

Delivering business benefits to the South African supply chain



Driven: Director of Core Freight Systems, Jonathan Sims

The call to “go paperless” is now a reality for the South African export and import sectors, particularly with the requirement for compulsory electronic declaration of customs submission by SARS. No longer will companies be able to navigate this process without seriously considering the IT they employ within their business, and those few resisting this technological epoch are unlikely to survive.

“ . . . opportunities for cross-skilling and removing some of the drudgery of data capture . . . ”

Specialist IT company Core Freight Systems provides software solutions used to process South African imports and exports. The company’s reputation for service excellence is growing quickly – as is their workload as participants in this country’s and sector’s technological evolution. Speaking to export & import SA, company director Jonathan Sims provides interesting insight into this much respected organisation and their modus operandi.

Q. Core Freight appears to have developed a loyal customer base. What do you think the basis for this is?

A. Core Freight strives to provide a comprehensive software solution to the South African freight forwarding and customs clearing industry. This means that in the design and ongoing refinement of the system we adopt a holistic approach with the objective of applying IT to improve our clients’ operational efficiency, enhance management control, advance their ability to interact with other application links essential to the supply chain and, of course, to ensure that we are able to support the users as required. We do not believe in creating co-dependent relationships with our clients, with the potential abuse which may result. The CoreFreight solution has to bring value to our clients business on an objective evaluation or we have failed in our mission. Although we operate in a competitive environment I would like to think that it is because we deliver on this holistic objective that we generate loyalty from our customers.

Q. How would you categorise your clients?

A. Our customer base is fairly diverse in terms of size, ranging from single-man organisations to companies with user numbers in excess of a hundred. Some of these operate as independent agents and others are subsidiaries of international networks. Generally, however, I believe their leadership is characterised by a more independently minded entrepreneurial approach, where management perceive a closer link between the systems they use and the benefits they are able to derive.

Interestingly a lot of our new business comes through previous users of the application, who have either subsequently started up their own operations or have recommended the application to a new employer. These people demonstrate a proactive tendency, rather than satisfaction with the status quo, and open-mindedness to change.

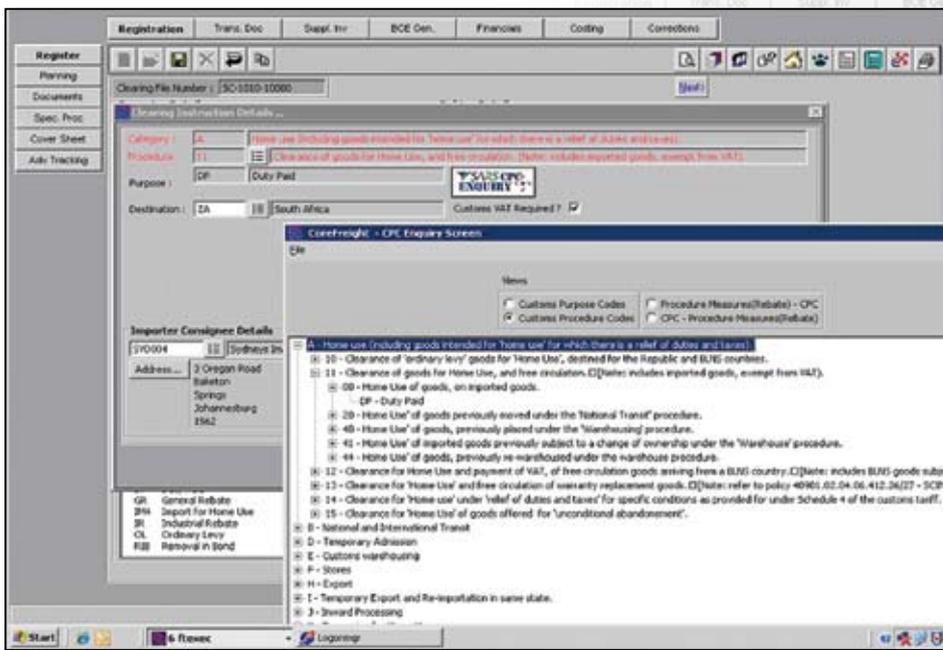
Q. Changing systems is not easy, so how does CoreFreight facilitate this?

A. It’s true that change is not easy. However, I believe that it is unavoidable in order to continue remaining relevant as your business evolves. Where management is not scared to lead change within their organisation conversion to CoreFreight has proven to be less of a problem than one might imagine. One simply needs a clear understanding of what can be achieved through the change and commitment to it. We try and communicate this potential clearly and, equally, try not to sell beyond the functionality we have. Our experience is that staff within our clients adapt very quickly to the application – it follows a logical process flow designed to cover the freight forwarding and customs clearing activities in a windows-based environment which makes it attractive to new industry entrants and older hands who see merit in moving from outdated technologies. The opportunities for cross-skilling and removing some of the drudgery of data capture through efficient interface of data between processes are attractive to staff, and encourages them to identify improvements in work procedures which ultimately benefit the company.

Q. What do you think distinguishes your product?

A. As stated earlier, the CoreFreight application is conceived as a holistic tool for managing a freight forwarding and customs clearing operation in the South African environment.

- Firstly, this means that not only do we want to provide the mechanism for the production of a Customs Declaration in accordance with the legislated requirement, but to do so in a manner that integrates seamlessly into the other internal activities that need to be completed in order for our clients to service their customers in the most effective manner.
- Secondly, we realise that no particular piece of software will provide a total supply chain solution and thus have established proven mechanisms for interfacing the CoreFreight application with the other external systems required to process goods along the supply chain.
- Thirdly, we actively consider the breadth of functionality which could be made available to



Above: Intuitive design and functionality assists CoreFreight operators transition to new Customs Declaration requirements

enhance the primary forwarding and clearing process conducted by our users. We therefore have additional modules which address potential needs such as Customer Relationship Management, Electronic Document Management and Online Tracking.

- Fourthly, from a management perspective, our application includes flexibility to accommodate different organisational workflow structures, simplicity in operation for the user, comprehensive reporting facilities, including file status reporting and audit trails, and file profitability analysis and advanced disbursement control.

“... clients adapt very quickly to the application ...”

Through all of this we aim to deliver the best system functionality and cost ratio to our clients.

The above notwithstanding, what ultimately will distinguish our product is our people – the knowledge, intellect, commitment and imagination that they apply in the ongoing development and support of CoreFreight use by our clients.

Q. What are the current challenges for your business?

- A. Clearly the immediate challenge for us, and the industry in general, is the implementation of the SARS Customs Modernisation initiative, the first phase of which is now scheduled for 1 November 2010. The challenge for us as a company is the integration of the new Declaration requirements within our application, the EDI message interface with the SARS systems and then the provision of a transition mechanism which will allow our clients to adapt to the new procedures with least disruption to their established work patterns. We are “cautiously optimistic” that we have addressed each of these issues but only the live implementation will prove it.

The Modernisation second phase requirements need further clarification from SARS. However, based on our understanding to date we see the opportunity to leverage

existing CoreFreight functionality to deliver a solution to our users which will improve efficiencies and meet customs compliance.

Q. What are the future prospects?

- A. Internally, we do not subscribe to the “if it ain’t broke don’t fix it” philosophy as we believe that this is contrary to our requirement for continuous improvement, whether on an incremental basis or as a quantum change. We owe it to our customers to provide them with an application that will ensure that they remain competitive from a systems perspective.

We continually review the functionality available through the CoreFreight programme suite. This includes refining existing processes and providing new functionality where we identify the need. In addition, as an IT company we also monitor new developments in technology, both software and hardware, and take advantage as we deem appropriate.

Externally, within the context of the country, and indeed the African continent as a whole, there is huge scope for economic development. Without minimising the problems to be addressed to achieve this we believe that efficient international trade is an essential component in any such development, and this provides us with the opportunity to contribute by leveraging IT and delivering business benefits to the South African supply chain.

Q. Core Freight has a reputation for ongoing innovation. How do you sustain this?

- A. We operate with a very flat organisational structure, encouraging debate and the critical examination of both existing and any proposed new functionality in the application. Although informal this is an intentional process and happens internally and through interaction with our clients, who provide great input – though clearly we are less critical in this particular forum! Having identified an idea we then carefully consider how to integrate it into our environment for the most effective implementation, prior to acting. This does not sound particularly inspirational. However, if the result of this is considered innovation we are delighted!

Q. Finally, what is your specific role within Core Freight?

- A. I am blessed to work within a highly talented team of individuals who exhibit both the technical and business skills required for our company. We try and drive personal accountability within the organisation and all staff are expected to participate and contribute in terms of their area of expertise. Leadership of particular projects is allocated to the most suitable person, dependent upon the project requirement. Within that environment my colleagues ensure that my limited skill application is restricted to the administrative and bookkeeping function. ♦