

Difference between Shipping Management and Logistics Management - A guide



Introduction

Shipping and logistics management are often considered to be one and the same and therefore, used interchangeably many times. However, there is a difference between the two. In this guide we will discuss the difference between shipping management and logistics management. While both are about planning, executing, and controlling the entire shipment process. Though it may seem as a simple term but logistics management bears a lot of weight.

Difference between Shipping and Logistics Management



Shipping is the act or process of transferring or transporting shipment from one place to another. Shipping is a closed term and contains information that is related only to shipping. Such as shipping costs, shipping documents, types of shipping, and many more.

On the other hand, **Logistics** is a much complex term consisting of several different groups or departments. Where shipment is a concise and closed term, logistics is a broader term and shipping management is a part of logistics management.

“The line between disorder and order lies in logistics...” – Sun Tzu

For eg.: Sales and Marketing are two different terms though related to each other. Sales is the act of performing a specific task, which is selling. But marketing is a much broader term and sales is a part of the same. In the same manner, Shipping Management is a small part of Logistics Management.

What is Included in Shipping Management

As we have already established that shipping management is an important part of the organization. It helps with the smooth running of the shipping department. Let us start from the first step of shipping management and make our way towards the last, by explaining each one of them.

Shipment Planning

When the shipping company receives a product, many activities are to be done. The shipment planning consists of preparing Shipping documents, classifying the type of shipment, and preparing the invoice status.



a. Shipping Documents

The shipping documents are the first step of planning. There are many types of shipping documents that are mandatory for the proper working of the shipment process. Few of them are shipping policy documents, shipping labels, preparing bills of lading and freight bills, shipping insurance documents, ensuring there is a packing list, and a commercial invoice paper.

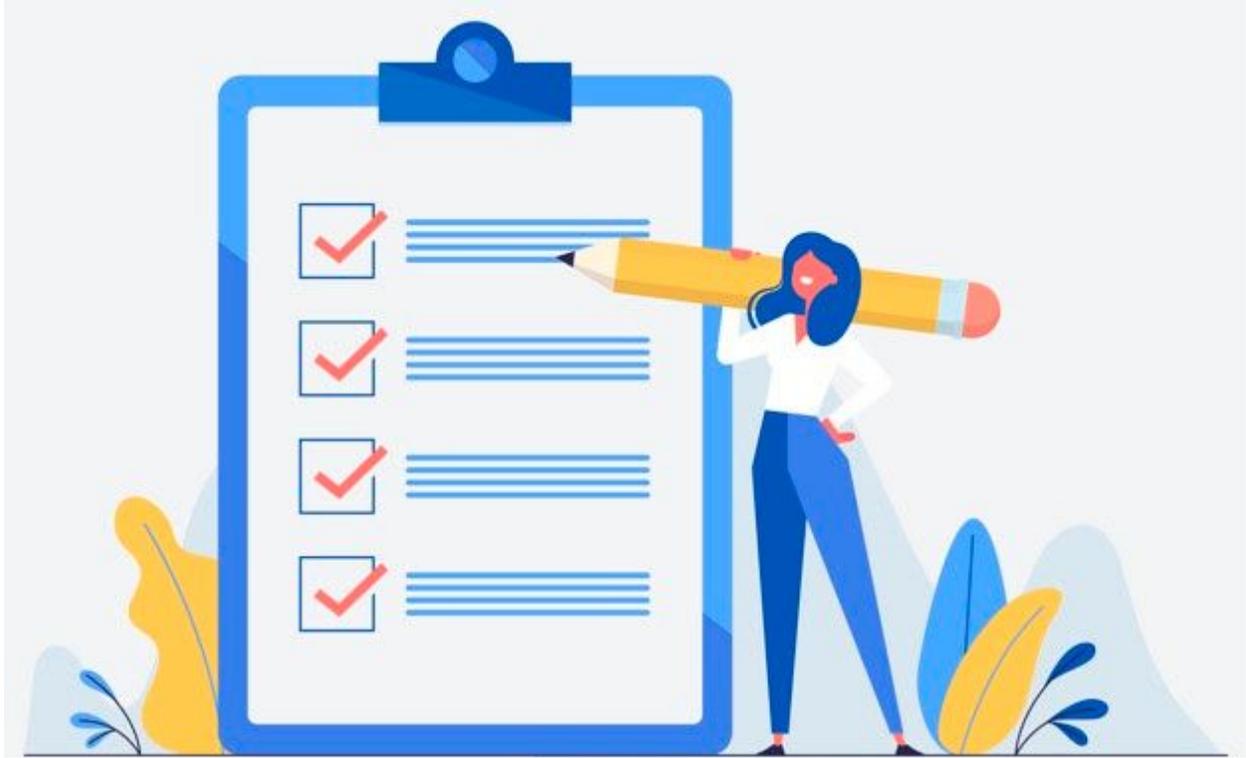
b. Types of Shipment

Once, the shipping documents are in order, you need to check if the type of shipping is mentioned, and if not, make sure the same is present (at least for internal purposes). This way, there are less chances of discrepancies and transparency is maintained between both the parties. The types of shipment include rail shipment, road shipment, air shipment, and sea shipment.

c. Prepare Invoice Status

The shipping documents are checked and the type of shipment is also verified. It is time to make sure the payment terms are clear, and if not, the same is mentioned on the payment documents. Always maintain a ledger for internal references where the invoices of each and every shipment is clearly mentioned. Also, clarify the same with the client to ensure clarity and transparency. The invoice status should mention if the transaction is made in partial payment or full payment. Also, mention if it is expedited shipping, flat rate shipping, or any such important information.

Verify the Shipments



The shipment documentation is always important but so is the shipment itself. Ensure there is a packing slip and packing invoice. Double-check all the goods against the documents and ensure there are no discrepancies. Make sure the product description, quantity, rates, and shipping terms are correct and clearly visible.

Track the Shipments



It is now easy to track every shipment because of advancements in technology and the rise in its usage by the commoner. There are a lot of shipping software that can help with this. Automation is a big part of the success of tracking goods. Every shipping company has an option to track their shipments by entering the consignment number. All this is possible due to automation and a small chip or barcode inserted into the shipments. The tracking information includes the goods type, current status, and estimated delivery date. All you need is the tracking number.

Latest Information about Shipping Management

Shipping of consignments have been around us since ages.! It is impressive to know that shipping management has come a long way from just transporting goods until becoming organized and detail-oriented means transporting almost anything and everything! Some parts of the credit goes to technology. It has helped the process grow higher and higher each day. Some of the latest developments in the field are Shipping Management Softwares, Automation, Internet of Things (IoT), Robotics, and Big Data Analytics.

Conclusion

Shipping Management has evolved with time. It is definitely important to stay updated with the changing technology. In the same manner, it is essential to be organized for a better and smooth functioning of the shipping management system. Be sure to keep your documents in order, be volatile, and make sure to check the shipments before dispatching them. Also, keep your clients updated and maintain clarity. This helps to build trust as well as confidence in your management structure.

References

[Difference between Shipping and Logistics Management](#)
[Most important Shipping Documents](#)