



WORKING AS ONE

THE NEED FOR GREATER VISIBILITY OUTWEIGHS DATA SHARING CONCERNS



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For businesses across the ocean supply chain, providing end-to-end visibility and predictability is vital for staying ahead of the competition. Yet planning processes across the container flow currently take place in silos, with little standardization or real-time information exchange, and few opportunities for collaboration. However, an industry report that Navis conducted with XVELA and JOC.com/IHS Markit found that many executives are realizing the immense value to be gained from a more connected, transparent and collaborative approach. As a result, they are exploring cloud-based, collaborative data-sharing platforms to provide all stakeholders with the real-time visibility and connectivity required to improve efficiency and productivity.

The study, titled “Working as One” [1], is based on a survey of 250 shipping industry executives and professionals from terminals, ocean carriers, shippers, logistics providers, consignees, port authorities, vessel owners and other

members of the global container supply chain. The report examines the extent to which different players can work together in a unified fashion with a common set of shared data to improve coordination and synchronization of operational processes. With increasing executive buy-in for greater collaboration and data sharing around end-to-end container planning processes – from stowage planning and execution to berth window management, port call optimization and inland connectivity – the industry idea of tapping into a larger ecosystem of shared data appears to be within reach.

The first step to tackle the fundamental lack of visibility in the industry and achieve joint success among key stakeholders is the broader sharing of critical shipment information across the supply chain. Surveyed executives echoed this sentiment, reporting the following:

- Agree on the need for stakeholders to operate with a common set of data (97% important; 85% very important)

- Believe the adoption of new technologies is crucial to enabling real-time collaboration (98% important; over 50% very important)
- Believe they will see substantial improvement in operational performance once real-time collaboration is achieved (one-third predict gains over 75%; over half expect gains of at least 50%)

In the shipping industry, each stakeholder has traditionally had to work with its own set of data. Frank Kayser, Group Managing Director for maritime services company V.Group, has found that every part of the transaction is working with an individual's reality, but with the advent of collaborative platforms, stakeholders will all have a “shared reality” in which everyone can talk about the same information in an intelligent way, thus avoiding misunderstandings and misperceptions. This shared information flow is going to benefit us all.

With a growing demand for more information, collaborative platforms like

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XVELA will provide greater transparency into operational processes and reduce operational waste. The range of expected benefits noted by respondents includes:

- Benefits of Earlier, Better Visibility to Upstream Port Activity:
 - o Better customer service (51%)
 - o More precise planning for capacity, stowage, and other marine processes (46%)
 - o Earlier awareness of disruptions and more time to execute contingency plans (45%)
- Benefits of Enhanced Berth Window Visibility, Predictability:
 - o Improved on-time performance (50%),
 - o Better ability to manage trade-off decisions if vessels are too late or early (40%),
 - o Real-time operational awareness of critical timestamps like Estimated Time of Completion and Estimated Time of Departure (39%)
- Benefits of Port Collaborative Decision Making Services:
 - o Improved operational and situational awareness during a port call (65%)
 - o Enhanced coordination among port stakeholders (54%)
 - o Reduced port congestion (54%)
 - o Better berth planning and utilization (53%)
- Benefits of Enhanced Inland Visibility, Predictability:
 - o Better intermodal connectivity and reliability (60%)
 - o Enhanced yard management and dwell-time control of cargo flow (44%)
 - o Better resource allocation for gate and yard (41%)

As the survey indicated, awareness of the value of advanced digital technologies has been gaining strength among senior executives. Scott Peoples, President of the TOS business at Navis, attributed this trend to narrowing profit margins in the maritime shipping sector, which has become commoditized. Peoples explained that more and more C-level executives at every ocean carrier and terminal now view digital transformation as a strategic issue. He added that these executive teams understand that they have to use digital technologies to transform their business in order to expand what they are doing along the value chain, so that they are not commoditized. Senior executives at all the ocean carriers and terminals now want to invest time in this sort of initiative, and really want to change their companies more than ever.

Andy Barrons, Chief Strategy Officer, Navis has found that, traditionally,

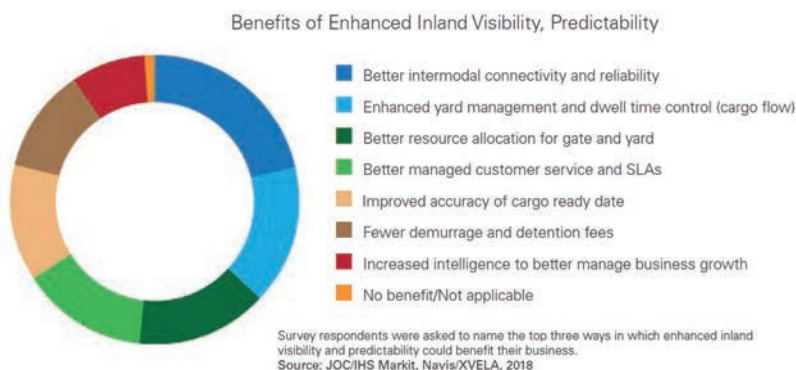
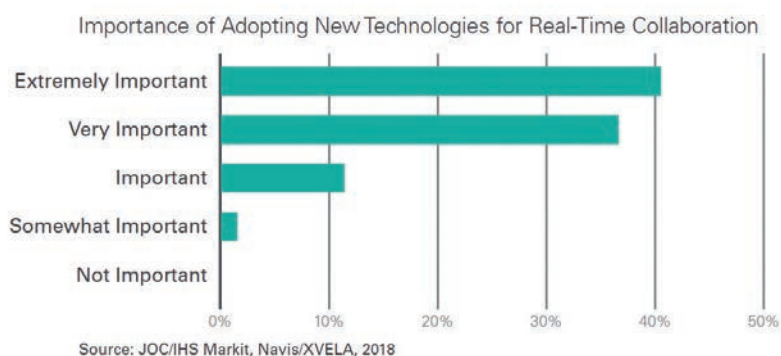
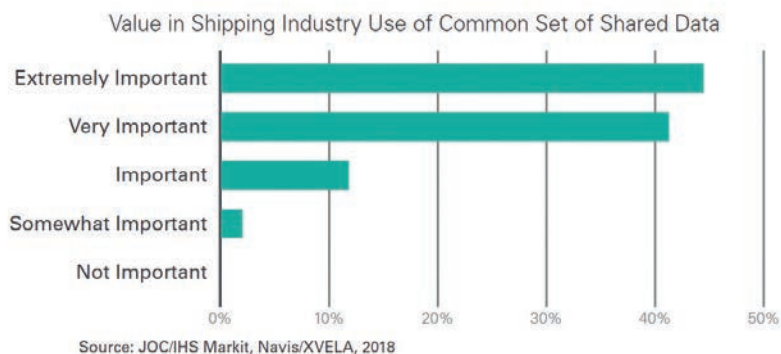
the ocean shipping industry has been comprised of isolated processes such as inaccurate sailing schedules as ships would often speed to a terminal only to wait there because of delays affecting other vessels that, in the absence of real-time data, could not be anticipated.

In response, XVELA and Navis are developing technology to enable the simplification and synchronization of planning processes across the container flow from stowage planning, to berth-window management, to yard planning. There are initial pilot programs in place and beyond that, quite a few other ports are already looking at collaborative platforms as a key for reducing congestion and taking out the unpredictability of the container's flow through the port, all the way to the shipper's distribution center.

LACK OF STANDARDS, FEAR OF SHARING MUST BE OVERCOME

While the potential upside is clear, several challenges remain when it comes to sharing data in real time. Survey respondents reported the lack of industry data standards as the biggest challenge to achieving real-time collaboration. In addition, concerns around data sharing remain a primary obstacle with 51% noting an unwillingness of others to share data as a leading barrier to collaboration and 44% not comfortable sharing their own key data.

But the industry's attitude towards collaboration has started to shift, and there has been a surge of interest in data sharing to tackle endemic inefficiencies. Survey findings support this uptick, with organizations reporting that they are already considering better collaboration with their operational partners – 61%



have spent at least two years evaluating collaborative processes. Looking down the pipeline, attitudes remain optimistic with 70% expecting collaboration between shipping lines and terminals to become commonplace within the next five years and 38% predicting it will happen within three years.

After research in his sector, Guy Rey-Herme, President, XVELA, has discovered a real need throughout the ocean supply chain to synchronize traditionally siloed activities into a more streamlined process based on communicating a higher quality of data and sharing that information earlier; allowing more time to plan the whole operation.

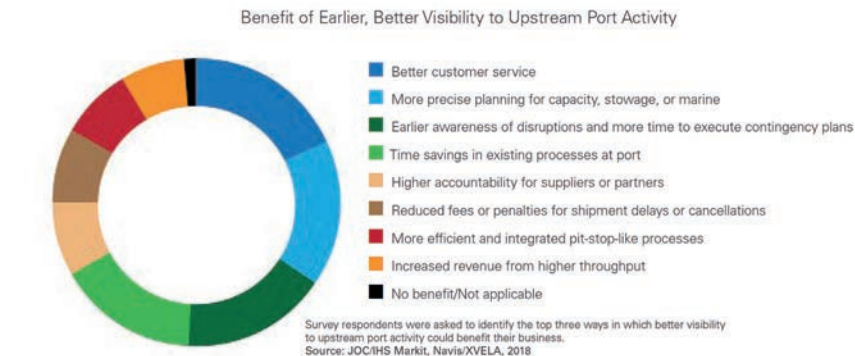
XVELA is designed to provide visibility in real time, so that each party can make better-informed decisions using reliable information. Ultimately, as the industry achieves the ideal of ‘working as one,’ the resulting transparency and efficiency gains will allow stakeholders across the supply chain to not only cut costs, but also to focus more keenly on what counts even more – the customer.

BUSINESS CASE FOR COLLABORATION

Benoit de la Tour, President of Navis, has agreed that there is a consensus among CEOs of very large organizations that they need to tackle endemic inefficiencies. Where to start? Stowage planning is an inefficiency that probably costs the industry between 1.5 to 2.5 billion every year simply because you have vessel planners on one side and yard planners on the other side, and no one on one side speaks to anybody on the other side. While this inefficiency is incredibly costly, there is an opportunity to prove the value of collaborative data platforms by implementing use cases, practical applications of collaborative technology to address specific pain points along the container flow, such as lack of visibility inherent in the stowage planning process.

Survey respondents expect a wide range of benefits from better visibility to upstream port activity, which can be gained from a collaborative stowage platform.

One international shipping line executive described the potential benefit of such early visibility. He cited the 12 hours required for vessels to travel between Oakland and Long Beach, California. The process of acquiring detailed information about what cargo is on such vessels is “generally piecemeal and late”. As a result, it would be beneficial for both Oakland and Long Beach to have visibility into the flow of cargo coming to Long Beach even before it departs Asia. Long Beach should be able to see the changes in cargo flow and adapt their operations to



meet them, he said. The decision making process would then be extended, and the additional transparency would prompt closer collaboration between Oakland and Long Beach regarding how those ports deal with other issues such as late vessels.

REFERENCES:

[1] www.navis.com/workingasone

ABOUT THE AUTHOR

Derek Kober is Vice President of Marketing at Navis, where he leads industry thought leadership and communications initiatives for Navis and XVELA. Previously, Kober headed up marketing communications for Adaptive Insights, a cloud leader in planning and budgeting software, and he led corporate marketing for Saama, a big data and analytics services company. Earlier in his career, as a Senior Vice President and partner at GlobalFluency, he managed dozens of clients and ran thought leadership programs for a variety of hi-tech, B2B, and supply chain related clients and underwriters for this top marketing and public relations agency. He also managed IT systems for Morgan Stanley, and led marketing and finance initiatives for Tandem Computers and other software companies. He holds a bachelor's degree in Engineering and Psychology from Stanford University and an MBA with an emphasis in Marketing from the Haas School of Business at the University of California Berkeley.

ABOUT THE ORGANIZATION

Navis, a part of Cargotec Corporation, is a provider of operational technologies and services that unlock greater performance and efficiency for the world's leading organizations across the shipping supply chain. Navis combines industry best practices with innovative technology and world-class services to enable our container terminals and carriers alike to streamline their ocean supply chains and better

WHO WILL LEAD THE WAY?

With change on the horizon, many believe it will be the shipping lines and major shipping alliances that will be the primary drivers for synchronizing information in the carrier/terminal planning space, according to the survey. Global terminal operators and individual terminals will lead the way in improving communication around berth window management, and port authorities will accelerate collaboration efforts among the port community.

collaborate together, transforming how goods are efficiently delivered. Whether tracking cargo through a port, automating equipment operations, or managing multiple terminals through an integrated, centralized solution, Navis provides a comprehensive set of solutions to optimize terminal performance, vessel performance and cloud-based collaboration that drives transparency, efficiency and profitability to a network of ocean carriers and terminal operators.

XVELA provides a transformative, cloud-based collaboration platform and maritime business network that drives transparency, efficiency and profitability to ocean carriers and terminal operators. Through real-time collaboration, shared data and actionable visibility across the vessel rotation, XVELA enables terminals, carriers and their operational partners to work together to simplify, connect and optimize their end-to-end planning processes, starting with stowage planning and now expanding to berth management and port call optimization. The result is a win-win solution that allows both terminals and carriers to forge new efficiencies, improve customer service and reliability, and capture substantial untapped savings across the container supply chain.

ENQUIRIES

Web: www.navis.com
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