Freight Forwarding Software Market Map 2021

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The State of the Market – current and future trends in the freight forwarding software market

*Foreword by **Cris Arens**, Managing Partner at Logisyn Advisors and former founder of Fountainhead Int. which delivered the CargoWise solution.*

While no one has a crystal ball in terms of futuristic visions for logistics technology, there are four main trends we see on the horizon for freight forwarding technology: increasing automation, M&A consolidation, best of breed strategies, and digital freight companies:

Increasing automation: Barely survive or thrive?

The global pandemic woke up the logistics industry, government regulators, and BCOs/shippers. It is clear that they need to immediately automate the global supply chain. Ask anyone in construction about the price of materials to understand the cost of supply chain chaos…and of course, the global toilet paper shortage was not a joke to many people. Computers can't catch or spread COVID…they just keep working without sick pay.

Logisyn believes this urgency to automate will affect every niche of the logistics industry, from freight forwarding to their mom-and-pop drayage providers. Freight Forwarding will always have a strong component of customer relationships at the core, but we believe areas such as global visibility will determine who thrives and who doesn't survive.

M&A consolidation: The real winners of the logistics tech race

While companies can thrive through sophisticated customer centric automation we see M&A consolidation as the route to real growth. There have been numerous technology startups with a supply chain idea that were able to raise money focused on solving specific problems. These entrepreneurs and their investors see the success of WiseTech, FourKites, Descartes, etc. They think being smart and hard work is enough to make them multi-millionaires. Unfortunately, most don't understand that the winners rarely achieve their fortune with only organic efforts. The real story is that successful tech firms use strategic acquisition growth to complement their traditional growth plans. For instance, this was the case with WiseTech and the now dominant CargoWise solution. There is little doubt that an M&A consolidation is about to happen in logistics technology, especially with private equity taking significant stakes in many of the logistics technology providers with global aspirations.

New trend: Best of breed

M&A was one of the keys to CargoWise becoming the dominant solution on the market and may be how a true competitor could emerge in the future, but another trend that will shape the future of the market is the rise of software companies helping to integrate a range of solutions for forwarders. These companies enable forwarders to assemble a solution from the 'best of breed' in individual countries and niches, relying on these integration providers to help them build a cohesive global solution as a real alternative to a one-stop solution.

Until recently most large forwarders have considered this integration of 'best of breed' solutions too complex and risky, opting instead for a one-stop solution. Back when I was helping to build CargoWise in the early 2000s the large international firms were hungry for a global one-stop solution. The legacy in-house solutions that originally offered global logistics providers a competitive advantage had become a chain around their neck. Our timing was perfect as these global firms were ready to switch from their legacy system, but they still wanted a one-stop global solution. We weren't perfect, but we had a mantra…"if not us, who?" The customers agreed. Since I moved on, what the WiseTech team has developed and acquired is very impressive. There is little doubt that CargoWise is the benchmark for global freight forwarding software in 2021. However, with the emergence of new players focusing on integration the game is still on and there are some interesting companies on the horizon.

Although the large TMS providers should be proud of what they have built, if you talk candidly to many of the global freight forwarders, many of them feel trapped in terms of pricing or functionality in regard to specific country solutions. Their outsourced providers are usually better than weak in-house development, but few of them love their current software provider; regardless of what they say in the press release. Their dilemma is their Board of Directors still wants one global solution. They want to move freight, not develop software. It is often a matter of "if not them…who?"

Fortunately, technology is changing. There are multiple firms that have deep technical expertise and logistics domain knowledge focused on integration. Rather than develop competing solutions, these firms act as the glue or plumbing between different systems. This allows CIOs and CEOs to pick the best systems in a particular market, country by country… or work with different WMS and TMS solutions in the same market. One firm that I know well is Chain.io.

Their CEO has a vision that I think is desperately needed by our industry. Their mantra is true neutrality. The new tech allows data sharing and communication with different systems in reliable and inexpensive ways that CIOs could not imagine 10 years ago. This allows tech firms to excel in their market or on a specific solution, and work with integrators to work with global customers. Global freight forwarders can select "best of breed" solutions while still providing integrated data to their customers and executive teams.

Digital freight companies: Has their time arrived?

There is so much money that wants to come into logistics. Technology is an area loved by the VC firms, and private equity groups see potential disruptions created by the digital freight brokers. Flexport showed the world that if the investor pitch is about technology at the core, the financial markets will be eager to support the vision. That is happening in every logistics sector. It will be interesting to see whether these "digital" logistics firms are able to use AI and replace the more traditional asset-light freight forwarders. Unlike the traditional freight forwarder who has to focus on EBITDA quarterly, these firms are backed by financial minds that may take a long-term view.

They intend to change the industry with technology, and they have very deep pockets.

To me, the jury is out. There are functions like routing and tracking that are made for the machines that can process a million transactions in a few seconds instantaneously passing data between supercomputers. However, the PowerPoints and theory have to become real solutions... versus human computers doing the real work in low-cost countries. I personally believe the future belongs to technology, but I don't discount the power of relationships and strong operators. In the end, customers should demand a hybrid solution.

Over the next few years, freight forwarding technology is going to be interesting to watch.

About the authors

Cris Arens has built his career around mergers and acquisitions in the logistics industry since 2008. He is currently a Managing Partner of Logisyn Advisors, a global M&A advisory firm headquartered in Chicago, IL. Logisyn Advisors brings together a senior team of logistics veterans with deep domain expertise dedicated to serving Logistics Service Providers (LSP) and Logistics Technology Companies. Most recently, Cris and the team helped facilitate the acquisition of Haven, Inc. by FourKites (a strategic instance of consolidation in the growing logistics technology sector). Technology is always a major component of due diligence in any LSP transaction and Cris' past role in orchestrating the sale of Vandegrift to Maersk is another well-known example of his focus.

Cris started his career in logistics in 1990. Observing how the internet would shape the industry, in 1995, he cofounded Fountainhead International, trademarked the product name of CargoWise. Although the company was initially unfunded, it grew very quickly within the U.S. based on customer contracts. The team took pride in delivering real solutions to customers versus PowerPoint pitch decks to investors. In 2006, the opportunity to take the product overseas was obvious. Fountainhead merged with a like-minded company overseas (which became WiseTech). Many of those original Fountainhead employees are still key players at WiseTech. Cris remained on the Board of Directors, running global sales and US operations until 2008.

Throughout his entire career, Cris has worked directly with entrepreneurs and CEOs across the supply chain. He has remained committed to honing his knowledge of the ever-changing logistics technology sector to expertly advise logistics clients in their global strategies. Cris and his family are global travelers, who enjoy calling Chicago their home base.

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Violeta Keckarovska is a research analyst with vast experience in the design, implementation and analysis of electronic and person-to-person surveys. Having worked across a number of sectors, including retail, luxury goods and FMCG, Violeta is experienced in gaining valuable insights across brand perception, voice of customer and strategic re-positioning intelligence campaigns for B-to-B and B-to-C clients. Violeta is one of Ti's technology specialists, leading projects to help investors understand the logistics technology landscape and to support logistics providers as they set their technology strategies for the future. Through these projects, and associated surveys, Violeta has developed an in depth knowledge of best-in-class technology service levels from LSPs, start-ups and software providers, as well as an understanding of the key shipper pain points that the latest technology seeks to address.
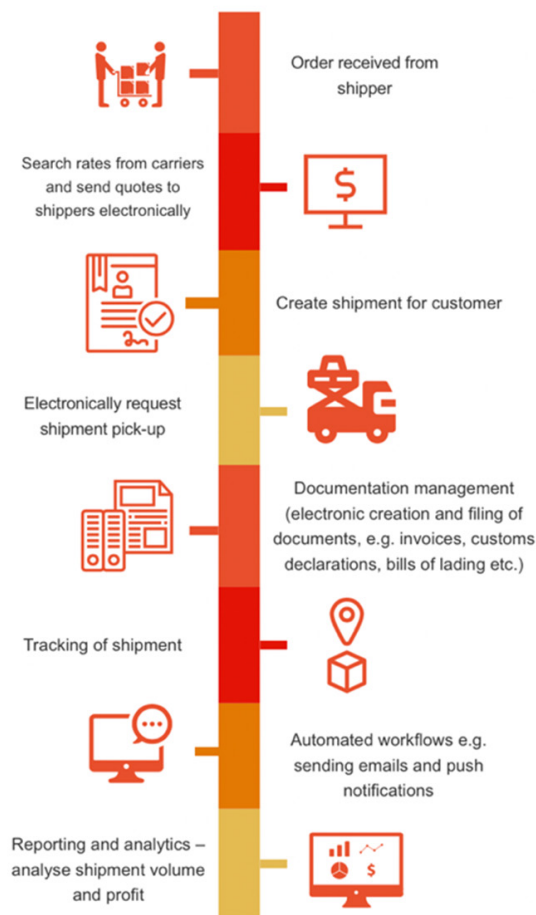
As a member of the Market Research Society, Violeta brings best practice in research, insight and analytics across Ti.

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Freight forwarding software

Freight forwarding software helps freight forwarders manage shipments, starting from quoting and preparing documentation to tracking and tracing. It optimizes and streamlines most processes for freight forwarders, and this is achieved by automating daily operations and processes such as data entry, quoting, billing, and other accounting functions.

How does freight forwarding software work?

Order received from shipper

Search rates from carriers and send quotes to shippers electronically

Create shipment for customer

Electronically request shipment pick-up

Documentation management (electronic creation and filing of documents, e.g. invoices, customs declarations, bills of lading etc.)

Tracking of shipment

Automated workflows e.g. sending emails and push notifications

Reporting and analytics – analyse shipment volume and profit

Benefits of freight forwarding software

The risks of using legacy systems

The risks involved when using legacy freight forwarding systems are high. At a time when digitalisation is sweeping across the freight forwarding market, failing to evolve and innovate comes at a higher cost than ever before. Freight forwarders that still utilise legacy systems have limited visibility into what is happening across their network. When using legacy systems, as goods are moved from one destination to another, tracking becomes more difficult.

This lack of proper oversight and visibility inherent in legacy systems limits the forwarders' ability to respond to market changes and customers' demands. Consequently, failure to replace legacy systems results in low visibility, inconsistent analysis, and lack of a single source of truth.

For many freight forwarding companies, the main method of operating still involves printing paper and using outdated technology. Not only is this process time-consuming and prone to errors but it fails to meet customer requests for visibility and tracking. What is more, digital competitors as well as many industries that forwarders serve have already undergone digitalisation, so forwarders need to catch up to effectively deliver services that meet their customers' expectations.

Benefits of freight forwarding software

• Automation and increased productivity

Freight forwarding software automates processes such as data entry, quoting, analytics, billing and other accounting functions. By automating these tasks, freight forwarders can avoid costly errors and can focus on other elements of the business, such as expansion, relationship-building, and customer service. Ultimately, the automation of these tasks increases the productivity and operational efficiency of forwarders.

• Transparency and Visibility

Freight forwarding software gives forwarders enterprise-wide visibility and allow them to collaborate effectively across teams and markets and gain insights from data. Customers of forwarders benefit from reliable shipment visibility.

- **Operational and financial control**

Software that provides analytics helps forwarders understand what is helping the bottom line and what is eating into profit so they can make the best decisions for the business. It allows forwarders to track shipping delivery speeds to understand what is causing delays and compare carriers' performance to make the best choice for future shipments.

- **Cost optimisation**

Automating tasks and processes through a software system allows real-time management of regulatory and customer compliance and helps drive down costs in the process, leading to cost savings. Data analytics and reporting can help forwarders keep costs in check and protect margins. All of these processes are conducive to reduced overall costs.

- **Business growth**

Freight forwarding software can help smaller forwarders compete on a much more level playing field with large forwarders. For small and mid-sized forwarders that need to compete with larger players or their digital competitors, a freight forwarding software platform can deliver operational efficiency, much needed visibility and the agility needed to increase revenues and deliver better customer service.

Primary functions of freight forwarding software

While each freight forwarding software differs a little, most freight forwarding software offer a few common key functions:

- **Quoting** – the function sends the freight details to multiple carriers to help forwarders choose which quote suits the shipment best.

- **Booking** – the function allows forwarders to reserve space on container ships and airlines and prepare documentation for the shipment.

- **Customs or Import/Export Management** – the function creates and manages import and export customs declarations. It also transmits import and export transactions via direct data exchange with customs and government authorities. This is often a more advanced feature or is packed into software meant for global shipments.

- **Billing and invoicing** – the function automatically generates invoices making accounting easier for each party involved.

- **Tracking** – the function tracks the journey of every shipment and shows arrival time. Basic software saves the number for tracking which may need to be manually added and checked. More advanced software automatically updates and loops the customer into the tracking process. They may include notifications to update the shipper of any changes.

- **Documentation Management** – the function enables electronic document creation and filing; manages all documents and forms related to shipments and electronically submits transport documents to third party systems including carriers, customs authorities, and other intermediaries. These include commercial invoices, bills of lading, air waybills, export declarations, international trade documents etc.

Complete, end-to-end freight forwarding software suites typically include several other additional functions which can be purchased as an add-on to other plans or as standalone solutions. These include enterprise-class functions which enable smoother operations across all essential activities, from accounting to document management, sales and marketing. These include:

- **Reporting and Analytics** – analytics can show key segments that need improvement, such as tracking the cost and service level of every shipment.

- **Sales and Accounting** – The sales function streamlines freight forwarding sales operations and gives overall view of the customer lifecycle. It allows sales teams to better manage their contacts and track their leads and sales. The accounting function provides easy access to accounting, finance data and documents, all in one place, enabling cost and margin management.

- **Customer Relationship Management (CRM)** - helps sales teams to better manage their sales process by providing easy access to leads, quotations and emails from a single dashboard.

Modules of freight forwarding software

Freight forwarding software are built around modules. Typically, a freight forwarding software will include some or all of the modules listed below:

• Transportation management

• Customs and documentation

• Rate and contract management

• Visibility and tracking

• Accounting

• Billing and invoicing

• CRM (Customer Relationship Management)

• Customer visibility

Modules can either be used together as an integrated freight forwarding software platform or independently with the existing solution suite that a forwarder has. Modular software automates the freight forwarding operations with a plug-and-play ease. Being modular allows forwarders to pick and choose the modules they require and add any additional modules whenever needed. Typically, vendors of modular software have a complete suite of capabilities across a single platform and modules that are integrated with each other so that the operator can quickly obtain the information and data they need for each type of file. Modules capture information relating to sales, quotations, and shipment details and forward that information through status updates to various stakeholders participating in the life cycle of the shipments.

While implementing cloud-based software modules is relatively straightforward, this 'plug and play' approach still comes with its own challenges. Third-party software solutions can sometimes take several months to roll out globally and are then constantly upgraded as new functionalities are being added to meet evolving business requirements. Factors such as the number of users affect implementation duration. The capabilities of the in-house IT team also have an impact, though this does not always promise a straightforward and speedy implementation, as highlighted by DHL's failed attempt to implement its New Forwarding Environment (NFE). In some cases, the implementation of off-the-shelf software solutions takes years, for instance, when forwarder's operation practices across countries are different and therefore require a customized system flow. In addition, while the use of multiple software systems provides forwarders with flexibility, it also presents them with the challenge of integrating the various stand-alone solutions to enable them to compete in todays' integrated business ecosystem. Integrating the separate systems is a difficult task and costs a lot, so many companies won't even bother to integrate them which affects the visibility over their supply chains.

The primary freight forwarding software functions listed above are delivered through modules

that handle three types of processes:

- Operations (shipment management)

- Financials (billing, invoicing and accounting)

- Customer service (CRM and visibility)

Key processes automated through freight forwarding software modules
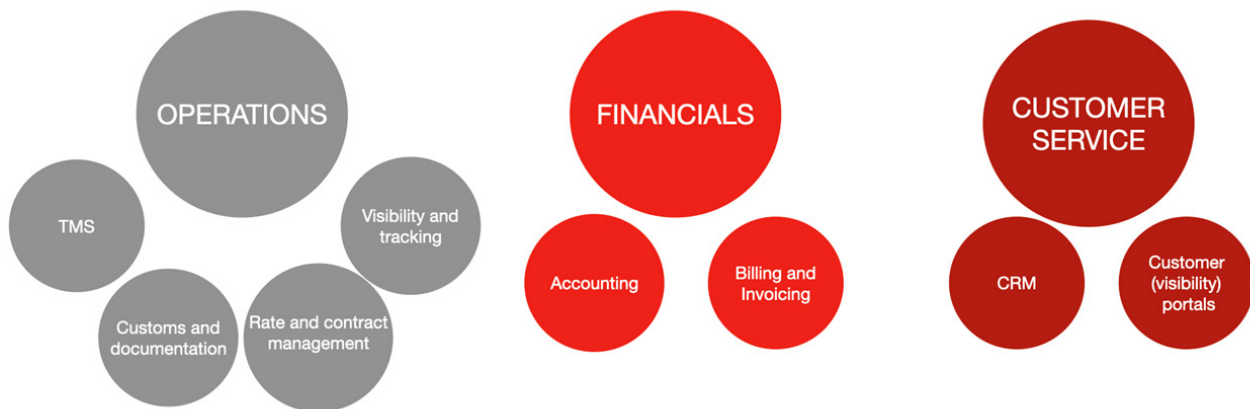
GLOBAL SUPPLY CHAIN INTELLIGENCE DATABASE (GSCI)

Global Freight Forwarding market data and analysis

· Review of strategies to enhance freight forwarding software capabilities

· Comparative analysis of freight forwarding software providers

· Profiles of freight forwarding software providers

· Case studies of implementation of software solutions by freight forwarders

· Analysis of the digital freight forwarding landscape with market maps and profiles

· 2020 market sizes, 2021 projections and forecasts to 2025

· Ti surveys and interviews on the future of the post-Covid forwarding market

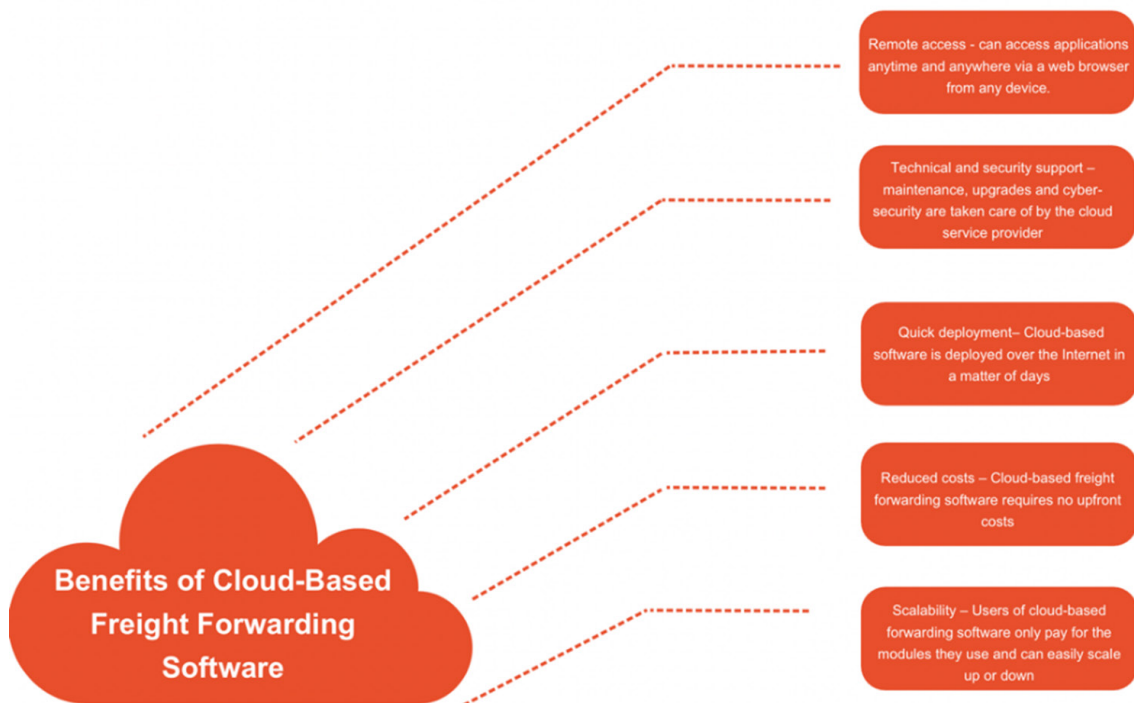**6 MONTH SUBSCRIPTION OPTIONS CURRENTLY AVAILABLE**

The value of cloud freight forwarding software

When compared to outdated legacy systems, cloud-based freight forwarding software is more capable of integrating across devices. This type of software can aggregate data from the integral parts of the freight forwarding software that is internet enabled and then pass it along the length and breadth of the supply chain.

Cloud-based freight forwarding software is accessible from any device at any place and time. It is a more practical solution because most freight forwarders have relatively little space capacity to be able to increase their in-house hardware and employ a large number of IT staff. Maintenance and tasks such as handling upgrades or customisation are generally taken care of by the hosting company.

The availability of cloud-based and SaaS has become an important factor when evaluating software solutions, with some large forwarders making significant financial investments aimed at moving towards a cloud-based system.

Benefits of cloud-based freight forwarding software

Benefits of Cloud-Based Freight Forwarding Software

- Remote access - can access applications anytime and anywhere via a web browser from any device.
- Technical and security support – maintenance, upgrades and cyber-security are taken care of by the cloud service provider
- Quick deployment– Cloud-based software is deployed over the Internet in a matter of days
- Reduced costs – Cloud-based freight forwarding software requires no upfront costs
- Scalability – Users of cloud-based forwarding software only pay for the modules they use and can easily scale up or down

Benefits

- **Remote access - can access applications anytime and anywhere via a web browser from any device**

Cloud-based freight forwarding software enables working from any location, which boosts productivity. Remote access can also help in providing a better service to customers. For instance, a cloud-based CRM enables forwarders to assist customers from various locations. With the ease of access that comes with cloud computing, internal collaboration can be facilitated so that multiple teams can work together in real-time.

- **Technical and security support – maintenance, upgrades and cyber-security are taken care of by the cloud service provider**

On premise software requires forwarders to invest in an IT department to manage any technical issues, which can get expensive in the long run. With a freight forwarding software that is cloud-based, forwarders can avoid technical burdens in terms of both cost and efficiency.

Security breaches are another concern, with no business being completely safe from hackers. On premise forwarding software requires expensive security protocols whereas a hosting company can ensure better protection from cyber-attacks. As cloud-based solutions matured and addressed key cybersecurity concerns, moving to the cloud adds more security. For instance, Amazon Web Services, the biggest cloud provider on the market by some margin, employs thousands of security specialists which are constantly monitoring the state of its network. Small or medium sized forwarders don't have enough resources to match this level of security.

- **Quick deployment – Cloud-based software is deployed over the Internet in a matter of days**

Unlike on premise systems which need to be installed on a physical server and individual PCs or laptops, cloud-based software can be deployed over the Internet in a matter of days. However, as highlighted above, the implementation process depends on many factors, such as number of users, business requirements and operations that need to be migrated into the new processes.

- **Reduced costs – Cloud-based freight forwarding software requires no upfront costs. While the monthly costs add up over time, maintenance and support services are included, removing the need for annual IT staff contracts**

As cloud-based software is managed off-site, forwarders avoid the costs of purchasing specific hardware to get the software up and running or to handle the storage associated with its data.

When subscribing to server-based off-the-shelf products, logistics companies typically incur additional costs. For example, in addition to paying the annual fee to the software vendor, companies need to invest a significant amount of money in their own hardware and operational system environment. Furthermore, if a company expands, it needs to buy additional storage

capacity. If the server fails and is run in the company's premises, the logistics company can't function until it is fixed.

- **Scalability – Users of cloud-based forwarding software only pay for the modules they use and can easily scale up or down**

Cloud technologies provide greater flexibility as users only pay for the modules they use and can easily scale to rapidly respond to new/shifting customer needs or business requirements. In addition, as forwarders expand to new markets being able to scale in terms of users quickly is important in order to process the increased number of shipments. Therefore, a system that can accommodate this type of expansion and that is flexible enough to adapt to any kind of scale up or scale down offers great value to forwarders. For comparison, when companies expand but run on premise software, they need to invest in more processing power, more memory and network capacity to cope with the rising demand. If the volumes eventually drop again, they still have to bear the costs.

It should be highlighted that transitioning from a server to the cloud is a very expensive and difficult task as server-based solutions were never architected to run in the cloud. However, despite the high costs to move to the cloud and the difficulty of this process, forwarders won't have any choice in the future and eventually will have to migrate their systems to the cloud or start from scratch.

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Mapping the freight forwarding software market

Software categories in the freight forwarding landscape

Freight Forwarding Software		White-label Platforms	Specialist Software			
Established Players	Start-ups		Rate Management Software	Visibility Software	Niche Software	Software Integration
cargowise, SAP, DESCARTES, BLU JAY SOLUTIONS, ORACLE, Riege Software, Magaya, SOFTLINK Digitalizing Logistics, MLG MERCURYGATE, alpega	GoFreight, LogistaaS, e-CARGOWARE, Cargologik, iLETSCARGO, GOCOMET, SUPPLY VISION, FreightPOP, VORDERPOINT, BOXON www.BoxonLogistics.com, [ALLTYPES].AI, QUOTISS, Winmore	LOGIXBOARD, wyk, ItsMyCargo, DESCARTES kontainers, FreightBro	CARGOSPHERE, WEBCARGO By Freightos, DESCARTES, PLS, CATAPULT POWERED BY MACAYA, CON-LINQ fLex, INFO X	project44, FOURKITES, INTTRA by EOPEN, WAKEO, Terminal49	Change, Slync.io, OpenEnvoy, ubiran, Transmetrics, TURVO	chain.io

Today the freight forwarding landscape is inundated with software vendors that empower forwarders by providing them with the tools to digitalise and automate manual operations. Traditionally, forwarders have been using software solutions that help them manage back-office functions such as accounting, human resources, and sales. This eventually expanded to include tools related to shipment management, purchase order management, and shipment visibility as shippers started asking for services beyond securing freight capacity, such as improved customer experience, instant quotation and booking, tracking and tracing.

The spectrum of forwarding-enabling software vendors has therefore widened considerably in recent years, with some, such as Kontainers or Logixboard, focusing on providing forwarders with a customized digital experience for their customers, whilst others, such as CargoWise, focusing more on back-end operational efficiency and visibility.

Freight Forwarding Software

Freight forwarding software suites may be purchased as a fully integrated suite or as individual modules that may be paired with one or more best-of-breed forwarding software products. Forwarding software vendors offer a portfolio of applications focused primarily on transportation management, billing and invoicing, visibility and customs compliance.

The market is filled with plenty of freight forwarding software and each one comes packaged with their own sets of features. Some are better suited for larger freight forwarders whereas some are more suitable for smaller and medium-sized businesses.

Established vendors include CargoWise, Descartes, BluJay, Oracle and SAP as well as medium-sized vendors such as Magaya, Softlink and Riege. These vendors offer single-platform software solutions, i.e. a complete suite of integrated applications. The single platform approach streamlines and speeds up the work of managing a freight forwarding company by combining all the features needed for forwarding operations under one roof. In practice, this means there is no need for duplicate data entry, or switching from one system to another; it also enables full, real-time visibility of shipments, cargo, customers, and other key data at a glance.

Many start-ups have joined the efforts to increase the operational efficiencies of forwarders. A whole new category of start-ups with many consistent and overlapping services offer their customers cloud-based SaaS (software as a service) solutions. These cloud-based services intend to significantly ease the operational processes of freight forwarders and give them the visibility and flexibility the industry has been lacking. Start-ups seem more focused on smaller and medium sized forwarders. Or, alternatively, they provide specialised, isolated modules, rather than an entire suite of services. For instance, FreightPop and Supply Vision specialise in Transportation Management Systems (TMS) for freight forwarders whereas Winmore specialises in CRM software. Some start-ups, such as Quotiss provide sales automation software, enabling forwarders to digitize and automate their sales process by creating freight quotes and uploading contract and spot rates automatically. Other vendors, such as Alltypes, provide software for the

customs clearance processes.

Many of these start-ups have a regional focus, such as Supply Vision, that targets mainly the North American market. However, there are start-ups that are aimed at providing solutions on an international basis, e.g. GoFreight and LogistaaS. Both start-ups offer a cloud-based toolbox for an international customer base and assist them with software covering several operational areas for freight forwarding, including, transportation management, finance management, CRM, accounting and tracking. Their complete suite offering as well as their global reach enables them to compete directly against the established software vendors. For a more detailed competitive landscape analysis of the freight forwarding software market visit the Global Supply Chain Intelligence portal (GSCi).

White-Label Platforms for Forwarders / Client Facing software

A client facing software digitalizes forwarders' frontend by providing digital, white-label platforms and enables them to compete with their digital competitors at low costs. A client facing software is complementary to the existing back-office software by giving only client facing solutions. Digital white-label platforms for freight forwarders typically provide visibility tools and allow forwarders to create own branded digital front-end and automate their sales and shipment management processes. The low-cost entry point for this type of software means even small freight forwarders can afford to go digital and give freight forwarders of all sizes their own-branded, customer-facing SaaS solution.

Rate Management Software

Rate management software vendors came about in the early 2000s and still serve as integral solution providers to forwarders. The essential activity of a freight forwarder is the ability to buy and sell services with a margin. Rate management software are positioned to support this, as beyond catering for the different types of rates, they allow forwarders to add margin before quoting their own rates to shippers and set automatically minimum sell rate levels to ensure that anything sold includes the desired margin.

Rate management software is designed to manage a global rate network and enable forwarders to create and manage both buy-side and sell-side rates digitally. Global rate management software gives the ability to centralize disparate rate management systems into a single, global system.

Visibility Software

Real-time visibility platforms provide forwarders with real-time insights into orders and shipments. Such platforms are owned and managed by third-party software vendors and represent a part of the end-to-end supply chain visibility market. They obtain data through integration (for example, API or EDI) with carrier systems, direct feeds from telematics or other devices (e.g. smartphones).

Visibility is a critical part of how shippers evaluate a freight forwarder's offering and considered the most important part of digitalisation. This is why outsourcing a visibility software can help small and medium-sized freight forwarders compete on a much more level playing field with large forwarders and their much larger capital spending budgets.

Visibility software is frequently implemented as part of complete software suites. When delivered separately, it can be integrated with other software, such as transportation management software.

Niche Software
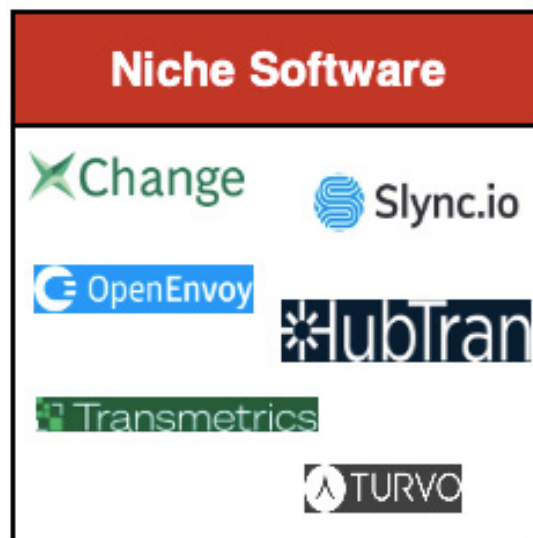
Niche software is used to perform a specialized freight forwarding function. An example is the start-up HubTran which incorporates optical recognition and AI technologies to read, index, assign and send shipping documents to transportation management systems. This type of software can be integrated with the existing freight forwarding software and streamlines back-office processes. HubTran's software is currently used by large forwarders such as K+N, Yusen Logistics, DSV and CJ Logistics, to name a few.

Another example is the software provided by Container xChange which helps forwarders get

access to containers in more than 2,500 locations. A forwarder can offer its empty return shipment on the Container xChange platform and other forwarders can then book one of those empty containers.

Software Integration

Software for systems integration connects industry's tools and trading partners to create data visibility across systems. The most notable example is Chain.io, a cloud-based integration software which helps companies integrate data from various providers, for instance, carriers and warehouses as well as technology providers. The software has been deployed across air, sea and trucking industries. Its latest integrations include systems such as CargoWise, BluJay, Magaya, Portrix etc.

Software of this type are becoming all the more important because forwarding technology providers are partnering to provide complementary tools for small forwarders that lack the budget to build broad software platforms themselves. The value of software integrations specialists lies therefore in their ability to stitch together these disparate systems. For instance, the Kontainers - Chain.io integration layer allows freight forwarders to integrate all major Kontainers features such as online quotation, booking, and tracking with their TMS platform of choice.

Conclusion

Massive changes and improvements are coming to the freight forwarding software market. In addition to established players trying to cast a global reach, venture money is coming into the tech startups and digital freight companies that will increase the capabilities and user experience. Logistics is a hot topic in the financial world, and logistics technology is even hotter.

The goal has always been to remove the paper and communicate electronically...that is now not only possible, but it is also inevitable. The time is now.

Technology also puts the freight forwarding industry at another crossroad. While naysayers have predicted the end of the small freight forwarder for decades, we believe most of these firms will continue to survive and thrive with customer relationships, high levels of personalized services, and a niche focus...and working with smaller shippers below the radar of the giants. The large companies have their own challenges and will feel growing pressure on the technology front, but they have the resources and are already budgeting for massive technology investments.

The authors of this whitepaper feel it is the mid-size freight forwarders that will feel the most pressure. Many of these have large global clients they have earned from decades of hard work and high levels of customer service. These large global clients will become more demanding based on competitive technology offerings from the giants and digital startups. Will these mid-size firms be able to make the massive investments in technology that sophisticated BCO's and shippers will demand? Time will tell.

About Ti

Transport Intelligence (Ti) is one of the world's leading providers of strategic market research and analysis dedicated to the global logistics industry. Utilising the expertise of professionals with many years of experience in the express and logistics and freight industries. Ti provides a mix of quantitative data and qualitative insights designed to show you how the market will develop over the next 5 years to help you prepare your strategy for the future of the market. Ti's off-the-shelf market intelligence is delivered via its regular newsletters, market reports and online market intelligence platform known as the Global Supply Chain intelligence (GSCi) portal. Ti also provides bespoke market research and consultancy services to support companies in their strategic and business planning when no off the shelf solution will do.

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About Logisyn

Logisyn Advisors takes pride in its unique approach to mergers and acquisitions (M&A) within the global logistics sector, focusing on the mid-market. Our company was founded to assist industry business owners either grow through acquisition or maximize their value in a financial exit. We are more than M&A advisors focused on logistics; we are logistics veterans executing a proven M&A process. Our senior executives have 125+ years of combined logistics domain expertise to accurately advise you on the optimal next step for your business. Logisyn provides advisory services for sell-side, buy-side, and enterprise valuation to successfully deliver on all of your company's goals.

For further information about how our services can help you, please visit our website at logisyn.com. To set up a free confidential consultation with our team, please email us at confidential@logisyn.com to get started.