

# Profit margin or marginal profit?

Finding the right logistical partners can make or break your business

By Cathi Stevenson



**L**ogistics partners can have a great impact on the success or failure of any business. If shipping costs are too high, it's difficult to sell a product at a competitive price and still make a profit. If shipping is unreliable, a business will struggle to meet production and delivery schedules. Choosing logistics partners means first determining how the product will be shipped: road, rail, air or sea.

The nature of the product can determine the shipping method, says Ron Carter, director of logistics at Clearwater Seafoods,

and recipient of the Canadian Institute of Traffic and Transportation's (CITT) Award of Excellence for 2012. If a company is exporting live lobster overseas for instance, it's not possible to use a cargo ship because of time constraints and the only option would be to fly the product to its destination.

For businesses doing trade with other countries, documentation plays a large role in ensuring things go smoothly and Carter advises any company entering this forum to "really do their homework, both on this end and on the other end, and to talk to the client

or the supplier."

Brokers and freight forwarders can help, but they can only work with the information supplied by their clients, so if a company doesn't provide the correct information, there can still be problems. Third party services also add to the bottom line and he doesn't want to scare anyone by making the documentation part of the process seem too ominous. "If you have the ambition, there's a lot of help available online and from Canada Customs (Canada Border Services Agency), so it is possible to do it yourself."

Supply Chain Management | Information Supplement



Caution and a careful attention to detail are necessary. Products without complete and correct paperwork can be delayed by customs officials, turned back and even seized, and companies can be fined.

Insurance is another area which Carter advises companies pay close attention. Sometimes things happen that no one could predict or prevent and if goods arrive damaged, it's important to know who is going to take responsibility for that.

Managing logistics, even for smaller and medium-sized companies can be difficult, and

**Automated Inventory Management**

**Vendor Managed Inventory**

**Source Card**

**Mobile Store**

**Supply Chain Analysis**

**Source Atlantic**  
**Supply Chain Management Solutions**  
*Helping your business reduce costs and improve performance.*

**SA | SOURCE ATLANTIC**  
[www.sourceatlantic.ca/solutions](http://www.sourceatlantic.ca/solutions)

# MARTIN WHALEN HENNEBURY STAMP

Hindsight is 20/20,  
 but we think foresight is better.

To maximize your potential for success in a contractual negotiation it is critically important you get the right legal advice at the right time.

Being there up front to provide thoughtful perspective and the cool, calm, considered counsel required during those heady and exciting early stages, is when we believe we can be of most value to you. So, to optimize the opportunities of your signed contract, think ahead and contact us on day one.

In a world of cliches, proof that there is an exception to every rule.

**[mwhslaw.com](http://mwhslaw.com) | 709.754.1400**

Managed by the Greater Halifax Partnership, Halifax Gateway offers the only U.S. preclearance facility in Atlantic Canada and has customs services open 24 hours a day, seven days a week.

incompetence can take a toll. Studies suggest that businesses with successful logistics operations make use of outsourcing and technology.

According to research done by Jacques Roy, professor of Logistics and Operations Management at HEC and director of the Supply Chain Council, Canadian companies are paying more for logistics than their American counterparts.

In *Global Value Chains: Impacts and Implications, Trade Policy Research*, published in 2011, Roy notes that Canadian companies were paying 12.5 per cent more for logistics in the manufacturing sector; 18 per cent more in wholesale; and 29.6 per cent more in retail. His research revealed that use of electronic systems for logistics was 30 per cent higher for the lower-paying American companies and they outsourced logistics more often. Companies with less efficient practices often had incomplete integration of electronic logistical systems.

The benefits of using technology were also noted by Lise-Marie Turpin, VP of Air Canada Cargo, while speaking at *Reposition 2012*, a national symposium for supply chain and logistic professionals sponsored by CITT.

Turpin noted that many logistics challenges, such as world economic instability, regulatory and customs policies and rising fuel costs are generally out of a company's control, but increasing efficiency and reducing costs through technology is something a company does have

control over. E-technology has allowed Air Canada Cargo to reduce use of paper and provides fast access to high-quality data.

Improving logistics has been the focus of the Halifax Gateway Council, a not-for-profit organization working to make importing and exporting easier for businesses in this region, says Nancy Phillips, executive director for the Council.

The Halifax Gateway consists of the Halifax Stanfield International Airport, the Port of Halifax, container terminals, CN Rail, a logistics and warehousing sector and highway infrastructure. Managed by the Greater Halifax Partnership, Halifax Gateway offers the only U.S. preclearance facility in Atlantic Canada and has customs services open 24 hours a day, seven days a week.

The Council actively supports projects such as the Beyond the Border program, a collection of 29 agreements designed to help streamline travel and trade between Canada and the U.S., while increasing security.

Phillips is confident developments such as the Atlantic Gateway – Halifax Logistics Park in Burnside, will play a role in the success of companies using the Halifax Gateway. The logistics park offers warehousing, customs clearance, freight forwarding and transloading (transferring goods from one mode of shipping to another), along with other services including cold storage. | ABM

Get  to 

**No matter what – no matter where.**

Get it there through the Port of Halifax:  
reliably, effectively and efficiently.

**Get it there.**



[HalifaxGetsItThere.com](http://HalifaxGetsItThere.com) | 902.426.2620