

Beyond Cost Reduction: Building Resilient Freight Forwarding Operations with GCCs

Executive Summary

Freight forwarders operate in an increasingly complex environment: volatile global trade flows, evolving customs requirements, rising labor and compliance costs, and customer demand for faster visibility. To remain competitive, forwarders must streamline operations and embrace scalable solutions that improve efficiency and reduce costs.

This paper explores how **IT outsourcing**, **Finance Process Outsourcing (FPO)**, and **Human Resource Outsourcing (HRO)** - delivered through **Global Capability Centers (GCCs)** - can help freight forwarders cut costs, enhance compliance, and expand capacity to grow, innovate, and stay competitive.



1. The Freight Forwarding Landscape

Freight forwarders face growing challenges:

- **Complex documentation:** Bills of lading, airway bills, customs filings, certificates of origin.
- **High-volume finance operations:** Invoicing, freight charges, carrier payments, disputes, and credit control.
- **Global compliance:** Customs regimes, sanctions screening, and trade documentation.
- **Labor & scalability constraints:** Recruiting skilled staff for operations, finance, and compliance.
- **Technology integration gaps:** Fragmented TMS, ERP, and customer portals with limited visibility.

The industry is under pressure to deliver **speed, accuracy, and reliability** while controlling costs.

2. IT in Freight Forwarding

2.1 Role of IT

- Shipment visibility platforms, track & trace portals.
- EDI/API connectivity with carriers, customs, and clients.
- Automation of trade documents and filing.
- Analytics and dashboards for freight spend and performance.

2.2 Challenges

- Legacy TMS platforms with high customization costs.
- Siloed data across branches and regions.
- 24/7 customer support and real-time updates required.

2.3 GCC Model for IT

- Dedicated offshore IT support for TMS/ERP integration.
- EDI/API experts for connecting with carriers and customs.
- Automation and RPA for document handling.
- 24/7 helpdesk and visibility dashboards.

Value: 30–40% IT cost reduction, faster implementation of digital initiatives, improved customer experience.

3. Finance Process Outsourcing (FPO)

3.1 Core Processes

- Invoicing & billing to shippers.
- Carrier/vendor payments & reconciliation.
- Accounts Receivable & collections.
- Dispute resolution for freight charges.
- Credit risk analysis and reporting.

3.2 Pain Points

- Frequent errors in manual invoice entry.
- Cash flow delays from late collections.
- High volume of low-value finance tasks.

3.3 GCC-based FPO Solutions

- Centralized AR/AP processing.
- OCR & RPA for invoice capture and reconciliation.
- Dedicated teams for dispute management.
- Real-time KPI dashboards for DSO, working capital.

Value: 35–55% cost savings, faster billing cycles, fewer disputes, stronger cash visibility.

4. Human Resource Outsourcing (HRO)

4.1 HR Needs in Forwarding

- Recruitment for operations, documentation, compliance, and customer service.
- Training for customs, Incoterms, and dangerous goods.
- Payroll, benefits, and compliance with multi-country labor laws.

4.2 GCC-enabled HRO Functions

- Shared recruitment and onboarding pipelines.
- Automated training and certification tracking.
- 24/7 HR helpdesk for global teams.
- People analytics for attrition and productivity.

Value: Faster hiring, lower HR costs, and improved compliance across geographies.

5. GCCs as a Strategic Lever

A **Global Capability Center (GCC)** is not just about outsourcing—it's about building a **center of excellence**. For freight forwarders, GCCs can:

- **Reduce costs:** Labor arbitrage yields 45–65% savings in back-office functions.
 - **Expand capacity:** Support 24/7 global operations without inflating local payroll.
 - **Standardize processes:** Consistent SOPs across finance, HR, and IT.
 - **Enable innovation:** GCCs become hubs for RPA, AI-driven analytics, and automation pilots.
 - **Strengthen compliance:** Centralized reporting ensures audit readiness and regulatory adherence.
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6. Use Case: Mid-Sized Freight Forwarder

Problem: A U.S.-based forwarder with branches in 8 countries faced billing delays, inconsistent customs documentation, and rising payroll costs.

Solution:

- Set up a GCC in India for finance, IT, and HR support.
- Centralized AR/AP and dispute resolution.
- Implemented RPA for document capture and customs filing support.
- Deployed 24/7 IT monitoring for TMS uptime.

Results (Year 1):

- 40% cost savings in finance/HR.

- Billing cycle reduced by 8 days.
 - 99% compliance in customs filings.
 - Improved employee retention due to better HR support.
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7. Implementation Roadmap

Phase	Key Activities	Deliverables
Phase 1: Assessment	Process mapping, pain-point identification, ROI modeling	Business case, cost/benefit analysis
Phase 2: Pilot	Small GCC pod for AR/AP + IT support	KPIs: cost savings, turnaround time
Phase 3: Scale	Expand to HR, dispute management, document automation	Standardized SOPs, SLA reporting
Phase 4: Transform	Add analytics, RPA, AI-enabled dashboards	Predictive insights, continuous improvement

Conclusion

For freight forwarders, the path to resilience lies not just in moving cargo, but in **streamlining the flow of information, finances, and people**. By leveraging IT, FPO, and HRO within a GCC model, forwarders can cut costs, strengthen compliance, and unlock capacity to scale.

As Global Wave Dynamics emphasizes:

“We don’t just reduce your cost—we expand your capacity to grow, innovate, and stay compliant.”

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