



Infrastructure Capacity, Pricing and Gateway Competition

29 Mar 2007

Observations

1. Wow, is context important!

- **As a freight forwarder, my margins are squeezed between customers' willingness to pay and suppliers' costs**
- **I am a short-term profit optimizer (that's about me) and a cost optimizer (the value-add for my customers)**
- **Long-term for me is next year, medium term is next quarter and short-term is this quarter**
- **Behavior of my stakeholders is critical.**

2. What I see in marketplace

- **Steamship lines increasing prices**
- **Fuel surcharges**
- **Port congestion charges**
- **Customer pushback and competitor's actions = shrinking margins**
- **I need to look for lower cost "Silk Roads" options for my customers**

3. Issue - integration among stakeholders all trying to get their share of margin to cover escalating costs

Accidental Adversary Archetype – Senge “Fifth Discipline Handbook” ca 1994

