

Freight Forwarder

Definition

A freight forwarder is a company that specializes in the arrangement of shipping for individuals and/or corporations. Shipments are often moved on various carrier types including railroads, trucks, airplanes, and ships. Freight forwarders are experts in [supply chain management](#) and act as a “travel agent” for cargo and are often non-asset based. International freight forwarders specialize in handling international shipments.

History

Originally, the purpose of the forwarder was to arrange the carriage of his customers’ goods by contracting with various carriers. The first international freight forwarders were actually inn keepers in London who would hold and re-forward the personal effects of their hotel guests. The earliest freight forwarding company on record is Thomas Meadows and Company Limited of London, England, established 1836.

Detailed works

Companies vary in size and type, from those operating on a national and international basis to smaller, more specialized firms, who deal with particular types of goods or operate within particular geographical areas.

- investigating and planning the most appropriate route for a shipment, taking account of the perishable or hazardous nature of the goods, cost, transit time and security;
- arranging appropriate packing, taking account of climate, terrain, weight, nature of goods and cost, and the delivery and warehousing of goods at their final destination;
- negotiating contracts, transportation and handling costs;
- obtaining, checking and preparing documentation to meet customs and insurance requirements, packing specifications, and compliance with overseas countries’ regulations and fiscal regimes;
- offering consolidation services by air, sea and road, ensuring cost-effective and secure solutions to small shippers who have insufficient cargo to require their own dedicated units;
- liaising with third parties to move goods (by road, rail, air or sea) in accordance with customer requirements;
- arranging insurance and assisting the client in the event of a claim;
- offering tailored IT solutions and electronic data interchange (EDI) connections;
- arranging payment and other charges or collection of payment on behalf of the client;
- utilizing e-commerce, internet technology and satellite systems to enable real-time tracking of goods;
- arranging air transport for urgent and high-value cargo and managing the risk door to door;
- arranging charters for large volume, out-of-gauge or project movements by air and sea;
- acting as broker in customs negotiations worldwide to guide the freight efficiently through complex procedures;
- dealing with special arrangements for transporting delicate cargoes, such as livestock, food and medical supplies;
- arranging courier and specialist hand-carry services;

- working closely with customers, colleagues and third parties to ensure smooth operations to deadlines;
- maintaining communication and control through all phases of the journey, including the production of management reports and statistical and unit cost analysis;
- acting as a consultant in customs matters;
- maintaining current knowledge of relevant legislation, political situations and other factors that could affect the movement of shipments.