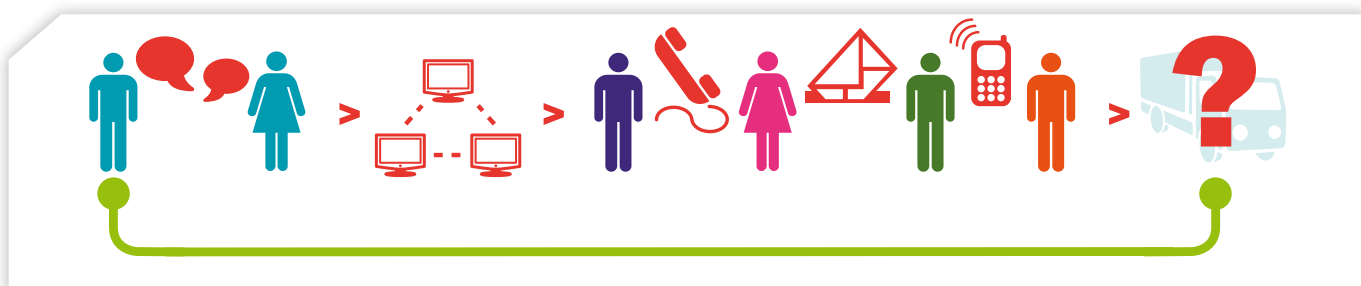




Freight subcontracting risks

It is difficult for shippers to guarantee how serious a carrier will be. The purpose of this document is to list the most common potential risks and to suggest a few things you can do to reduce the risks involved with shipping with a carrier you don't know.



1 theft by hijacking, ignorance of procedures

This involves delivery of a semitrailer of alcohol to a large store. The terms and conditions do not prohibit subcontracting. The delivery is contracted out, the driver is not familiar with the delivery point or its goods-in procedures. At the entrance to the depot, he is met by an "employee" wearing a branded T-shirt of the consignee company. As the main depot is supposedly overloaded, he asks him to deliver to another site 800 m away. A forklift driver is at the other site, the yard is empty and the delivery is completed. The delivery note is signed; there is no stamp (it would still be at the main site). Later the cheating is discovered; meanwhile the goods have already disappeared.

2 theft, fake carrier real thief

The main carrier's new Shipping Manager subcontracts, over the phone, the transport of 2 semitrailers of top-of-the-range televisions. The contact is professional; the loading of the goods is supervised and is completed without problems. But then no more news, the goods are never delivered; it seems that the company no longer exists and only existed for a few days.

3 carrier unfit to work in a specific business sector

A freight forwarder is asked to transport vaccines between +2 °C and +8 °C from Western Europe to a country in the east. The destination is not a regular one, the forwarder subcontracts to one of the few carriers that agree to make the journey. The freight forwarder assumes that writing “+2 °C / +8 °C” on the shipping document will be enough. However, this carrier does not know anything about pharmaceutical products. It is hot, the journey is long, the driver adjusts the thermostat to 2 °C thinking “the colder the better”. The temperature of the refrigerated unit falls to -1 °C for several hours, the vaccines freeze and are irreparably damaged.

4 «low-end» carrier

Transportation of fragile, heavy-duty IT equipment is subcontracted several times. The terms and conditions do not prohibit this. The carrier who eventually handles the transport only remembers that it is industrial equipment, not bothering to find out any more details. The packages should be properly and adequately lashed, wedged and secured. Nothing specific is provided for this: the straps are only very rudimentary. At a roundabout, the goods fall over and are badly damaged. It will take several months to repair this kind of custom-built equipment.



Who are you really shipping with?

Who is actually handling your transport?

- 1 Whether you are dealing with a shipper or a carrier, the first question you need to ask is: Can the transport be subcontracted? If so, under what conditions? (Terms and conditions to be drawn up by the shipper)
- 2 A lot offered on a freight exchange may be subject to cascade subcontracting. It is important to maintain control of the transport and to make sure that you know the company who will really handle the transport.
- 3 Is the carrier handling the transport beyond **reproach**?
 - Has it got a good reputation? Has it got serious references that can be checked out?
 - Have I checked that it is on the Trade and Companies Register?
 - Has this company been bought out recently?
 - Does it have civil liability insurance? This information can be checked with the insurance company itself which will also confirm the company's existence.

Is the transport company that will physically carry out the transport **aware of the shipper's terms and conditions and does it comply with them?**

- 1 It is usual for the subcontractor not to ask if there are any special instructions. The transport provided will then be basic (economical) and it can then say that no information was provided if any problems occur.
- 2 When a subcontracted carrier needs to comply with terms and conditions, it often takes less care with this than the freight forwarder would: the shipper is rarely a direct client of the subcontractor; he will not have to deal with any commercial disagreements in the event of failure.
 - Indicate clearly on the transport documents all **specifics instructions for transportation of the goods**: “+2 °C / +8 °C, do not freeze”, “extremely fragile, do not stack”, “secure parking compulsory”, etc.
 - Make sure that the transport company is familiar with the **type of goods** to be transported: controlled temperature, high value, fragile, etc.
 - Check that the driver is aware of the **delivery procedures**: joint inspection on delivery (packaging, temperature, other), specific delivery point, etc.