

# Seahawk Logitech part of the new gen of project 3PLs

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Shortly after Seahawk Logitech was founded in 2001, the company got the job of moving a mothballed Zenith television plant, one of the last remaining cathode ray factories in the US, from Melrose Park, Illinois to New Delhi. That one assignment for the 3PL, based in the Chicago suburb of Itasca, Illinois, led to others – transporting giant transformers, offshore oil platform components, gas refineries, wind turbines. All involved not just project cargo, but oversized shipments transported from one country to another – China to the US; the US to the United Arab Emirates; Mexico first to Korea and then to Angola.

Project or heavy-lift cargo is, by its very nature, complex. Add an additional country or more to the mix and there's a degree of complication that can overwhelm the inexperienced. That's led to a group of specialist third party logistics providers, often small-sized, asset-light operators who can plan and execute the biggest and most intricate cargo hauls across multiple countries and continents.

"There's a lot to be said for experience, for knowhow, for how things are done," said John Bae, Seahawk's managing director, who believes his company's small size isn't a barrier, but rather an advantage. "Companies like ourselves have a better understanding of these projects."

Much involves meticulous planning and detailed operations. Part of this is having the cultural sensitivity to understand infrastructure and operations vary from one country to the next. "You'll actually have to bridge the gap between the two countries," said Bae. "Certain things that I can do here, they can't do there and vice-versa."

Bae gave the example of a piece of heavy machinery manufactured by a factory outside of Shanghai. Getting that machinery to the port in Shanghai is one thing, getting it from the port in the US to its ultimate destination is quite another. "Literally, it can be an inch," Bae said, that marks the difference between getting the machinery transported under a bridge or not.

Bae's advice: Whenever possible, bring in the customer as early on as possible. "It's always good to involve them from the beginning so we can let them know the parameters," he explained. "You want to build it an inch more, you know, we can get around, but...it might cost you \$20,000 more."

Operational expertise must be coupled with a sense of financial ramifications. And tapping into knowledge of foreign ports is critical as well. That's especially true since project cargo is almost, by definition, one-off work. A port may be equipped to handle containers, but can be severely challenged to do project work. And, there's the issue of customs clearance and other legal matters that requires local knowledge.

That's why choosing a partner to be a logistics counterpart is absolutely critical. The best partnership, said Bae, is to find someone with the same ethos, the same expertise, the same drive, and a similar corporate culture. That comes with experience. "They're basically another version, a 2.0 version of Seahawk Logitech," he said. "I feel comfortable because I've done enough projects with them, that I do find they have the expertise to handle this."

There are several ways of establishing these partnerships, Bae said. The most traditional is to get references from other agents. "I need a referral for an agent in Brunei," Bae explained. "I don't know anyone in Brunei, but I know someone in Shanghai. I call him and say, 'do you know anybody in Brunei?'"

Another method is to rely on associations and networks. Seahawk Logitech, for example, is part of the Project Cargo Network, a group of more than 230 companies operating in 103 countries.

However, Bae cautioned, a third-party referral or “being involved in this project network doesn’t mean I have carte blanche doing business with the other guy and vice-versa.” Due diligence is paramount and that involves tapping into other sources for references, for example, ocean carriers, Bae said.

Likewise, Seahawk Logitech gets jobs through its counterparts overseas. “It does work both ways. That’s the beauty of it,” Bae said.

While Seahawk Logitech at one time had offices in Los Angeles, Houston and Mexico, it is now centered just in Chicago, with an office as well in Ipswich, Britain. But that doesn’t mean the company doesn’t think globally, another prerequisite of the trade.

“We don’t have a presence worldwide,” said Bae. However, he stressed, precisely because they’re highly specialized and tap into a specialized network, “I believe companies like ourselves have a better understanding of the project” then do some of the giant, all-purpose 3PLs, which may claim to have 200 offices, but lack necessary project cargo expertise in every office.

“I tell my customers, you may have a guy sitting in Houston you’re comfortable with, but the guy [from that company] that’s sitting in Ho Chi Minh is at most going to be a clerk doing a booking,” he said.

On the other hand, many general-purpose 3PLs have attempted to move into project cargo, sometimes with disastrous results, Bae said. “I’ve witnessed a lot of companies, one bad move they literally had to go belly up because they couldn’t cover the cost overruns,” he said.

Heavy lift specialists may often be asset light, but they have to have the financial wherewithal to carry a project for months. “We won’t take on a project unless we’re financially able to support the business,” Bae said. “I do have to lay out a lot of credit. I have to pay the ocean carrier, I have to pay the trucker, well before I get paid.”

Bae’s own company has evolved over the years. Kyung H. Kim founded the company and remains its president. Originally from Korea, Kim spent many years as a manager with Hanjin Shipping. When first started, Seahawk Logitech got most of its business from Korea, but that was primarily containerized freight. Now, said Bae, Korea accounts for less than 3% of total business.

That reflects a natural progression of manufacturing, away from Korea and Japan, into China and Southeast Asia, with an emphasis on Europe as well.

“If we had stayed with [containers], the Korean portion [of our business] might have been the majority, but because our big focus was the project, we had to go where the project was going,” Bae said.

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