



Specialty food producer Goya manages 15 different ocean freight contracts via software provider Info-X, sourcing its more than 2,500 products from 25 countries. Photo credit: Shutterstock.com.

Freight rate and contract management software is often seen as a category best suited for non-vessel-operating common carriers (NVOs) to invest in, but shippers with geographically dispersed business units and a centralized but siloed procurement process can also derive benefits from such tools.

If the reliance on spreadsheets for handling core logistics functions such as ocean rate management sounds trite at this point, it's because there are still many shippers who continue to do so.

Richard Rodriguez, director of logistics at New Jersey-based Goya Foods, said his company had such a reliance on spreadsheets to manage ocean rates until 2017. Privately-owned Goya, an 83-year-old provider of more than 2,500 Latino food products, runs five US distribution centers and sources from 25 countries. The company operates in what Rodriguez called a "hub-and-spoke" model, meaning each of Goya's 12 North American operating branches has its own management responsibility.

"We negotiate ocean contracts at corporate in New Jersey, but we didn't have a centralized platform to share that information. There was no way for each branch to optimize the best route and contract for a specific shipment," he said. "One of the gaps

we found is how we disseminate contract rate information, and how it was shared internally. We needed better access to the data.”

Informed decisions

Two years ago, Goya enlisted Info-X Software, a Gurgaon, India-based provider of logistics software and back office services, to build a contract management tool.

Info-X is more commonly known as a solutions provider to the freight forwarding and NVO market, particularly its core rate management tool and its Federal Maritime Commission (FMC) publishing function, but it has begun making strides in the shipper market.

In particular, the company is also known for its ability to customize its software and for its business process outsourcing (BPO) services, under which it helps NVOs manage rates and other data during non-working hours in North America and Europe. Some customers completely outsource rate management to Info-X, while others use it to provide business continuity during nighttime hours. That continuity might include customer service or data entry. Having an India-based development staff with domain expertise in international logistics gives Info-X a labor cost advantage for customers that need such customization.

Goya uses Info-X for both contract management software and back office services, Rodriguez said.

“Contract management is 100 percent managed by [the Info-X] team and viewable across all our branches,” he said. “Previously all the rate and contract information were retained here at corporate. We had contracts and spreadsheets saved on network drives, but that creates a bottleneck and I have an aversion to bottlenecks. I prefer to provide the tools which allow our [transportation] buyers to make informed decisions. That can’t happen if I’m the only one who controls access to information. That’s not an efficient way to manage a business. Now everyone who needs access to rate information can access it on-demand.”

Goya currently maintains approximately 15 ocean contracts. All but three are direct with liner carriers, with two NVO contracts in Asia and one for Central and South America. “We leverage our direct contracts as much as possible,” Rodriguez said.

Using contract management software allowed Rodriguez to reduce the number of ocean contracts from 20 to 15. “The contract management tool provided greater visibility to contracts and the related rates. It provided us the ability to see where lanes overlapped. This helped drive our resolve to streamline the number of active contracts. We avoided overcommitting volume and increased our buying power.”

Using outsourced cloud-based software providers such as Info-X is emblematic of a change in strategy for Goya, Rodriguez said. For instance, the company built its own proprietary logistics planning system. “We’ve provided next-day delivery service to our customers since before it was fashionable,” he said. “That’s been a key differentiator for the business since its founding over 80 years ago.”

Rodriguez said Goya’s IT resources are now more focused on systems integration. Aside from Info-X, the company has used the supply chain software provider Manhattan Associates’ warehouse management systems for a decade. Goya is currently implementing Manhattan’s transportation management system, initially to handle domestic modes, with a second phase for rail, and a third for ocean.

Goya’s use of both Info-X and Manhattan makes an interesting comparison: the former a heavily customizable, browser-based set of tools, and the latter a large provider of enterprise solutions designed to be tweaked around the edges, rather than tailored to the specific needs of individual customers.

It’s a key question that shippers often need to answer when buying software: does the shipper adapt to the process and workflow of the tool, or is the tool adapting to the needs of the shipper?

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