

The changing face of imports

 By [Dr Greg Cline](#)

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Logistics and imports are undergoing significant changes amidst an increasing awareness on the importance of being cost conscious and needing to find ways to be more efficient.



Greg Cline, head of corporate accounts Investec Import Solutions

The role technology plays in this environment cannot be overstated. Clients can track their parcels, provide instructions on when to ship, and make the necessary documentation available to expedite custom stops irrespective of their location.

“ They are no longer passive respondents but are empowered to work closely with their logistics provider and manage any potential issues before stock lands. ”

Evolving to become more analytical, consultant-centric

By the time the goods arrive at the harbour, there will not be any delays due to paperwork not being filed properly or some other issues that happened during transit. This means logistics providers and importers are now evolving to become more analytical and consultant-centric.

Inbound supply chain management has many moving parts. Working with the right partner can deliver significant value-added insights. For example, how best to contain costs by driving distribution from specific ports and enabling multiple customers to consolidate orders efficiently and ship on a container basis.

Changing economy

Political instability, a weakening currency, and rising petrol prices contribute to the increasing cost of landed goods. And with many companies funding their imports either with an overdraft or trade finance facilities, there needs to be a more

effective way of mitigating against these [price] risks.

The emergence of fintechs has contributed to a more innovative approach when it comes to financing. Companies are no longer limited to waiting for weeks while banks approve additional credit. Instead, import supply chain partners such as ourselves can conduct real-time needs analysis on the variables at play and how they impact on the cost of the goods.

This results in additional funding being provided so organisations can import the volumes they promised to customers instead of being limited to their line of credit from the banks.

Financing expected to be one of the most significant areas

“ Financing is expected to be one of the most significant areas that will change in the coming months. ”

Traditionally, customers opted for debtors' book factoring. But with times becoming tougher, banks are not making the entire facility available. This is resulting in a drive towards funding where the customer has a guarantee that the total amount is available to finance imports.”

Because organisations like Invest Import Solutions manage the movement of goods, the bank can place security value to goods on the water where traditionally this would not be considered. This means that it can offer more in terms of financing as it looks at assessing risk differently than the banks.

Going mobile

As technology evolves so too are more mobile applications becoming available to further empower customers through the importing process. Some allow for the physical tracking of goods whilst others, like traditional banking apps, take care of the financing side.

However, when these components are combined in a single offering, users will have more control over all facets of their imports.

By combining the financial and the physical supply chain in an integrated platform, customers do not have to log in to multiple environments. Instead, they have an integrated offering that gives them all the information they need in a convenient and user-friendly way.

Becoming savvy

People are becoming savvy throughout the supply chain process. Retailers go directly to the source, see the margin, and use that to negotiate suppliers down. With margins becoming thinner, there is more awareness around cost containment.

By embracing technology, different financing models, and working with importers as partners in 2018, companies can

mitigate a lot of the risks associated with the uncertainties that exist in the market.

ABOUT DR GREG CLINE

Greg Cline joined Investec Import Solutions in 2012 and is currently head of corporate accounts. His responsibilities include managing business operations and CRM for Investec Import Solutions' client base. Prior, Cline was business development director at Intel Corporation where he was responsible for regional enterprise sales, strategy and marketing operations. Cline graduated as a medical doctor and holds an MBA cum laude (University of Witwatersrand and University of Chicago).

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