

International Freight Forwarding 101

Presented by
Ascent Global Logistics

Micah Holst
President – International Freight Forwarding

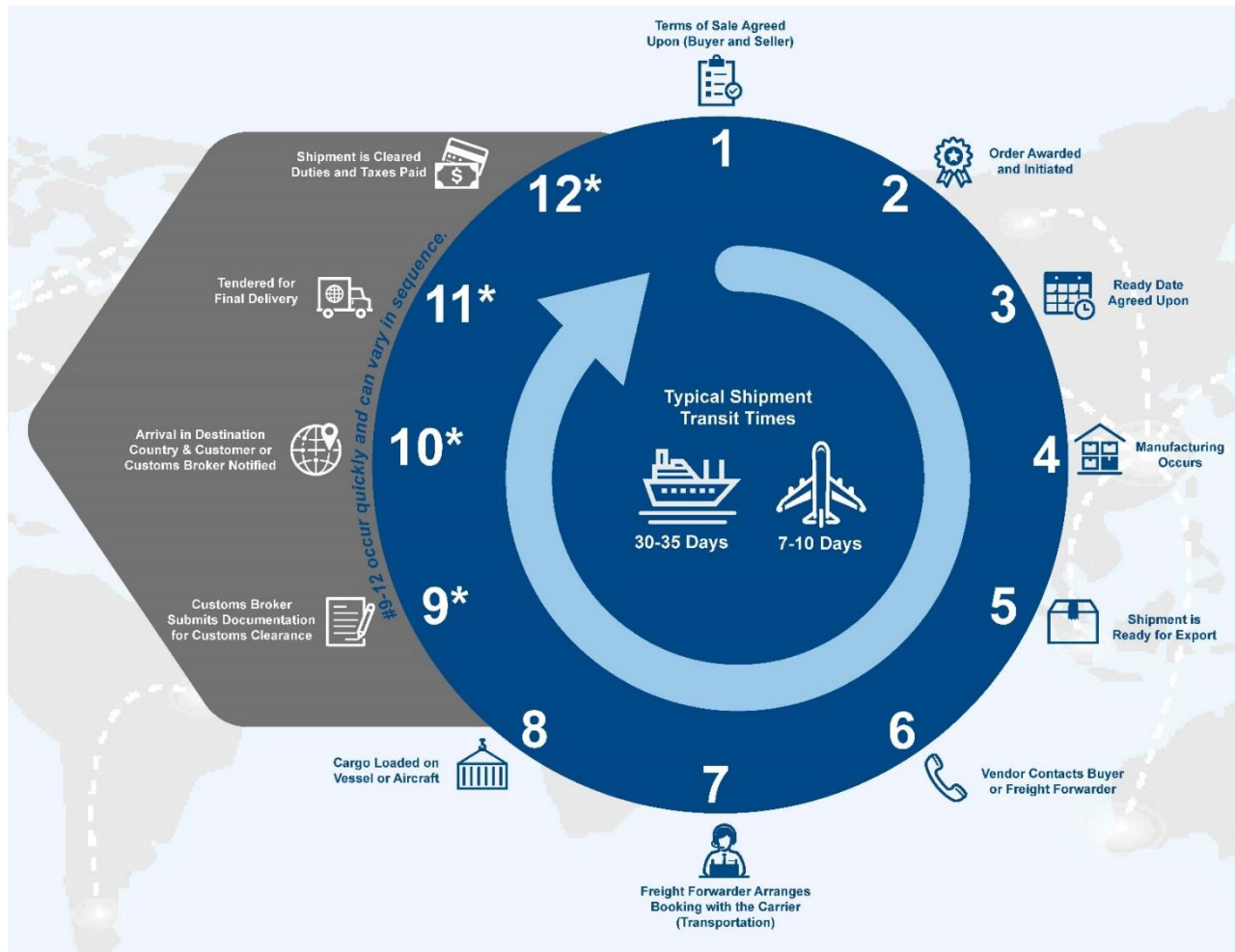
from Great to
Extraordinary

PPAI EXPO
#ppaiexpo

Import and Export 101 - Agenda

- 12 Key Steps to the International Shipping Process
- Additional Areas Ascent Can Help
- Final Thoughts – Avoiding Surprises

12 Key Steps



Steps 1-2



Terms of Sales Agreed Upon (Buyer and Seller)

1. Buyer and seller agree on what is to be purchased (color, size, item etc.).
2. Buyer and seller agrees on the purchase cost of the item.
3. Buyer and seller agree upon Incoterms.
 1. (Intended primarily to clearly communicate the tasks, costs, and risks associated with the transportation and delivery of goods).
 2. Mode of transportation is typically determined at this point (Air or Ocean) (Also banking terms i.e. Letters of Credit).



Order Awarded & Initiated

1. Buyer creates order and sends to seller.
2. Order confirmation typically received by the buyer from the seller.

Steps 3 -5



Ready Date Agreed Upon

1. Seller communicates when the goods will be ready for export/import.



Manufacturing Occurs



Shipment is Ready for Export

1. Buyer is notified that the shipment has been manufactured.

Steps 6-7



Vendor Contacts Buyer or Freight Forwarder

(Depending on the Terms of Sale, it could be the buyer or seller's Freight Forwarder)

1. Typically, regardless of Terms of Sale and specific relationship with the freight forwarder, the vendor will contact the origin office when the freight is ready.
2. Buyer is notified and begins working with local (U.S.) office to prepare for the shipment.



Freight Forwarder Arranges Booking with the Carrier

1. Freight Forwarder reserves space on a vessel or aircraft depending upon agreed mode of transportation.

Steps 8-9



Cargo Loaded on Vessel or Aircraft

1. Cargo is delivered to seaport or airport.
2. Freight forwarder prepares BOL (Bill of Lading) and collects required commercial documents for export.
3. This information is sent to the notify party, (typically a customs broker), to start the customs clearance preprocess.
 1. ISF is completed for US imports.
 2. AES is completed for US Exports.



Customs Broker Submits Documentation for Customs Clearance

1. Broker submits entry via ABI (Automated Broker Interface) to Customs.
2. Customs issues a release to the Customs Broker.

Steps 10-12



Arrival in Destination Country / Customer or Customs Broker Notified

1. Customs Broker will start entry process to clear customs up to 5 days prior to arrival at seaport of entry (or 4 hours after wheels up for air freight).



Tendered for Final Delivery

1. Customs Broker/Freight Forwarder tenders shipment for delivery.



Shipment is Cleared / Duties and Taxes Paid

1. Duty payment initiated and processed via ACH (Automated Clearing House).
2. Post entry documents are submitted.
 1. Record retention is 5 years

Additional Areas Ascent Can Help

- Pre-Booking Checklist
- Bill of Lading Basics
- Cargo Insurance
- Classification of Goods
- Preparing for Arrival
- Customs Clearance Process & Duty Payment
- Customs Bonds
- Documentation Compliance & Record Retention
 - Commercial Invoice & Packing List Requirements
- Final Delivery Steps
- Incoterms



Final Thoughts - Avoiding Surprises

Determine estimated delivery time for end customer

Communicate any change in delivery requirements

Require notification immediately if materials or components do not reach the factory as planned

Require notification if production delays are encountered by manufacturer

Require that inspection of damaged equipment occur at point of loading

Monitor steamship line notices regarding vessel or service string disruptions

Be aware of holidays and government action in the origin country

Establish SOP for documentation and paperwork to avoid errors in manifesting cargo

Research any labor issues at ports involved with transportation

Realize that extreme weather could result in cargo delays



Please complete your session evaluation now to receive credit for session attendance.