



Choosing an

International Parcel Carrier

Here's some clarity on an often overwhelming subject

— By Rodolfo Wolniewitz —

Whether you're a startup exploring growth options or a well-established business seeking to expand, the international market — particularly Europe — presents an excellent opportunity. Evaluating whether your company should pursue customers abroad is a major decision, of course. Even after you've made up your mind to target the international market, you still must choose a shipping company, which may seem daunting as well. The fundamental issue is which type of carrier makes the most sense for your business, but fortunately, answering several basic questions for yourself can make the selection process much clearer.

When you're shipping large quantities of parcels overseas, you have three main categories of carriers to choose from. First, there are freight forwarders, who transport palettes of shipments

inside cargo containers aboard ships and airplanes, as well as on trucks and trains. The next category is couriers, who offer day-definite delivery and handle every step in the supply chain. Finally, there are mail providers who partner with postal authorities to deliver your parcels. You may have thought couriers and freight forwarders were your only choices for international shipping because there is still a misperception that the U.S. Postal Service is the sole option for mail services. But in truth, the mail industry has become increasingly competitive, and many businesses are surprised to learn about the combination of significant postage savings and competitive transit times that mail companies offer.

Between freight forwarders, couriers and mail providers, the category of carrier that's best for you depends primarily on



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four major factors: the value or importance of your materials, your delivery time needs, your budget and the nature of your customers (i.e., whether you are shipping B2B or B2C). Let's consider value and transit times first. If your parcels contain expensive goods or important documents such as legal papers, couriers are probably your best option since they offer the fastest delivery. But for items that aren't quite so urgent, you can save a great deal of money — while making a small sacrifice in speed — by shipping with a mail company. If cost is your most important criterion, freight forwarders offer the lowest rates on bulk shipments. However, they usually bring your materials as far as the destination country, and you then need a distributor to deliver them to consumers' doors. This makes freight forwarders less convenient to work with than couriers or mail companies, who provide end-to-end solutions on a parcel level.

As for the last of the four major factors, the nature of your customers, couriers are probably best for B2B because these shipments are generally of higher value or importance. Additionally, with B2B shipping, the destination is more likely to be in a large metropolitan area. This is important to note since couriers typically offer a less extensive reach than mail companies. Because they specialize in B2C delivery, mail companies must maintain a network broad enough to connect businesses to customers throughout the destination country. A courier may be able to get your parcel to a remote residential location, but you'll surely pay a premium. By partnering with post offices, mail providers can offer delivery to any address the local postal carriers visit on their appointed rounds.

Beyond those four major factors, there are many additional criteria to consider when selecting a company for your international shipping program. One matter you must assess is the level of customer service your business needs, including tracking visibility. Couriers clearly provide the most transparency, but at a higher cost. Mail companies are less expensive, but they offer less visibility for international shipments. However, if you can live without door-to-door tracking and if a time stamp is sufficient, mail providers' lower rates make them an attractive option. Tracking is also related to another issue important to evaluating international shipping companies: whether you can integrate your IT systems with the carrier's. You'll save a significant amount of time and money if you can access tracking information electronically and transfer it to your customers online, instead of receiving the data manually and entering it into your computer system. A final note on tracking is that freight forwarders generally will provide no more detail than informing you that your shipments were picked up and delivered to the destination country.

Government regulations raise other issues that may be important to you in selecting an international shipping provider. For example, if you're not savvy about customs, couriers can usually provide the most support because they maintain offices all over the world. And with new screening guidelines from the federal Transportation Security Administration, you should consider



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how your carrier can help your business comply. Questions to ask include whether the carrier will perform this screening for your company or leave the responsibility to you. Another issue that may be a priority for your business is returns management; couriers can provide this service, but for a higher price than mail companies charge. Freight forwarders offer only limited services in this area.

Finally, size can be a big factor when it comes to choosing an international parcel carrier. One reason is that larger companies have more buying power to achieve economies of scale. Additionally, a logistics corporation whose divisions represent all three types of carriers — freight forwarders, couriers and mail companies — can tailor the specially integrated solutions you may need. In addition to size, you may want to find out the financial stability of the companies you're considering so you can assess the chances they'll be with you over the long term — especially during economic times like these.

Once you've chosen a carrier, you can expect to negotiate issues such as net terms (e.g., whether you must pay up front or within 15 days), price, transit times and service features. However, chances are, many of these issues factored into the selection of that particular company in the first place — and hopefully that task seems a little less intimidating now. ■

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