



2024 RFP SEASON

How to Run a Value-Driven RFP

flexport

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If you are running a Request for Proposal (RFP) process to find the freight forwarder that is right for you, spend time evaluating your vendors as a whole to gain a comprehensive understanding of the potential value they can add to both your business and process.

RFPs allow you to quantify total cost, evaluate trade-offs between price and service quality, and find the best freight forwarder for your company's specific needs. But it's not as easy to design an RFP as you might think—RFPs often encourage thousands of forwarders to compete for your business by offering low rates, sometimes in exchange for poor, low-quality services.

To choose a freight forwarder that will be the best partner to your business, run a value-driven RFP.



Check out the Flexport [Blog](#), [Webinars](#), [Research](#), and [Glossary](#) for the latest information on the market, Flexport recommendations, and all things RFP Season!

Prepare for the RFP



Be selective and intentional about who you invite to the bid.

Do your research ahead of time to get a sense of who your options are, and what you're looking for in a freight forwarder.

Look for areas of improvement.

Look for areas of improvement in your supply chain that you want to focus on so you are prepared to point them out as a service requirement. For example, if your business needs to improve visibility, look for forwarders that operate in one system and can offer you a platform.

Know your tradelanes, suppliers, and volumes in detail.

Know how much volume you ship in each trade lane and how it shifts throughout the year, so you can ask potential vendors how rates will fluctuate.

Allow active communication during the RFP process.

Set up a debrief with each forwarder to allow them to talk through their proposal and share more information about how they will manage your business. This will allow you to get to know their teams and gain all of the context needed so when you read their RFP rates and responses, you have context into that company.

Reach out to your Account Executive or submit a request to [talk to an expert](#) if you're interested in discussing RFPs or including Flexport in your RFP.



Pricing Tips and Advice

Pricing is what many forwarders will try to sell you on. But quoted prices are not always as they seem; vendors tend to present unreliable services that will show you a good price, so clarify what the provided rates are actually getting you. If you select the cheapest option you risk being unprepared for variables like unforeseen market conditions (weather delays, trade wars), hidden fees and variable surcharges, or space protection upcharges. Space protection is not always included in the offered rates, which can be risky if providers are more focused on loading cargo with high revenue generation. Your cargo may be more likely to be rolled as a result, so make sure rates are inclusive of your space needs. Highlight your service requirements and ask potential freight forwarders to provide rates for the services your business actually needs.



Flexport Recommended
Rate Template

[Download here](#)

Rate Template

Provide a comprehensive rate template so all possible additional fees are laid out in advance and you can see the true cost of any given proposal. Using a template also mitigates confusion; with rate transparency, you can compare providers more directly. Read all the fine print before you agree to any rates.

Questions to Ask

You may also want to consider asking potential providers questions like:

- Are your rates subject to change under any conditions?
- Are rates dependent on a minimum total volume or shipment specifications (dimensions, etc.)?
- What rate structures can you offer? How would you implement them? For example, how might the different structures address seasonal allocation challenges?

Look for an Easy to Use Platform



What to Look for

Consider what software capabilities each freight forwarder has to offer, and what would be most beneficial for your business. Freight forwarding is an antiquated industry that has been slow to modernize, so inquire into what unique capabilities differentiate them from their competitors.

Ask what visibility they provide into tracking shipments, containers, and SKUs-in-transit, and think about what your business will require. Have them describe their billing process, and if the platform is able to reconcile invoices against quotes and shipment activity.

Think about their long-term solutions. If you need API or EDI integrations or are thinking about using them in the future, ask forwarders what support their platform can provide. Ask them to describe how their platform can scale with your company's needs, and what their approach to data security is.

Questions to Ask

You may also want to consider asking potential providers questions like:

- Describe your reporting & analytics capabilities. What data fields can a client report on? Can I export my data from the platform?
- Does your platform support messaging and collaboration between my team and your company?
- Does your platform have an exception management view?
- How many unique user logins can I associate to my account?
- What user permissions can I control?
- Describe the system you use to manage your allocations with ocean carriers.

Look for High-Quality Service



What to Look for

Your freight forwarder will be a partner to your business, so you want to find a reliable and accommodating provider. Run scenario analyses during the RFP process and ask how they would react to potential market disruptions like carrier bankruptcies, trucking consolidations, fuel fluctuations, etc. Have them talk you through these potential market events, how they would help you, and what alternative solutions they would provide.

Net Promoter Score (NPS)

Find out whether they run a third-party-administered Net Promoter Score (NPS) survey, who their provider is, and what their score is. Running NPS surveys is a good indication that the forwarder is invested in receiving and taking action on feedback. But if they do not use NPS scores, ask for a list of client references so you can find out what kind of experiences other businesses have had with them.

Questions to Ask

You may also want to consider asking potential providers questions like:

- How are your operations teams structured?
- Who will be assigned to my account? Who will be responsible for managing my shipments?
- Will I have a single point of contact for all services globally?
- Do all your offices operate out of the same unified software platform?
- Do your offices operate on a global P&L or does each office have its own P&L?