

Freight Forwarding

Leveraging industry best practices for supply chain efficiencies

Managing a supply chain that serves multiple developing countries presents considerable challenges, from operating in a resource-limited infrastructure to overcoming high-risk conditions—particularly when the products being moved are high-value pharmaceuticals or products requiring refrigeration. The Supply Chain Management System (SCMS) leverages the best practices of leading international and in-country transportation providers, along with a web-based tracking tool for in-transit visibility, to ensure efficient freight forwarding and improved supply chain performance.

The Challenge

Maintaining a continuous chain of custody—controlling the shipment and knowing where it is at all times—poses significant challenges. Poor freight forwarding processes can result in higher costs, delays, an increased risk of theft, loss of product control and damage from unnecessary handling.

Ensuring that products arrive on time while minimizing freight costs can be difficult in an environment of frequent emergency requirements. Space limitations resulting from infrequent flight schedules in the region mean that cargo space on certain routes may not be available for the desired dates. Unreliable shipment information or improper documentation at the port of entry can result in inconsistent transit times or even loss of shipments. Product-specific and country-specific customs clearance processes further add to the complexity.

Meeting the Need

SCMS offers an integrated, end-to-end solution for moving products from the vendor to the customer's requested delivery point. Our freight-forwarding approach combines the capabilities, experience and best

practices of UPS Supply Chain Solutions (UPS) and the Fuel Logistics Group (Fuel). Those leading global logistics providers have established operations in all 15 focus countries of the US President's Emergency Plan for AIDS Relief (PEPFAR). To serve our clients, SCMS

- Provides freight forwarding to efficiently, effectively and reliably move supplies internationally
- Stores products regionally
- Manages delivery to any location required, while at all times ensuring security and visibility throughout the supply chain

With consistent, reliable shipments based on the needs of country programs, clients are able to focus on delivering care and treatment rather than worrying about the status of their orders.

SCMS can proactively track and trace shipments, thus enabling the precise monitoring and correction of missed milestones and the early identification of exceptions. This in-transit visibility helps makes it possible to maintain a single, continuous, controlled supply chain for HIV/AIDS commodities.

Fuel is a South African–based pharmaceutical distributor with an extensive network of road transport. Relying on that firm’s expertise, SCMS leverages existing contracts and relationships with first-tier airlines and ground carriers to deliver HIV/AIDS care and treatment products to ports, central stores and service delivery points.

The SCMS approach to freight forwarding and inventory management includes several key components:

Shipment planning. Preliminary shipment planning begins as soon as a product order is placed. The SCMS logistics management information system (LMIS) provides visibility of pending orders, enabling us to determine the most efficient, cost-effective delivery route. An advance shipping notification is generated, and both SCMS and the client or recipient review and validate the order specifications. We also identify opportunities to optimize freight costs, from better routing to shipment consolidation.

Security planning. SCMS uses our experience in shipment security planning to ensure safe delivery and to minimize the risk of theft at every step in the supply chain. We assess each shipment to identify potential threats and to develop a detailed security plan, from mapping direct routes and possibly assigning private, armed security guards who will escort shipments to tagging containers with radio frequency identification that will track product movement. Also, our regional distribution centers (RDCs) are equipped with continuous electronic surveillance.

International movement. The mode of transport depends on the product. Antiretrovirals and items requiring continuous refrigeration are shipped by air with rare exceptions. Laboratory supplies or other health products are consolidated into full container ocean shipments if the client’s requirements allow time for this.

Regional and local movement. The movement of freight from the RDCs leverages the UPS network of air freight and Fuel’s network for road transport.

Preshipment Inspections. To ensure that the right product is going to the right place, an established, third-party international inspection firm conducts preshipment inspections when required or deemed necessary.

Preshipment alerts are sent to recipients or clients, including shipping details such as date of arrival and product lot numbers, as well as required documentation for customs clearance.

Customs clearance. Our in-country staff coordinates with local US government partners and national authorities to mitigate customs clearance or distribution delays. By leveraging UPS’s worldwide field offices and agents, along with established relationships with customs officials in each of the PEPFAR focus countries, we greatly reduce customs processing time.

Sustained Benefits

SCMS provides consistent, reliable shipments based on the needs of country programs. Our team members’ existing materials management and logistics systems enable SCMS to go the last mile, delivering commodities from the manufacturer to the port of entry or to service delivery points. Rigorous performance metrics provide data to ensure continuous quality improvement. Stringent product quality assurance measures enable us to maintain cold chain integrity for products that require constant refrigeration. With track-and-trace information readily accessible on the SCMS intranet, we can provide clients a response to the question, “Where’s my shipment?” at any time.

ABOUT SCMS

The Supply Chain Management System (SCMS) was established to collaborate with in-country and global partners to ensure a reliable, cost-effective and secure supply of high-quality medicines and health products for HIV/AIDS prevention, care and treatment. SCMS is funded as part of the US President’s Emergency Plan for AIDS Relief through the US Agency for International Development. Visit www.scms.pfscm.org or write to scmsinfo@pfscm.org for more information.

The author’s views expressed in this publication do not necessarily reflect the views of the US Agency for International Development or the United States government.