

THE SHIPPING STANDARD

OUR EXPERTISE YOUR ADVANTAGE

SMALLER COMPANIES SHOULD
LOOK TO SMALLER CONTAINERS
TO SOLVE BIGGER PROBLEMS

INTERVIEW WITH AN EXPERT

COMIC STRIP

I AM KAI

BOWLING

FUN FACTS

ABOUT
OEC GROUP

OEC  GROUP



SMALLER COMPANIES SHOULD LOOK TO SMALLER CONTAINERS TO SOLVE BIGGER PROBLEMS

While demand for consumer goods may be easing, the supply chain issues many companies are experiencing still remain—further deepening their earnings pain. The electronics industry has been especially confounded by these supply chain issues as many of the industry’s major players struggle to import products in a timely manner, and in turn, lose revenue.

Many of the electronics industry’s smaller companies are also experiencing their own supply chain challenges. Most of these smaller companies are Less than Container Load (LCL) shippers, who are clients that do not have enough cargo to fill a forty-foot container and prepare their goods to ship in smaller increments.

The challenges many LCL shippers are experiencing have to do with navigating bottlenecks between gateway ports and final destinations. Many times, especially in today’s market, those goods can get bogged down for days at transfer points because the cargo needs to be removed from the large container and repacked into a smaller container for final transport. Additionally, because of the sheer volume of LCL shippers, there is an increased danger that some of the cargo will get damaged during the transfer—lessening the overall profit.



“In a normal market, retailers or manufacturers that ship relatively low volumes of electronic goods are able to do so without delay or incident,” said Anthony Fullbrook, President of OEC Group’s Northeast Region. “However, these are not normal times. As the market continues to evolve, shippers need to think about inland bottlenecks and other pitfalls that can occur during transit that could further delay a shipment because any delay means one more day that your product is not getting sold.”

Under current market conditions, it may be more practical and cost effective to send shipments in a dedicated twenty-foot containers. Commissioning twenty-foot containers for shipments lets your freight avoid many additional delays because the cargo will travel directly from origin to final destination. Also, the cargo will ship as an original container package thus helping reduce a big problem in the electronics industry of reducing pilferage, and cargo damage from re-handling. Finally, 20-foot containers can utilize all available sailings, whereas LCL has limited options.

“If you’re a lower volume shipper in the electronics sector, this is your opportunity to really get some velocity going and get products in the hands of your customers quickly,” says Frank Costa, Vice President of Sales for OEC Group’s New York office. “The old adage, ‘time is money,’ has never been truer than in today’s market, and being creative with your supply chain strategy is the best way for any company to fully realize its economic potential.”



INTERVIEW WITH AN EXPERT

Erik Rosica, Account Executive at OEC Group's New York office, discusses the current state of logistics in the electronics sector and offers advice on how to navigate the current landscape in order to be well-positioned for the upcoming holiday season.

Q: What are the current conditions like on trade lanes that are most commonly used by shippers in the industry?

A: Focusing on trans-Pacific lanes from South Asia to the United States, domestic gateway ports are still battling congestion and equipment shortages. The backlog in Los Angeles is not as eye-popping as it once was, but slow steaming vessels from Asia are pushing port operations to the limit. On the East Coast, backlogs persist in Savannah, and delays at New York-New Jersey are still significant. That being said, conditions may be opening up for savvy shippers to secure space on those lanes. If planned properly, shippers may be able to capitalize on that new capacity.

Q: What is the inland distribution landscape like?

A: Transporting goods to Middle America is a challenge due to the poor state of IPI connections on the West Coast and severely congested inland transportation hubs. I'd say Middle America is the only region that will be difficult to reach and meet holiday demand. That being said, there are alternatives to IPI transportation, and the right logistical provider can help navigate that situation and minimize delays.

Q: Can shippers in the electronics industry expect any obstacles as we approach the holiday season?

A: There are two major market situations that shippers in this industry need to keep track of. One is the ILWU and the PMA labor dispute, and the other is the potential strike among West Coast rail workers. Rail workers likely would have gone on strike already if an Executive Order hadn't been issued to temporarily block any labor disruptions. That order expires in around a month.

If one of these groups decides to strike, there could very well be significant repercussions. At this point, I am still advising that shippers work with a logistics expert because they can distribute goods amongst different gateways to get around problem areas.

Q: What advice would you give shippers trying to deal with congestion right now?

A: We are still seeing congestion at port terminals, and inland transportation hubs are dealing with congestion, as well. The lack of equipment, particularly chassis, has been a very serious issue for some time, and that situation can be challenging for a shipper of any size. I suggest that shippers track the efficiency of each rail provider, trucking provider, or ocean carrier when it comes to securing equipment and moving freight. The best option can vary based on trade lane, inland route, and final destination. Also, a lot of boutique carriers came out during the initial impact of COVID-19. They were created to capitalize on increased volumes—specifically from China to the US West Coast. As the market fluctuates and the fleet of established carrier vessels adapts to handle global container volumes, these smaller organizations are going to become less practical and may even disappear forever.

Q: If a shipper doesn't already have a plan in place to fulfill holiday orders, is there anything they can do?

A: Usually, most shipments for the holiday season have been taken care of at this point. However, if a shipper still needs to import holiday goods, or if they are concerned about any other last-minute shipment, I would strongly suggest partnering with a logistical provider who has significant relationships and connections. A singular shipper is not going to have the market access and the established relationships with global carriers to get their cargo prioritized and delivered on-time. An established provider is going to have the market access and capacity to provide expedited, premium, or other specialized and creative service options to fulfill tighter deadlines.

PAYDAY'S JAIL CELL

WHOEVER SAID ORANGE IS THE NEW BLACK MUST HAVE HAD ZERO FASHION SENSE.

KAI THINKS HE FOILED MY PLANS, BUT HE'S ONLY SPED THEM UP!

GUARD! I'M STARVING OVER HERE! FETCH ME MY SURF-AND-TURF! BRING ME A PLAYSTATION 5, TOO!

I DON'T KNOW HOW ANYONE SURVIVES IN HERE!

YES, PAYDAY! RIGHT AWAY!

WE HAVE BREAKING NEWS. THERE IS A VESSEL INCIDENT OFF THE COAST OF LOS ANGELES, AND KAI ARRIVED AS HE USUALLY DOES. HOWEVER, THIS TIME INSTEAD OF HELPING WORKERS, HE HELPED HIMSELF TO AS MANY CONTAINERS AS HE COULD AND SWAM AWAY.

WE'RE ON THE SCENE AT THE PORT OF L.A.-LONG BEACH. KAI IS TOSsing YET ANOTHER CONTAINER OVERBOARD AND INTO THE WATER.

HMM, THAT'S AN INTERESTING DEVELOPMENT...

GUARD! MY FOOD AND PLAYSTATION!

THANKS AGAIN, MATT! YOU AND YOUR TEAM REALLY CAME THROUGH WITH ALL THAT PAPERWORK.

IT WAS NO TROUBLE AT ALL. IT'S WHAT WE DO EVERY DAY.

PERFECT! THE VESSEL IS STILL STALLED AND WILL BE FOR THE NEXT FEW WEEKS. I'LL GO GRAB A FEW MORE CONTAINERS. HOPEFULLY EVERYONE WITH GOODS ON THE SHIP HAS CARGO INSURANCE.

DID YOU HEAR THAT?

WOW, I DIDN'T KNOW YOU HAD THE POWER TO BE IN TWO PLACES AT ONCE! I'D GET A LOT MORE PAPERWORK DONE IF I HAD THAT POWER!

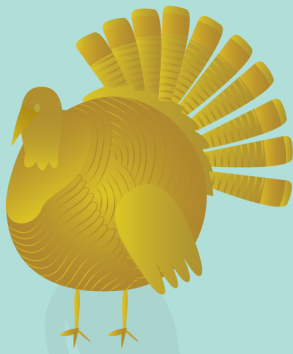
SORRY, MATT, BUT I DO NOT HAVE THAT POWER. BESIDES, EVEN IF I DID, I'D NEVER DO ANYTHING LIKE THAT.

I BELIEVE YOU, KAI! BUT I AM NOT SURE ANYONE ELSE DOES. ANY IDEA WHO COULD BE IMPERSONATING YOU?

THE ONLY PERSON I KNOW WHO CAN SHAPESHIFT IS HEADWIND. NOW HE IS IMPERSONATING ME. I HAVE TO STOP HIM!

TO BE CONTINUED ...

BOWLING FUN FACTS



Getting nine strikes in a row is referred to as a “Golden Turkey”



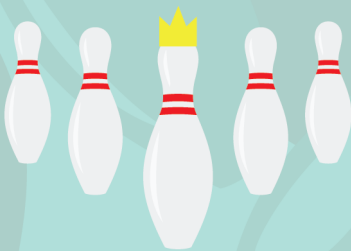
In the 1996 classic film, *Kingpin*, Bill Murray actually bowled the last three strikes that won his character (Big Ern) the tournament. The crowd reaction is absolutely genuine.



In the 1930s, British anthropologist Sir Flinders Petrie discovered objects that suggest early forms of bowling have been around since ancient Egypt.



Although three is most common, a legal bowling ball can have up to five holes



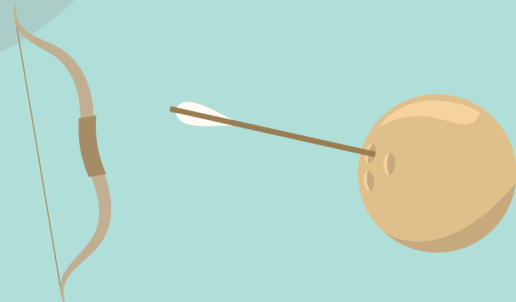
The term “kingpin” in bowling does not refer to the lead pin. It refers to the pin directly in the center of the formation.



The first indoor bowling lanes were built in New York City in 1840



Bowling is the number one participation sport in America, and the US bowling market alone is a 6 billion US dollar per year industry



In 1366, King Edward III of England outlawed bowling because he thought it was distracting soldiers from archery practice

ABOUT OEC GROUP

At OEC Group, we have demonstrated our commitment to customer service in trans-Pacific trade for more than 35 years. Founded in 1981, OEC Group had a vision to provide comprehensive logistics services to clients. Today OEC Group serves destinations throughout the world and has grown into one of the leading logistics providers in North America. With over fifty offices worldwide, we take pride in being close to your cargo at all times.

OEC Group is monitoring and adapting to the changing market. We are well positioned to make continuous improvements to your supply chain using the fastest, most efficient and cost-effective services available. We work tirelessly to stay on top of the ever-changing logistics industry with the goal of delivering the most current information and services to you, our customer.

Our business is making our logistics expertise, your competitive advantage.