company/logisynadvisors
- Email our Team at confidential@logisyn.com TF

Full Steam Ahead: a Snapshot of the Digital Forwarding Sector

A 2022 whitepaper authored by Viki Keckarovska, Senior Research Analyst, Transport Intelligence, provides a snapshot of the funding scene in the digital forwarding sector and insight into the usage of digital freight booking platforms and marketplaces, as well as digital forwarders.

Ti Insight is a logistics and supply chain market research and analysis company providing: Supply Chain and Logistics Market Research Reports, Global Supply Chain Intelligence (GSCi) online knowledge platform, Consulting and Market Research projects, and Training, Conferences and Webinars.

According to the paper, digital forwarders have successfully established themselves in their respective sectors and are attracting huge investor attention. Shippers' needs are evolving, and capability gaps among traditional forwarders have spurred the interest of venture capital firms that see value in investing in digital forwarding start-ups and their business models.

The latest Digital Freight Forwarding Survey 2022 assessed the market penetration and outlook of digital forwarders and identified the capability gaps digital forwarders need to close.

According to the survey, a surge of funding in digital freight forwarding start-ups is taking place.

With global supply chains plagued by bottlenecks, lockdowns and other disruptions, investors continue to place their bets on digital forwarding start-ups, said the paper. Between January and March 2022 funding in digital forwarding start-ups amounted to around USD $1.2bn. The total amount of investment during the first quarter of 2022 is already 50% higher than the full year of 2021. One of the reasons behind this surge is that investors have been holding on to their cash during the pandemic due to Covid-related uncertainty but have since then re-entered the logistics space.

Between March and May 2022, Transport Intelligence put out a Global Freight Forwarding survey which provided insight into the usage of digital freight booking platforms/marketplaces and digital forwarders. The objective of the study was to assess the performance and value these platforms provide to businesses as well as their market penetration and outlook. The survey also identifies the capability gaps digital forwarders need to close to erode the competitive edge of the traditional players.

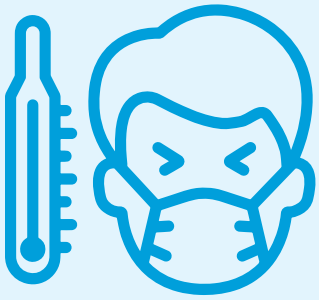
Shippers represented the largest participant group in the survey, representing 61.4% of the total. Respondents were drawn from various regions, with the majority (65.9%) coming from Europe. Respondents were evenly mixed when it came to the transport modes they use in their supply chains.

How does one define online freight booking platforms/marketplaces/digital forwarders?

Online freight booking platforms and marketplaces connect shippers and carriers, without actively intervening in the coordination of parties. Digital forwarders provide a one-stop-shop and use technology to offer a wide spectrum of shipping services, including, quotation, booking, documentation generation and invoicing.

The adoption of online forwarding services and digital forwarders is rapidly taking hold across global businesses, according to survey results. Digital freight booking platforms/marketplaces and digital forwarders seem to be increasing their market share, with 81.3% of the surveyed shippers and LSPs reporting their use. The frequency of use varies across respondents, with the largest proportion of respondents (63.4%) using these services often, and as such the digital services represent an important part of their overall shipping strategy.

New Changes to the Paid Sick Leave in the Canada Labour Code



The Government of Canada has announced that they are introducing changes to Paid Sick Leave under part III of the Canada Labour Code (CLC), as part of Bill C-19 *"Budget Implementation Act, 2022, No. 1"*. These new changes to the CLC will be effective as of December 1, 2022, and will affect federally regulated industries such as inter-provincial transportation, banking, aviation, and telecommunications.

What do you need to know about Paid Sick Leave?

- Employees will be entitled to a maximum of ten days of paid sick leave each calendar year.
- Thirty days after the changes become effective, employees will earn three days of paid sick leave.
- New employees will earn three days of paid sick leave after completing thirty days of continuous employment with the employer.
- Employees will earn one day of paid sick leave for every month of employment after completing one month of continuous employment with the employer.
- Unused paid sick leave days carry over to the next calendar year and count toward that year's maximum of ten days.
- Employers may request a medical note for medical leaves of absence with pay that are five consecutive days or longer.

Remember that you can login to your FREE Gallagher HR Online account provided through CIFFA for important changes impacting the management of your human resources.

If you are having difficulties logging into your account please contact the Humaniqa Help Desk by email at info@humaniqa.com or phone at 1-855-237-1066.

This is a contributed article from CIFFA member Humaniqa.com

In 2019, only 49.0% of respondents to a similar survey stated they have been using online freight booking platforms/marketplaces and digital forwarders. This significant increase in the usage and adoption rate shows that shippers and LSPs are getting more accustomed to partnering with these tech-enabled companies.

A combination of factors has contributed to the increased adoption, the paper suggested. First of all, it is a sign that the business model of digital freight booking platforms/marketplaces and digital forwarders has proven its maturity. They have proven that they can deliver on their value propositions and can execute services under difficult market conditions. Digital forwarders, for instance, have developed their core products and brought their digital service offering to the level of sophistication customers are expecting. As a result, they continuously expand their client base, attracting large-scale enterprises that have high demands and that were previously rather cautious to experiment with new partners.

Another reason for increased adoption is the increased focus on digital transformation. The pandemic accelerated the focus on digital transformation and pandemic related supply chain bottlenecks became a boon for digital forwarding start-ups and raised their profile. Two years after the onset of the pandemic, organizations are still navigating difficult supply chain challenges. They are also facing the need to reduce resources, spending, and carbon footprint, while also dealing with external disruptions. All of these factors have increased the need for more data, automation, transparency, and intelligence, and are therefore fuelling the growth of digitally enabled freight start-ups.

The survey findings showed that there is a broadly even split across air, sea and road amongst those using digital forwarding services. Digital platforms and forwarders that provide ocean and road freight services appear to be more heavily relied upon to move freight than those that provide air freight services.

The volatility of ocean freight during the pandemic seems to have accelerated the shift to digital services and connectivity. Over the past years, ocean carriers have made significant improvements to their digital offering, with all major shipping lines now offering digital bookings and quotes as well as tracking and tracing services.

The responses show that shippers and LSPs are using the core business functions offered by online freight booking platforms/marketplaces/digital forwarders, and even more importantly indicate that they perform well in these areas. Digital booking, tracking and document management are at the very core of the forwarders' selling proposition. The fact that digital players perform well in these areas shows that they can deliver on their core value propositions and are pushing the boundaries of what was previously established in the forwarding market.

Claims management, tender management, insurance and customs clearance, which are at the bottom of the list and are less frequently used, are all 'nice-to-haves' which can only extend and enhance the overall value proposition.

Exception management/transportation errors is the service area most in need of improvement. The fact that shippers demand better exception management services implies that digital forwarders aren't still at a stage where they can successfully deal with nonstandard tasks, such as managing transportation errors.

Managing exceptions in freight forwarding is still very much a manual process that is difficult to automate. Handling transportation errors and exceptions in a way that is reassuring to customers requires established relationships with airports, ports, handling agents and carriers across the world and relies on a combination of technology and human brain power.

This element of the forwarding process is therefore very hard to fully automate and consequently likely to remain a key source of competitive advantage for traditional forwarders.

The most successful digital forwarders have quickly realized this and are therefore investing heavily not only in technology but in staff with operational expertise that can offer a personalised level of customer service.

Of the ten functionalities asked about, booking, tracking and invoicing are the most commonly used services used across air, sea and road transport modes.

Instant quote generation and booking is identified as the single most important service offered by digital forwarders. The way traditional freight forwarding processes are handled today goes a long way in explaining respondents' responses. The process of booking freight can still be dependent upon a lengthy exchange between the shipper and a freight forwarder via phone and email. The amount of time it takes for a freight forwarder to respond to a quotation request is critical for shippers. When choosing a freight forwarder, shippers typically obtain several quotes for comparison, so getting quotes quickly is essential for their business. The survey results imply that responsiveness enabled through instant quote generation and booking is what convinces shippers to use digital forwarders.

Digital forwarders and booking platforms have been very successful at scaling up their businesses and ecosystems. Some challenges remain though. With large shippers on board comes more complexity and more demand for features and functions that suit large customers.

To meet these challenges, digital forwarders will need to invest in more staff with operational expertise and continue to upgrade their technology. Investments in APIs is one of the strategies employed by digital forwarders to enable them to better meet the requests coming from large customers. The most prominent forwarders have also been increasing their staff numbers to be able to maintain the same level of service when it comes to exception handling as they continue to expand.

Overall, while IT capabilities matter greatly and remain a key competitive advantage, catching up with the expertise and logistics know-how remains essential. Digital forwarders will need to combine smart technology with operational experience to be game-changers. Achieving both of these objectives while remaining profitable will be a challenge, especially if access to capital becomes more limited in the future. TF

Charity Begins at Home But at CIFFA, Charity Goes Beyond

While it is often said and accepted that 'Charity begins at home.', CIFFA is proud to extend this gesture to beyond our home and into our greater community. At CIFFA events, the regional committees work tirelessly in organizing various networking events throughout the calendar year for CIFFA members and non-members alike. These events are generously supported by event and national sponsors, and the participants. We thank everyone for their generosity and showing compassion to those less fortunate around us.

CIFFA Event	Amount Raised	Charity
Central Golf Tournament	$530.00	CIFFA Scholarship Fund
Eastern Golf Tournament	$1475.00	Camp for KIDZ
Western Golf Tournament	$2400.00	Greater Vancouver Food Bank
Total	**$4405.00**	











CIFFA Committee Meetings – Summer 2022

CIFFA's seven national committees meet several times a year to discuss relevant issues or developments that may affect member companies. Most recently, each of the committees met once during the summer months. Following is a look at what committee members discussed and decided at those meetings.

Airfreight Committee – Chair Bill Gottlieb

- CIFFA and IATA jointly hosted a webinar, "Discover the Benefits of CASS," on August 10, to help members learn about CASS operations and benefits.
- A new part of the CIFFA onboarding process is to help new members join CASS programs.
- Transport Canada is leading globally in the change to dangerous goods competency-based training (CBT), planning to be the first country to launch the program, likely in the fall of 2023.
- CIFFA is currently developing employer-based training that will provide information on employers' responsibilities and how they should move forward to train their employees. Employers will certify their employees to ship DG under the new program.
- Pre-COVID, the freight forwarder and airline members of the Canadian Joint Council sought to establish a working group to review and clarify IATA regulations relating to dangerous goods handling requirements. CIFFA is now working to re-establish that group.
- CIFFA has bi-monthly meetings with CBSA to discuss AMPS penalties. CIFFA has recently been challenging the CBSA's interpretation of AMPS contravention number C378, which the agency says calls for the responsible party to provide required data 24 hours pre-load. Non-compliance under C378 is expensive, with fines starting at $2,000 and increasing to $8,000 on the third and subsequent infractions. While the CBSA is refraining from issuing a lot of penalties, instead focusing still on education, non-compliance penalties are expected to be more widely issued in the near future.
- The committee has begun to look at options to help CIFFA members in their efforts to develop sustainability initiatives.

Customs Committee – Chair Paul Courtney

- The Customs Committee also discussed AMPS penalties. Since January 31, CBSA has issued 74 penalties to 32 freight forwarders. Infractions have been related largely to timing of notices in the air mode and cargo descriptions. While the CBSA is still not issuing a lot of penalties, it is doing so where it has communicated with a forwarder about an issue and the forwarder continues to fail to comply. Many foreign forwarders don't understand the different requirements of ACI and eManifest, and are behind many of the filing problems that result in non-compliance.
- The CBSA is looking for more detail in house bill cargo descriptions, and penalties for failure to comply may be coming. CIFFA plans to further discuss cargo descriptions with CBSA to gain a better understanding of the agency's requirements.
- CN and CP are diverting containers to off-site facilities around Toronto and Montreal, after essentially moving the problem of rail congestion inland from Vancouver – sometimes at significant cost to shippers and forwarders, including shuttle fees and significantly higher drayage charges for each container. Dray operators are challenged to locate containers when they're moved off site, as arrival information is not kept up to date. Forwarders face extra work when loads with multiple containers are split. Few of the off-site yards are accepting empties.
- CARM R2 is now not expected to go live before October 2023. As of July, there were still only 20,000 importers registered in the system, meaning there is still a long way to go to prepare Canada's shippers for new CBSA requirements. The CBSA is looking for more volunteers to test the system.
- Legislation is being considered that will make the broker that uses its business number to clear goods liable along with the importer

CIFFA
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WHAT'S THE NEXT STEP IN YOUR LOGISTICS CAREER?

Earn your designation as a CIFFA Professional Freight Forwarder (PFF)

Rise above the crowd. Demonstrate your experience, education, and commitment to excellence. Achieve the PFF.

of record (IOR) when issues arise with imports. This matter is also being challenged by CIFFA.

- CIFFA is seeking more information from the CBSA about RM accounts under CARM: Will shippers be given separate RM account numbers for imports and exports?
- Forced labour is increasingly a focus for attention in the supply chain, with ethical sourcing called for in all inputs from dirt to door.
- Under the Trusted Trader Program, the minimum security requirement document specifically related to freight forwarders is anticipated to be released by the end of 2022.

Drayage Committee – Chair Chris Ford

- Transport Canada has pushed the railways to clear congestion at the Port of Vancouver to make room for grain exports. CN and CP established off-site facilities in Toronto and Montreal to enable the movement of more containers out of the port, moving the congestion inland. CIFFA is pushing CBSA to return to the practice of clearing cargo at the first point of arrival. If the process is started when the cargo is unloaded in Vancouver, most of it will have been cleared and be ready for pickup by the time it reaches Toronto or Montreal.
- CN has opened its Mississauga Intermodal Service Centre (MISC) as a bonded facility. Dray operators foresee an issue because MISC and Malport are the only Toronto facilities currently accepting empty containers. CN is looking for alternate locations for empties.
- Truck drivers are waiting for three or more hours in line outside terminal gates in Alberta and Ontario, some of them not being paid for that time. The long waits mean many drivers can make just one trip a day to pick up a container. Worsening this situation, CN has reduced free time at its terminals; as of October 1, free time will end at midnight on the day after the cargo arrives (currently 7:01 day following). Off-peak pickups, promoted by the railways as a means to avoid lineups, are not working, as skeleton staffing leaves the terminals with no one to provide service to the truckers as workers load containers onto trains during those hours.
- Ongoing container congestion could lead to a chassis shortage.

Freight Brokers Committee – Chair Joel MacKay

- The committee hosted a webinar – Freight Brokerage Fundamentals – Legal & Insurance Requirements – on August 23 that was well-attended and positively received.
- The committee looked at ways to increase CIFFA's success in lobbying the federal government for policy changes, and determined that more details addressing the why and where of challenges and the how of solutions would be helpful to policy makers. CIFFA will present more specifics of this type in its future communications with government.

Seafreight Committee – Chair Martin Schultz

- Waiting times are up at both CN's and CP's Toronto and Montreal terminals for numerous reasons:
  - o Carriers' lack of schedule integrity – now at about 18% – has led to shippers over-ordering to ensure they have product
  - o Shippers have more product than they need, meaning warehouse space is full and freight is left to linger at railyards
  - o Due to the lifting of COVID restrictions, consumers are spending more on services, less on goods, exacerbating inventory surpluses
  - o Fewer drayage operators are available to move containers
  - o Driver hours-of-service restrictions mean that, given congestion, drivers are often able to complete just one turn a day at the terminals
- The railways are moving many containers to off-dock storage locations, and are providing insufficient visibility to customers on the whereabouts of their containers.
- Under CIFFA's STCs, customers are responsible for extra costs related to the movement of containers to off-site facilities.
- The Government of Canada has undertaken a review of the Shipping Conferences Exemption Act, which is related to ocean carrier competitiveness. The Act allows shipping conferences to operate into and out of Canadian ports without contravening the Competition Act. This gives them freedom not available to other businesses.
- CIFFA's position is that carriers should be treated like other businesses; shipping consortia are anti-competitive and pay very little tax. As part of the review process, CIFFA shared this message with Transport Canada.
- CIFFA has written to Minister of Transport Omar Alghabra and Minister of Innovation, Science and Industry François-Philippe Champagne to note carrier responsibility to accept empty returns and, if they can't accept them, the carriers should be paying for storage, drayage and chassis – which the FMC is pushing in the U.S. CIFFA asked the ministers to institute a similar initiative in Canada.

Sustainability Committee – Chair Christina Fisker

- CIFFA is becoming increasingly engaged with the UN Global Compact, a worldwide sustainability initiative that supports participating companies, associations and cities as they align their strategies and operations with defined principles on human rights, labour, the environment and anti-corruption. Having completed a questionnaire from the organization, CIFFA will next review the answers with a UNGC Canada representative in order to establish the association's baseline status against which progress will be measured.
- The committee is planning a blueprint report for publication in 2023.

Technology Committee – Chair Marc Bibeau

- A recording of CIFFA's June 28 webinar, "Cybersecurity – How to Protect Your Business," is available to members.
- The committee is planning its next white paper and follow-up webinar.

If you are interested in joining any one of the national committees, please send your request to either admin@ciffa.com or the Regional Chair for your area, whose contact details can be found in the National Board of Directors listing on the CIFFA website. TF

CIFFA New Members

ASSOCIATE MEMBERS

Armstrong Transport Group, LLC

1422 S. Tryon Street, Charlotte, NC 28203, 877-240-1181, agents@armstrongtransport.com, www.armstrongtransport.com

Founded in 2006, Armstrong Transport Group is a third-party logistics provider based in Charlotte, North Carolina. The company now has more than 150 agent offices in North America, 1,000 logistics professionals, 125 corporate employees and more than 80,000 approved carriers in its system. It offers cross-border, expedited, flatbed, full truckload, LTL, temperature-controlled, heavy haul and OD, and intermodal services.

Armstrong's customer portal is a gateway to its proprietary TMS. Customers can automate their shipping process – from requesting rates to paying invoices – through the web-based technology, and get accurate and detailed shipment updates, including real-time load tracking and tracing, in one consolidated view.

When complicated situations or exceptions arise, Armstrong's teams are available to help seven days a week. Each customer has a dedicated billing and customer service team assigned to its account.

Dangerous Goods Packing & Shipping Services Inc.

95 Hedgedale Road, Unit 1, Brampton, ON L6T 5P3, 905-677-7066, info@dangerousgoods.ca, www.dangerousgoods.ca

Dangerous Goods Packing is a second-generation dangerous goods consulting company, founded in 1985. It specializes in all things dangerous goods: labelling, air, ground and road documents, palletization, loading and unloading containers, hazmat 3PL services and on-site services.

The company saw a lot of activity during the pandemic, shipping hand sanitizer across the country. It shipped the 2016 Olympic torch, pyrotechnics for the movie XXX, and Arnold Schwarzenegger's e-bike battery among the slew of hazmat projects it has handled.

Company owner Katrina Monette is passionate about her work. "You never know what will come through the door or what project you will be working on. And you learn something every single day." That's part of the reason Katrina chose to join CIFFA, "to learn and grow." She looks forward to becoming an even-better resource for the industry through participating in the association.

Hamilton-Oshawa Port Authority

Main office: 605 James St. North, 6th Floor, Hamilton, ON L8L 1K1, 905-525-4330. Cargo contact: Gina Delle Rose-Ash, 365-336-5136, gdelleroseash@hopaports.ca, www.hopaports.ca

Oshawa office: 1621 Simcoe St. South, Oshawa, ON L1H 8J7, 905-576-0400

HOPA Ports is an integrated port network, with port and marine assets in Hamilton, Niagara and Oshawa, on Lake Ontario.

The Port of Hamilton is the largest port in Ontario and the western marine gateway to the Greater Toronto-Hamilton Area. It is southern Ontario's largest gateway for overseas exports of Ontario-grown corn, wheat and soybeans, handling more than a million tonnes of exports a year. It is also the largest gateway for imports of crop inputs used in southern Ontario agricultural production. It serves as an export gateway for large Ontario-manufactured components, factory equipment and machinery, and as a major regional import gateway from the U.S. for liquid bulk petrochemical products.

The Port of Oshawa handles an average of $23 million worth of cargo annually, from salt and steel products to asphalt and grain.

The port offers the benefit of full seaway draft and access to world markets through the St. Lawrence Seaway.

Niagara Ports is a proposed network of three multimodal industrial hubs located along the Welland Canal in Port Colborne, Thorold and Welland, Ontario. Each of the three proposed multimodal hubs would offer development-ready industrial land, along with marine, rail and highway connections. Their use would reduce traffic congestion on Ontario highways.

Lotus Terminals Ltd.

18833 – 52nd Avenue, Surrey, BC V3S 8E5, 866-940-1866, bringit@lotusterminals.com, www.lotusterminals.com

A one-man, one-truck business started in 1980 evolved to become Lotus Terminals in 2008, a company with 50 employees and a 10-acre facility with freight handling equipment for loads weighing 85,000 pounds and more, overhead cranes, laydown areas, reefer plugs, and a government-certified 80-foot platform scale. The asset-based freight and transportation company is family-owned and -operated.

Chief Executive Officer Prabhjeet Singh Bal said the company's "commitment to quality services and authentic communication demands passionate team members," which is proving to be a challenge with the current shortage of skilled people and increasing customer demand for services. To deal with this challenge, Lotus has put in place a mentoring program, through which strong company veterans mentor and develop newcomers to the industry. Bal believes that creative and energetic teams leveraging technology and willing to work and think outside the box to come up with innovative freight solutions will remain key to the success of businesses like his.

Bal appreciates the variability of his work. "Everyday can be different." That was certainly clear during the pandemic, when Lotus was suddenly handling a significant volume of hand sanitizer and PPE. The company was challenged to find crews to work as it ran double shifts.

Lotus joined CIFFA "to be part of an exceptional industry organization," said Bal. "And to better engage and connect with our peers and cohorts in the Canadian international freight forwarding industry."

Offshore Business Processing Pty Ltd.

585 Little Collins Street, Suite 456, Melbourne, VIC 3000, Australia, +613 9975 7040, sales@offshorebusinessprocessing.com, www.offshorebusinessprocessing.com

OBP has been in business for 10 years and has more than 700 employees working from two offices in Manila. The company delivers business process outsourcing services and solutions to clients worldwide, including in the freight forwarding business. It offers freight forwarders back-office support, enabling local staff to focus on client-facing, revenue-generating tasks.

Believing that many forwarders in Canada have not tried or been exposed to offshoring as a solution to staff shortages, OBP joined CIFFA to build awareness of this service option. The company's Managing Director, Maryann Farrugia, enjoys helping forwarders overcome staffing challenges so they can direct their attention to their areas of real expertise and strengthen their offerings to customers.

Farrugia notes that the COVID pandemic increased business knowledge of and appreciation for the power of technology, as people around the world moved to home offices and kept businesses running.

OBP helped one large freight forwarding company with new processes and operating procedures related to its customs data entry. It also added some automation to the company's CW1 system. OBP reports that, within 12 months of going live, the company was saving more than $1 million a year in labour costs.

Shipthis Inc.

200 Continental Drive, Suite 401, Newark, Delaware 19713, 989-514-2521, hello@shipthis.co, www.shipthis.co

The Shipthis platform was launched in 2019 and is managed by a team of 16 passionate professionals, with backgrounds in the shipping, technology, finance and logistics industries, working from offices in Delaware, USA and Bangalore, India.

Shipthis is an AI-driven, white-labeled digital platform that covers all aspects of freight forwarding operations, including freight and shipment management, tariff and rate management, real time track and trace, quotations, warehousing, shipment documentation, vendors, CRM, billing, freight accounting and more.

The company's first customer was a Canadian freight forwarder and it has developed much of its client base in Canada; hence the new membership in CIFFA. It aims to help more Canadian freight forwarders as they transition to tech-based operations.

Shipthis envisages a future of digitally interconnected freight forwarders who can serve their customers' diverse needs in a connected marketplace from anywhere in the world. Its mission is to help freight forwarders evolve into digital freight forwarders. Its goal is to empower a resilient future for freight forwarders to thrive in a world defined by disruption and fuelled by transformative technology.

Smart Play Distribution

102 – 26712 Gloucester Way, Langley, BC V4W 3V6, 604-579-1177, info@SmartPlayDC.com, www.smartplaydc.com

Distribution and warehousing company Smart Play Distribution guarantees the capacity it sells and the prices it quotes. It offers temporary to long-term storage, port pickups and direct-to-store delivery – an end-to-end solution for moving and storing freight.

The company will repackage shipments to optimize the use of space and help reduce freight costs on shipping across Canada and the U.S. It will also pair shipments of different clients to further lower distribution fees and help all parties reduce their carbon footprint.

Smart Play is also partnered with Orkin Canada to provide approved BMSB treatments for containers bound to Australia and New Zealand.

FREIGHT BROKERS

Titanium Logistics Inc.

32 Simpson Road, Bolton, ON L7E 1G9, 905-266-3162, www.ttgi.com

Titanium Transportation Group Inc. is an asset-based transportation and logistics company operating in Canada and the U.S. Founded in 2002, it now has offices across Ontario, and in Atlanta, Charlotte,

Chicago, Denver and Nashville. It was ranked by Canadian Business magazine as one of Canada's fastest growing companies for 12 consecutive years.

Titanium specializes in truckload and cross-border trucking services, freight logistics, and warehousing and distribution. It is CSA, PIP and CTPAT certified, as well as SmartWay certified.

The company's fleet includes 800 power units and 3,000 trailers, flatbed trailers, dry and temperature-controlled vans, reefers and tankers.

In its 100,000 square feet of warehouse space, it offers services including order management and fulfillment, inventory management, shipment consolidation/deconsolidation and reverse logistics.

Technologies provide customers with online access to warehouse inventory details, business intelligence reports, load-tracking and -management information and more.

FREIGHT FORWARDERS

C West Solutions Inc.

2319 Commissioner Street, Vancouver, BC V5L 1A4, 604-254-9461, sales@columbiacontainers.com/info@columbiacontainers.com, www.columbiacontainers.com

Operating at the Port of Vancouver, C West Solutions, a subsidiary of Columbia Containers, benefits from the long-term relationships Columbia has developed with most of the container shipping lines. Its services complement those of Columbia Containers – terminal operations, container storage and logistics, and silo storage for grain export shipments – to provide a full package of services that can help prevent shipment delays.

Davidson & Sons Customs Brokers Ltd.

1220 - 1188 West Georgia Street, Vancouver BC, V6E 4A2, 604-681-5132, info@davidsonandsons.com, www.davidsonandsons.com

Davidson & Sons has been a family-owned and -operated company since 1917. Currently run by a fourth-generation Davidson, William (Bill), the company has 28 employees who provide Canadian and U.S. brokerage services, freight forwarding and consulting services.

The company does a lot of work in the entertainment world, shipping anything from a small box of theatrical wardrobe to entire movie sets. It has arranged charter flights for lost guitars. It worked on the logistical solution for the Stanley Cup during COVID-impacted 2020. It has extensive experience shipping overheight/width/length loads and is available to clients 24/7.

Although the company expects the industry to normalize post-pandemic, it foresees a future in which service providers "will be more reactionary in terms of being flexible to client demands," says COO Greg Herbert. "Delivery time expectations have changed, and we need to keep up." Herbert sees technology and internal IT playing a bigger role in the business to ensure that happens.

To deal with current pricing and equipment availability issues, Davidson & Sons is working with a number of different providers and pooling clients' shipments where possible to access volume rates.

Describing why he enjoys his work, Herbert says, "When you do it right, you are a hero and an integral part of the client's supply chain. To be invested with your client and provide a value-added service is always a good thing."

EFL Global Logistics Canada Ltd.

5995 Avebury Road, Suite 701, Mississauga, ON L5R 3P9, 647-271-2661, can-info@efl.global, www.efl.global

In 1982, Hanif Yusoof founded Expolanka Freight as a five-man team in a 300-square-foot office. The Sri Lanka-based company – now widely known as EFL Global – has expanded to have more than 70 offices in 34 countries, powered by a team of over 3,000 industry professionals.

Because businesses are increasingly tapping into digital solutions for their supply chains, says Leroy Ebert, Director of Business Development in the Canadian office, logistics providers must successfully combine technology and strategy to deliver real value to customers. He expects the optimization of supply chains, visibility and utilization of online cargo management systems will continue to grow, "not only to support business goals, but to navigate an unpredictable global market."

EFL emphasizes the fostering of relationships with its clients to establish trust and a sense of security. "Remaining human and understanding the importance of relationships and communication has always been a key element of our business," notes Ebert.

The company joined CIFFA in part because it has a history of joining and participating in trade organizations around the world that enable it to continue to improve its services and understand the standards of trade, safety and compliance in the markets it serves. The Canadian office also looks forward to "utilizing all of the tools CIFFA can provide, including educational programs, industry seminars and networking opportunities."

G&C Logistics

5960 Wallace Street, Mississauga, ON L4Z 1Z9, 905-890-1103, info@gclogistics.ca, www.gclogistics.ca

Established in 2005, G&C Logistics is a family-owned and -operated, asset-based company that has steadily grown to become what it calls a one-stop shop for logistics and transportation solutions. Its service offerings are in customs clearance, transportation, warehousing and freight forwarding.

The company offers drayage, intermodal, flatbed transportation and cross-border trucking services.

Its 15,000 square foot warehouse is equipped to handle heavy loads, such as vehicles, yachts, plywood and more. It offers short-term storage, as well as consolidation/deconsolidation, order processing and cross-docking services.

In terms of freight forwarding, G&C has a global network of agents to help with air, ocean and rail shipments, full and less than container loads. It offers charters for very large and specialty cargoes.

Mass Logistik Inc.

1632 - 112 4 Avenue SW, Calgary, AB T3E 2R1, 403-679-2769, eric@masslogistik.com, www.masslogistik.com

Mass Logistik has been in business for four years, with two offices, one in Canada, one in Europe. The company specializes in nothing other than the movement of liquor from Europe to Western Canada.

Eric Peters, owner of the company and director of its Canadian operations, says Mass moves "some of the most unique wines and spirits in the world. In particular, we often move extremely high-value and rare wines. It's always nerve-racking when you are moving a pallet of wine that is irreplaceable and worth more than a Ferrari!"

Like Peters, the clients Mass works with are enthusiastic about the uncommon products they handle; they share a passion that makes the work and relationships rewarding. Peters also takes pleasure in working in a global industry and having a team around the world with varied backgrounds. "This type of diversity makes the job that much more enjoyable," he says. And being a small company "allows us to be very close with our clients and partners."

The company has been challenged, however, by shifts that Peters says the pandemic caused in global logistics networks, which have "made it even more difficult as a small, local freight forwarding company to deal with the global goliaths who have increasing control in the industry." Mass has taken on this challenge by "staying laser focused" on its expertise in alcohol and cold chain, and "continuously employing technology to provide greater transparency." Peters anticipates that shippers will continue to expect greater real-time visibility throughout the supply chain, and wants Mass to be in the forefront of that development.

Novalink Logistics Inc.

177 – 6355 Graybar Road, Richmond, BC V6W 0C4, 604-231-8099, novalink@novalinklogistics.com, www.novalinklogistics.com

Novalink Logistics Inc., established in 2004, currently has 28 employees.

The company – like so many others nowadays – is challenged to find the experienced employees it needs. Rather than hiring for skills, it is hiring people without experience in freight forwarding and ensuring that they receive the training they need to be effective on the job. That's a big part of the reason that Novalink joined CIFFA, to access the "proper and professional training" and the resources that the association offers.

In the longer term, the company is concerned about the competition from shipping lines that are increasingly looking to offer services directly to BCOs, rather than working with freight forwarders. Novalink has been preparing for that change by expanding its warehouse and customs brokerage services.

Alex Xu, Novalink CEO, says it's rewarding when the company's solutions help customers achieve their goals, especially as "freight forwarders and logistics service providers play such a key role in the business world and in people's daily lives."

Synergie Canada

580, boul. du Curé-Boivin, Suite 200, Boisbriand, QC J7G 2A7, 450-939-5757, info@gosynergie.com, gosynergie.com

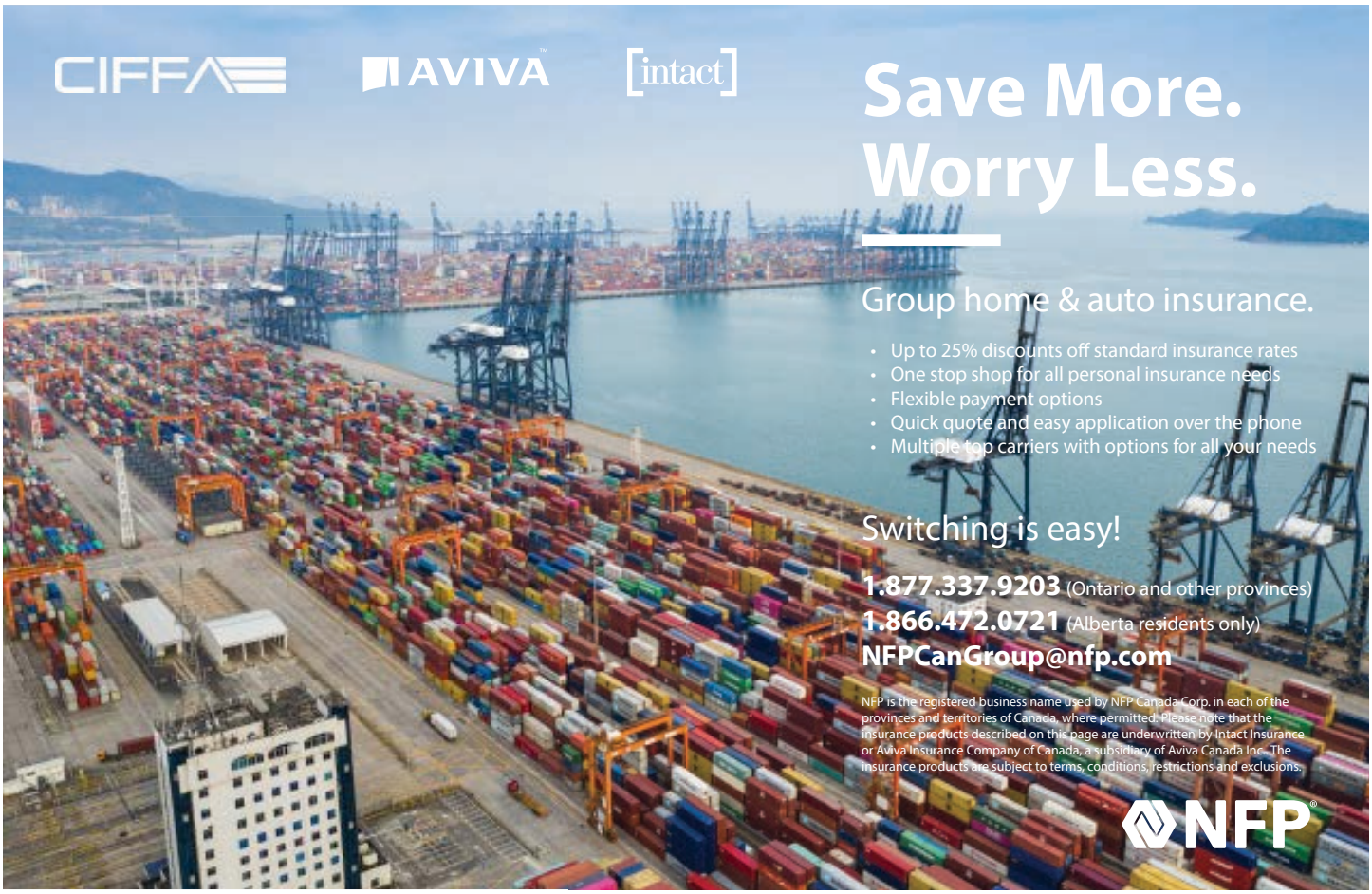
Now 13 years old, Synergie has grown from being a traditional OTR transport company to a global logistics provider, with more than 2,000 clients, over 200 global partners, three offices and about 90 employees.

To serve its clients, Synergie takes a five-step approach. It first learns about the client's business and considers opportunities, then identifies needs and goals. It designs tailored solutions based on the information it has gathered, then deploys those solutions, providing ongoing support to the client. Step five is the development of a long-term partnership.

The company offers complete planning for integrated logistics, from negotiation to distribution to storage. It provides a full range of transportation services. TF

CIFFA EDUCATION PARTNERS

CIFFA partners with provincial and private colleges across Canada to their students, enrolled in an international business or supply chain program, the opportunity to with a CIFFA certificate of completion. CIFFA promotes the industry within these institutions and encourages college graduates to consider a career in freight forwarding.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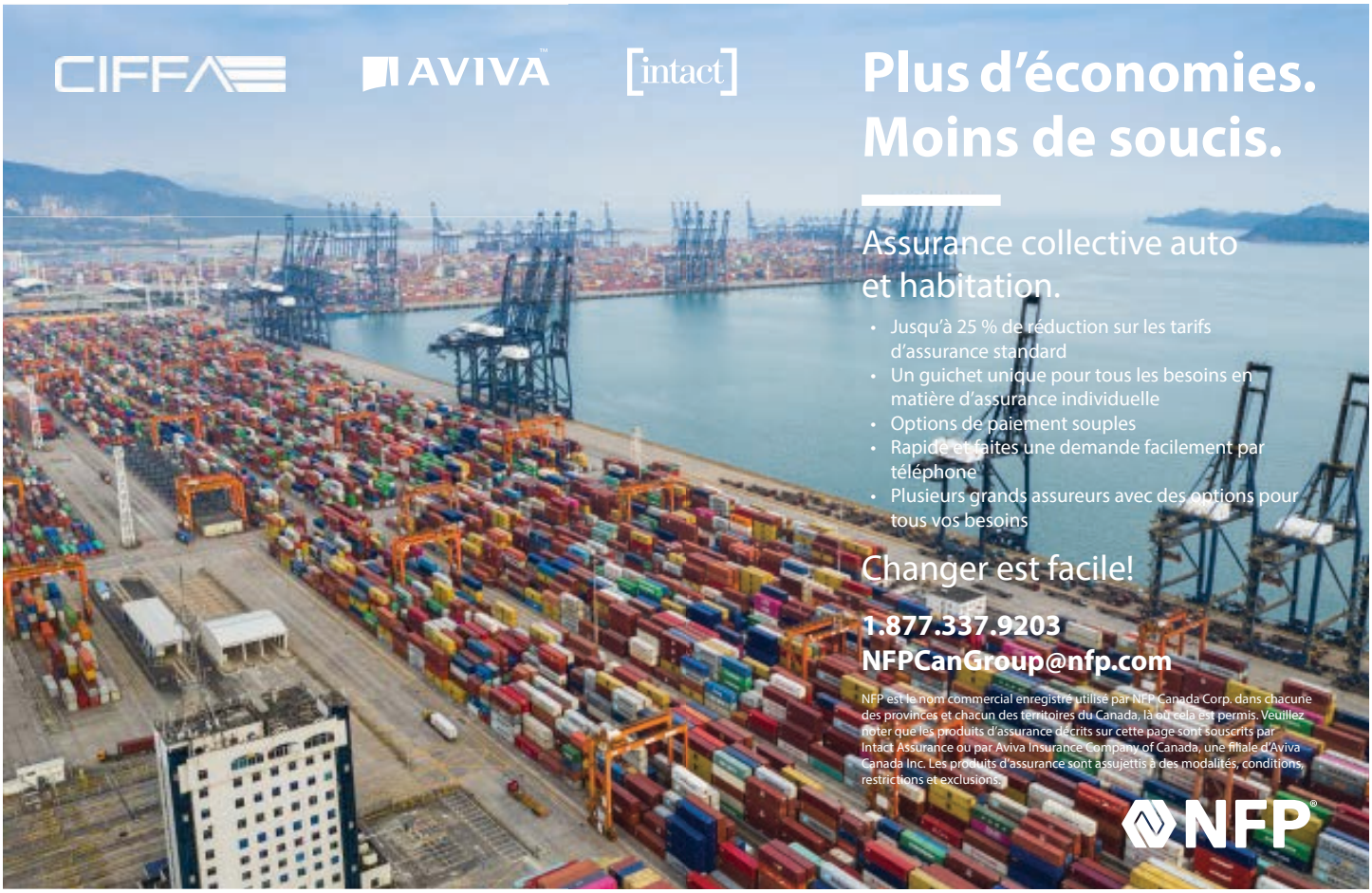
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