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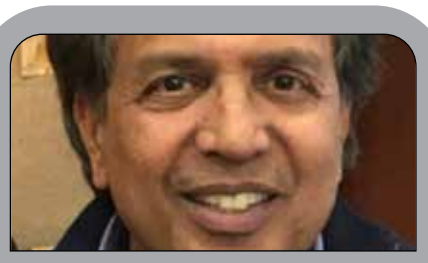

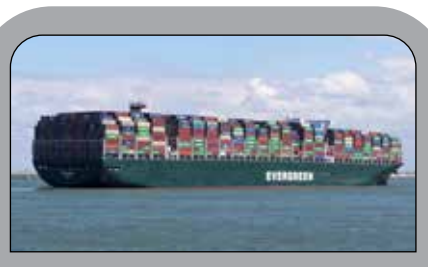

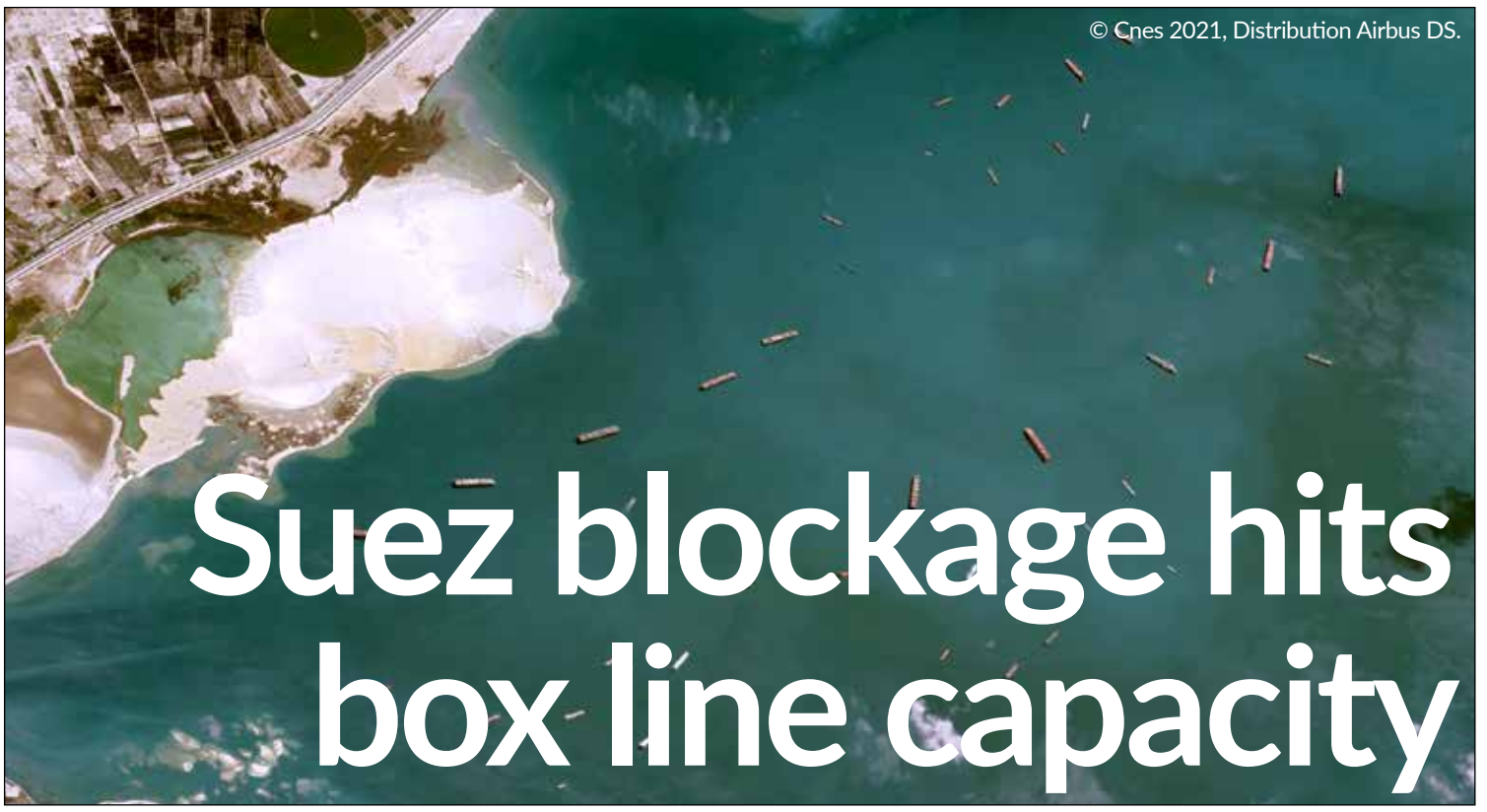

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Suez blockage hits box line capacity

Delays could be compounded by a lack of vessels available

FORWARDERS should urgently advise their customers of a likely shortfall in capacity following the Ever Given's blockage of the Suez Canal, as well as delays in retrieving cargo from the ship itself.

The first weekend of April saw northern European ports "eerily quiet" – but since then ULCVs have been hot-footing it from the Mediterranean, hoping for a swift turnaround back to Asia. Vessels looks set to be some 10 days late – but many are expected to have to wait for a berth on arrival, while alliances are looking to juggle ship rotations to mitigate the impact of congestion.

Ports have warned that they are in danger of becoming overwhelmed and asked for flexibility. The port of Rotterdam said: "Since the terminals won't be able to help everyone at the same time, we are calling on all parties in the logistics chain to check whether they have any opportunities to adapt their processes in the interim."

And consultancy SeaIntelligence has warned that the "ripple effect" from the Suez blockage will cause a shortfall in export capacity.

"On Mediterranean to Asia, the immediate impact is a sharp dip in export capacity of 60 per cent … but this is followed by an equally sharp spike thereafter, as the delayed vessels finally make it to their designated ports," noted the consultancy.

> "The most important element is for European exporters to note just how large a drop they will face"

"Then there is a series of what can best be described as "reducing waves" as the ripple effects of the impact slowly evaporate."

North Europe to Asia routes faced a drop in export capacity of 80 per cent - followed by much higher-than-usual outbound capacity, it added.

"But an imminent sharp drop in export capacity will most certainly leave a significant amount of European export cargo stranded in Europe for a week or two until it can be moved."

It continued: "The most important element is for European exporters to note just how large a drop they will face imminently in export capacity, and plan in accordance with the reality that a sizable part of the cargo has to wait one to two weeks before it is physically possible to get loaded on a vessel going to Asia."

Delays could be compounded by a lack of vessels available at the moment; if the backlog of cargo cannot be discharged at the nominated port, the scarcity of feeder vessels could mean further significant delays.

Continued on page 3

Ever Given: demand spreads to other modes

AIR charter rates, and enquiries to forwarders for air freight capacity have soared since the Ever Given ship became stuck in the Suez Canal on March 23 for six days.

"Charter prices have gone through the roof for the coming weeks, capacity seems scarce and, indeed, some shippers have reached out to us for alternative solutions via air," said one forwarder specialising in Asia-Europe.

BRUCE CHAN
Stifel

Carriers have also reported an increase in requests – but capacity remains scarce, and many are fully booked for the next few weeks.

Freight Investor Services (FIS), which monitors forward demand, said that air freight rates looked likely to rise through April and May.

Meanwhile, 'normal' air freight demand remains strong. Retail inventories are at near-record lows, explained Bruce Chan, vice president global logistics at Stifel, while US stimulus cheques are likely to "supercharge retail demand flows on eastbound transpacific routes".

He added: "And progressive re-opening and vaccination could drive activity in the realm of pharmaceuticals and even fresh foods.

"But among the common airfreight commodity classes, we think hi-tech and e-commerce-related shipments are leading the way."

While vaccines may stimulate more demand for goods, on the flip side they could also support the resumption of passenger travel, which would add belly capacity to the market. This, said Peter Stallion of FIS, could lead to a fall in transatlantic rates in the third and fourth quarter.

"Charter prices have gone through the roof for the coming weeks"

Passenger volumes will become a "core indicator" for air freight, he explained.

Either way, experts predict a continuation of market volatility in the near-term, because of the "structural lack of capacity", according to Chan.

"On the cargo side, the pace of conversions and incremental freighter deliveries have helped to augment global capacity, but they can only move so fast, in our view.

"Global freight capacity is almost universally scarce right now, across geographies and across modes, which further reduces optionality for shippers."

Rail services between China and Europe were up 96 per cent year-on-year in the first two months of 2021

Overland options

Air is not the only mode to have seen a spike in demand. Chinese forwarders have reported that Asia-Europe rail enquiries have also soared – but that trains are already full.

One forwarder said there was limited space in late March and April before the Suez blockage, but that now capacity would be sold out until May. The demand would also lead to rate increases, he said.

However, according to Rob Foster, business development manager for central and north China at Norman Global Logistics, there are no significant delays on the rail network.

Rail services between China and Europe were up 96 per cent year-on-year in the first two months of 2021, reflecting the scarcity of capacity in other modes. Forwarders have also reported a rise in demand for road freight from China to Europe.

Airlines face backlash after 2020 failures

FORWARDERS are expected to bargain hard with those airlines that let them down last year.

Airline financial results for 2020 have revealed which carriers adapted quickly – and which failed.

With global air freight rates on average some 75 per cent higher than in 2019, of the major passenger carriers, only two saw cargo revenues fall: Delta, which saw revenues drop 19 per cent, and American Airlines, down nearly 11 per cent.

"When Covid hit, American pulled its schedule hard and quick on the passenger side," said one airline insider.

"It was very slow to react to the opportunities of using aircraft as freighters, as it didn't think it would be financially prudent. It really took AA three or four months to get going.

"It happened when the heavyweights there realised that other airlines were doing well – in particular United. By then it was not so much financial, as a pride thing. It just took its eye off the ball."

AA acknowledged that it had assumed its passenger network would return more quickly than it did. By the third quarter however, its cargo revenues were the same as a year earlier, and the fourth quarter saw its revenues jump 32 per cent.

While Delta has a less cargo-friendly fleet that AA, observers have questioned whether continued high turnover in its cargo management team and strategy had also contributed to its poor performance.

"Forwarders are going to insist on better treatment"

The insider claimed that airlines which failed to cater for their customers last year would face hard bargaining this year.

"Forwarders have been miffed at the way some of the large carriers behaved, particularly on price-gouging, or not offering solutions. There is still an under-supply in most markets, but the balance of power will come back to the forwarder.

"Forwarders are going to insist on better treatment. One is already pushing very hard for major airlines to give it sweetheart deals. If you have not been supporting forwarders, your terms and conditions will be much tougher."

Forwarders urged to contact customers as GA is declared

continued from page 1

Not only has the blockage exacerbated existing problems with capacity and a shortfall in empty boxes, but customers with shipments on the Ever Given could be waiting a long time for their cargo, now that General Average (GA) has been declared.

Fiata said forwarders should act quickly.

"Freight forwarders are advised to act fast to provide notice to their customers and support them in obtaining a General Average guarantee from their insurers, should a relevant insurance policy be in place," it said.

BIFA reiterated the call, urging forwarders to begin GA procedures.

Robert Keen, director general, said: "When our members receive notification that a General Average has been declared for a vessel, whatever the position, their first action must be to give the importer immediate notice.

"The appointed average adjusters will need to be in possession of completed guarantees and bond forms, or a cash deposit, before release of cargo, so it is vital that the importer takes immediate action."

Shippers with cargo on the Ever Given will be in for a "lengthy wait" for containers to be released, added Fiata.

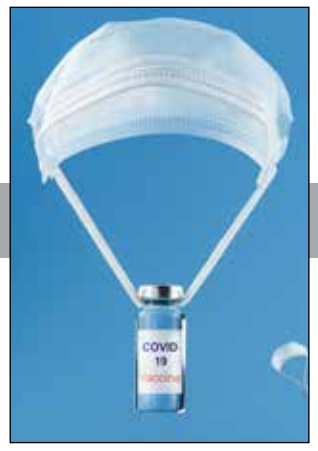
"The declaration of General Average implies an obligation for shippers to pay a bond on cargo interests before containers can be released from the ship, and the exact costs are expected to take some time to determine. Shippers without appropriate insurance cover will be vulnerable to losing their cargo altogether if they do not pay the required cash bond."

It said the situation "demonstrates the importance of having proper insurance cover, and the crucial role played by freight forwarders".

Legal wranglings, meanwhile, could delay the cargo even more. Ever Given's Japanese owner Shoe Kisen has filed a limited liability claim against Evergreen and any other party looking to claim damages, while the Suez Canal Authority is expected to file a damage claim for up to $1bn.

"While this looks to be a highly overstated figure, it may serve to create further delay to the vessel's departure from Suez, and possibly also to increase significantly the total amount sought to be adjusted in General Average," said marine claims consultancy WK Webster.

The Ever Given is currently at anchor in the Bitter Lakes area of the Suez Canal, where inspections have reportedly discovered slight damage to its bow, which needs to be repaired before it can continue its voyage to North Europe.



Focus ON

Covid triggers change in time-c

FOR time-critical suppliers, the second quarter of 2020 became something of a bun fight to land PPE shipment work. But, for the just-in-time model more generally, it raised questions over how a political and environmental climate in such flux could afford to maintain a supply chain model providing enhanced efficiency in exchange for absolute certainty – a certainty that turned out to be not always available.

Since its inception some 60 years ago, the Japanese-developed just-in-time model has allowed businesses to operate on a reduced inventory, in turn reducing the operating footprint. With parts delivered as and when they are required, a smooth working chain is created. It's more efficient. But the trade-off for efficiency is a vulnerability to sudden shocks. Say for example, those caused by a pandemic.

Similar incidents such as SARs, and numerous geological events, have over the years raised concerns about the over-reliance many countries have on just-in-time processes. To withstand a future crisis of a similar nature, many have begun promoting a new model known as "just-in-case".

> "Without doubt 2020 has had a huge impact on our business for various reasons"

Effectively, "just-in-case" relies on near-shoring; reducing the range of products built to more accurately reflect consumer demand; and building in greater resilience mechanisms.

What does this mean for time-critical suppliers? Opportunity. They have the experience to supply resilience mechanisms – whatever the commodity.

2020 has led to changes and opportunities, agrees sales manager at Espace Customs Consortium, Kelly Vasey.

"Without doubt 2020 has had a huge impact on our business for various reasons," Vasey tells Voice of the Independent (VOTI). "We have always been heavily involved with the Automotive sector, so initially we saw a big drop in export/import trade. Obviously with the closure of OEMs, Tier 1 and 2 suppliers this was inevitable."

But, she added, demand for same-day essentials soared instead.

Group sales and marketing director at Priority Freight Services, Stuart Stobie, says that if anything, the pandemic has exposed the need for greater consideration to be given to having a "reliable" premium freight provider on the books.

"I think with just-in-time supply chains becoming more and more the norm, manufacturers have seen the importance of having reliable premium freight providers to complement their normal carrier pool and that they have an important and strategic role in maintaining production levels," Stobie tells VOTI. "This has led to more partnerships, better planning and less on-demand provision."

Vasey points to different client needs, creating different freight paths. "There will always be a need to run time-critical freight alongside standard movements," she says. "Each different industry and business has their own specific requirements. Our aim at Espace is to support every business model, understanding their priorities."

Vasey adds that the specific restrictions caused by Covid were business-as-usual for time-critical suppliers. "Has 2020 altered just-in-time services? I'd say not. Time-critical freight is always specialised, and drivers will always adhere to the high standards asked of them. Covid testing and hygiene factors will remain standard for the foreseeable, but service levels will remain high."

Covid demand

Demand too, has been high. Vasey notes that at the same time Espace's automotive work was grinding to a halt, the need for UK same-day services for essentials was increasing; opportunity beckoned.

"Our UK same-day service continued delivering essentials and equipment to supermarkets and hospitals," she says. "All our drivers were tested regularly and followed strict procedures whilst our team worked from home successfully with the use of Teams, Zoom and improved IT systems.

"We are very fortunate to be involved with various sectors and have the ability to move freight on a global scale. When lockdown eased in July, we noticed that traffic picked up again in all areas and has continued to grow since. So much so that we have been recruiting in all areas to manage capacity and will be moving to bigger offices in July."

Landing the new time-critical jobs was by no means easy, said Stobie, who described it as a "fight" to secure contracts for delivering essentials – in Priority's case, there was a lot of focus on delivering PPE. But he also says that he was left "proud" of the way he and his team performed over the past 12 months, noting they had kept to their principals of providing "fast, reliable, bespoke competitive solutions". Some of that pride likely comes from the fact that following these principals also resulted in the highest performance in the company's history.

"This fight and competition was [hard] and we were all battling for survival," he says. "June saw supply chains come back to life and businesses wanting to get back on target in terms of production and revenue levels. However, capacity had been slimmed down, not only in the air as a ban on international travel was introduced, but on the road too, as businesses had reduced headcount due to lower need in the previous three months. The challenge then was to meet customer requirements, so a large, agile and engaged supplier base was important as well as having your own teams working in harmony to solve supply chain issues."

KELLY VASEY
Espace Customs Consortium

> "This has led to more partnerships, better planning and less on-demand provision"

Getting creative with capacity

The impact of the pandemic continues. Operations manager at Time Critical Line Iuri Plesnila tells VOTI that while April to June last year was the toughest stretch – when "we were working from home", and engaging local legislation wherever shipments were due – ongoing side effects continues to linger.

"Because of the low capacity offered by airlines, the charter business has increased a lot," says Plesnila.

Time Critical

critical sector

"So, where before we had regular or express airfreight operations, we have now switched to charter. Rates are also on the up, with those to the US and Mexico increasing, as have the cost of imports from China to Europe. Standard shipments are going for a higher rate than what we charged for time critical in 2019, which in turn are generating automatically higher revenues for time-critical providers."

Stobies and Plesnila both note that while there have been different circumstances in different countries, and local disruption, all have resulted in an increased need for premium services as industry looks to "buy back time" in supply chains.

"The biggest issue has continued to be capacity, with sea freight over-subscribed and a lack of passenger uplift impacting on the air freight capacity," says Stobie. "Premium freight providers have had to be creative and innovative in the solutions which they have provided, but it has also created opportunities as customers looked to utilise more flexible companies who weren't tied to networks and block space agreements."

Heightened demand for time-critical services predates the pandemic, and goes to the root of the concerns that many have begun to raise around the over-reliance on just-in-time supply chains. Whether it's Brexit, or climate protests, or social unrest, manufacturers reliant on just-in-time have increasingly found themselves caught short.

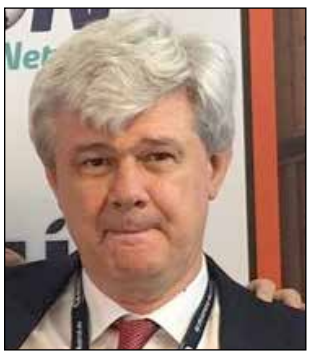
> "We've all been trying to manage supply chains, with the whole industry paddling furiously below the water"

Brexit shock

Car-makers often find themselves at the forefront of this trend. Chief executive of the Society of Motor Manufacturers and Traders, Mikes Hawes, told UK politicians in February that the impact of the UK's departure from the EU was all about "damage limitation" to the supply chain.

"It's too early to speak of any tangible benefits from Brexit, most of the industry is looking at it in terms of damage limitation," said Hawes. "We've all been trying to manage supply chains, with the whole industry paddling furiously below the water, because moving goods is difficult, and the administration has become significantly complex – and I believe we are a sector that was as well prepared as any."

STUART STOBIE
Priority Freight



IURI PLESNILA
Time Critical Line

Damage limitation has however provided opportunities - in this case, the time-critical suppliers who have developed the capabilities to cater for the urgent needs of businesses caught short when their just-in-time model of efficiency gets a spanner in the works.

"We have certainly noticed an increase in the demand for time-critical services," says Vasey. "Especially more recently since Brexit. Because production was behind in many areas due to the initial lockdown, we found that many clients who generally moved standard EU freight now wanted to book EU express to get back up to speed.

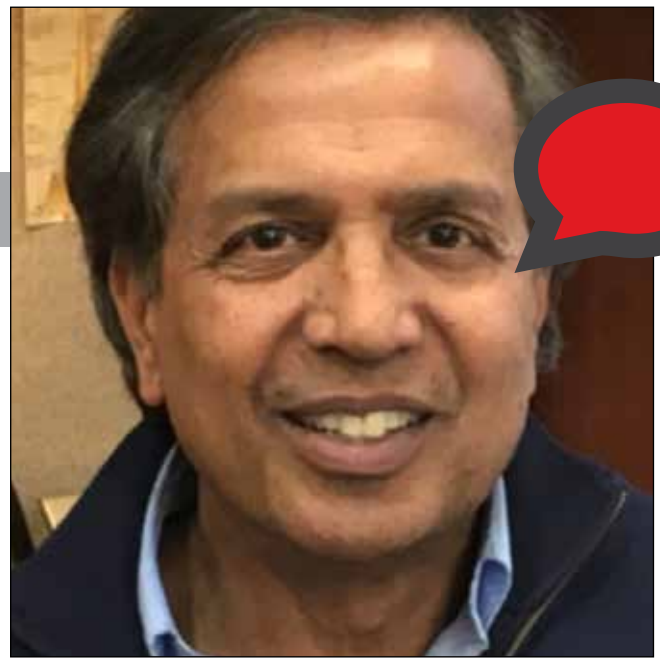
"With added post-Brexit customs formalities there has been a considerable increase, particularly during the first quarter of 2021. Clients would much rather pay for a dedicated service than run the risk of even further delays and uncertainty with groupage and part load movements."

2020 has certainly blurred some lines in the time-critical space. Car production may have ground to a sudden halt, abruptly ending the need for a supply of parts, but whether its PPE, testing kits or bread-makers, new commodities have joined the freight express lane. And forwarders, as ever, have adapted to capture those flows.

Spotlight ON

Satish Jindel

A new business model required for US LTL sector



President
SJ Consulting

CONSULTANT Satish Jindel believes firmly that the less-than-truckload (LTL) sector in the US is ripe for disruption. A new business model is required, he argues, which will revolutionise the LTL landscape – no longer will LTL will be "less" of anything.

"I never understood why anybody would want to be known as something less," he explains, reasonably.

However, 'less-than' is deeply ingrained in a business model that is as outdated as it is confusing, he says.

> "I never understood why anybody would want to be known as something less"

Jindel's comparison with the truckload sector is scathing: LTL costs more, has longer transit times, requires more labour and capital investment and has higher incidences of damage and loss.

Not only that, but the sector is trapped in outdated practices, such as an insistence that everything moved has to be on a pallet, he adds.

But all this pales in comparison to pricing, which is where the US LTL industry's arcane model hits heights of absurdity, he believes.

The industry could charge its customers simply: by volume/ weight and distance. But instead, it is clinging on to a pricing model that harks back to the days of regulation, from some 40 years ago.

LTL pricing revolves around a matrix of more than 40,000 postal codes, along with 18 product classifications and nine weight categories. This creates a staggering number of possible rate configurations, in excess of 276 billion variations, to be multiplied, for good measure, by more than 4,000 base rates set by carriers and shippers.

Jindel points out that this figure is more than 1,000 times greater than the total number of LTL shipments handled since the birth of the sector in the 1930s.

It will come as no surprise that the results of these arcane mathematics are sometimes absurd. He cites one shipment weighing 944 lbs, that travelled 44 miles at a base rate of $1,872, which translates into a mindboggling $42 per mile.

While other consultants agree with Jindel, so far operators have failed to try to implement an easier and less time-consuming system.

"The industry is stuck in the past. The excuse is 'shippers don't want us to change it'," he says.

And to an extent that's true, he concedes, despite battling a regime that leaves shippers at the mercy of middlemen to try to make sense of a bewildering system and achieve some savings.

> "The industry is stuck in the past. The excuse is shippers don't want us to change it"

Operators have seen no significant impetus for change, while others in the mix are benefiting from the confusion on the shipper side, Jindel explains. He points to brokers, who manage about 30 per cent of the US LTL market, and to TMS providers selling solutions to shippers.

And disruption from outside the sector has not happened either, which Jindel attributes to the relatively small size of the LTL market. At US$42 billion, it is, for example, much smaller than the $100 billion parcel market.

While there are hopes that one large operator could force the hands of others, Jindel doubts that the current crop of operators will move to disrupt their set-up. They should also have pushed into the final-mile sector, but failed to do so in a meaningful way, he notes.

He compares the LTL scene in the US to the automotive industry, which did not see the need to move to electric vehicles while it could keep making money selling petrol-powered cars.

"If you think of electric cars, you think of Tesla, not of General Motors or any of the other established carmakers. They had no inclination to let go of their shackles," he says.

The dynamics in the market – characterised by the rise of e-commerce, tight capacity and a shortage of drivers – creates "an opportunity to start a new business that focuses on segments of the future, not drums of chemicals and auto parts on pallets", he continues.

He has no doubt that the LTL sector is ripe for disruption – and he has some experience. Jindel founded his company in 1993, after having played a leading role in the development of RPS, which subsequently was acquired by FedEx to form FedEx Ground. He has advised all major integrators on strategic decisions, including UPS on its relationship with USPS, and DHL on its US domestic service.

Forwarders: sign up to diversity

A new group, Women in Aviation & Logistics, is urging all companies and individuals to join it in a bid to improve gender diversity.

The group is developing a series of initiatives to help companies highlight women and encourage others to join the industry. It will provide a public database of highly qualified women who could become board members or speak at events; provide help in setting up forums, both locally and globally; establish a knowledge centre; and push for progress in broader diversity and inclusion metrics across the industry.

"We have been talking about this for far too long, it is time to take action," said group co-founder, Emma Murray, chief executive of Meantime Communications.

"We want [it] to kick-start a movement for change, which will benefit us all, transforming air cargo into the diverse industry it should already be, and encouraging and attracting the next generation of air cargo leaders."

The group's first webinar attracted more than 70 male and female delegates from freight forwarding, as well as industry associations and carriers. Speakers revealed that encouraging women to enter the industry was a sound business decision.

Just 13 per cent of senior leaders are female, but research shows they make better leaders when scored across a variety of categories, pointed out Henrik Kofod-Hansen, co-founder of Novosensus.

Kofod-Hansen, who said he never had a female boss in a 28-year logistics career, said businesses that failed to boost diversity would miss out.

"We need to change the narrative," he said. "This is not about corporate social responsibility, this is about business."

EMMA MURRAY
Meantime Communications

But he added, women needed to take control of their future as much as businesses did.

"Take full ownership – don't wait for your company to do it."

Others pointed out that men's confidence and self-worth tended to be higher, while women needed to understand that they don't have to be perfect to apply for a promotion.

Insights IN

Seafreight – comment by Mike Wackett

Too general an average

MIKE WACKETT
Sea Freight Consultant, FICS

NOT for the first time in this column I am calling for a review of York-Antwerp rules for General Average (GA) relating to large containership casualties.

The Japanese owners of the 20,388 teu Evergreen-operated Ever Given, Shoei Kisen Kaisha, declared GA on 1 April.

Unfortunately this was not a joke – unlike the numerous memes pinging around the internet of the stricken ship that had straddled the Suez Canal and stymied trade from Asia to Europe for almost a week.

Far from it. The grounded ship – the butt of all the jokes that captured the world's media for its 15 minutes of fame, will likely now be infamous in the niche maritime world for the longest and messiest GA in container shipping history.

All cargo owners, that is the shippers of the 10,000 plus boxes, as well as the potentially hundreds of groupage container shippers, must now submit commercial invoices; a copy of the bill of lading; an Average Bond form; as well as an Average Guarantee form (signed by the insurance company), to the average adjusters.

Insured shippers must wait, and wait, until the average adjusters have determined the percentage liability of the cargo value, before they can take delivery of their cargo.

Uninsured shippers will need to provide a cash deposit.

Until such time as GA has been determined then there is a lien on the cargo – wherever it is eventually discharged.

> **Insured shippers must wait, and wait, until the average adjusters have determined the percentage liability of the cargo value**

The extensive and complex administration of the Ever Given GA will result in a significant delay to the delivery of cargo which could be ruinous for some shippers and result in a substantial amount of abandoned cargo.

And what about the impact on individuals awaiting personal effects or household goods?

GA is a basic principle that allocates the costs of maritime casualties among parties who benefit from the cargo and ship being saved.

It is a practice that can be traced back to the ancient Greeks and then adopted by the Romans to cover sacrifices made in a maritime adventure.

Over the centuries the scope of GA was widened from the practice of jettisoning cargo to lighten a load during storms to include a myriad of other expenses relating to the common safety of a ship to complete the voyage, such as salvage tugs and port of refuge costs.

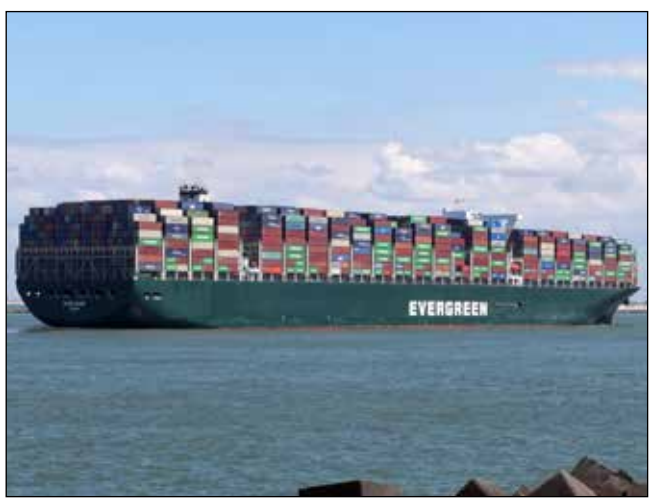
But what may still hold good for bulk or general cargo ships in the 21st Century is hopelessly cumbersome and unwieldy for the thousands of cargo interests involved in a large containership GA.

The rules relating to containership General Average will take some time to change of course, but what needs to change and must change immediately is the manner in which carriers drop their customer shippers like a stone the moment that GA is declared.

Evergreen's president Eric Hsieh said that its risk exposure to the incident was "very, very low" making no mention of any empathy for the predicament of its customers who had favoured the line with shipments on its long-term chartered vessel.

Moreover, at the time of writing there was no advice to the unfortunate Ever Given shippers on Evergreen's website, or that of its Ocean Alliance vessel-sharing partners CMA CGM and Cosco / OOCL.

When demand returns to some form of normal and carriers are once again trying to entice shippers to book with them they may find the scars of the Ever Given GA are still raw.



The Japanese owners of the 20,388 teu Evergreen-operated Ever Given, Shoei Kisen Kaisha, declared GA on 1 April

Control towers on the rise

ARE control towers overrated? A new study by Accenture, based on input from some 700 executives in the engineering, construction and procurement sectors, found that 79 per cent were using control towers in their supply chains; but only 34 per cent reported reductions in equipment and material costs.

According to Accenture's analysts, a major factor was that engineering firms are less advanced in digitisation and data-sharing infrastructure.

Brian Shipley, vice-president, digital products at Crane Worldwide Logistics, has set up control towers for customers in the energy sector, with mixed results. They work best in supply chains with regular moves, not so well with shipments sent at short notice with a multitude of parties along the way, he said.

Control towers are usually deployed for the sake of improved service and long-term efficiency gains, rather than to attain immediate cost savings, commented Jo Feiks, director of corporate product management, air cargo at cargo-partner. They are a convenient option for companies that need to be able to rely on fast reaction to unexpected events, he remarked.

According to him, the most effective way to manage a control tower is through having cargo-partner staff work at a client's location, where they can be directly integrated into the supply chain. Another option is to have a dedicated employee look after a customer's supply chain across all modes and locations, usually in combination with a link between the IT systems.

"Some customers have asked us to implement local control towers. The benefit here is to have someone who understands the specifics of the country, such as the local infrastructure, and can coordinate daily operations in the local language," he added.

While visibility is at the core of control towers, their role extends far beyond it. Tracking technology and the ability to integrate it with other systems have come a long way over the past 10 years, noted Shipley. "You can get visibility from a third-party technology provider," he said.

More time-consuming than the technology integration is the ground work to be done up front. The quality of service that a control tower can provide is only as good as the company's internal processes, stressed Feiks.

"An important prerequisite for setting up a control tower is to have a clearly defined, customer-specific standard operating procedure and service-level agreement ," he said.

"It's important to do a lot of due diligence up front and document how the client operates internally," agreed Shipley.

"Some customers have asked us to implement local control towers"

Another critical aspect is to get the buy-in from the client's field operations staff, not only from head office, he pointed out. If they are not on board, they will just keep doing what they were doing all along and ignore the new set-up, he said.

While a control tower is fundamentally about visibility, it should be geared towards exception management, remarked Albert Saphir, principal of logistics consulting and training firm ABS Consulting.

"Clients don't want to see shipments that are moving as scheduled," he said. "It's important to manage information better. Information overkill muddies the waters."

BRIAN SHIPLEY
Crane Worldwide Logistics

At the end of the day, control towers make forwarders better business partners, reflected Feiks. "The benefit of control towers is that they make it easy for clients to deal with us," he said.

They also bring improvements in productivity, as forwarding staff spend less time on phone calls and e-mails and can concentrate more on other tasks, remarked Saphir.

"For us it's incredibly important to have control towers," said Shipley, calling them an important competitive tool. Crane has set up regional control towers around the world, some to serve specific industries or sets of clients.

Feiks would like to see more activity around control towers from the carriers.

"From our point of view, there is still a lot of room for improvement on the carriers' side. With our core carriers we do have a single point of contact and this helps to streamline processes. However, we would sometimes wish for a more proactive approach in tracking and reacting to irregularities, especially when it comes to time-definite shipments. Deeper process and IT integration with forwarders would help in this regard. We hope that the awareness for this need will grow in the coming years," he commented.

He has no doubt that the push for control towers and the benefits they offer will continue to build on the shipper side. He has witnessed a rise in demand for this in recent years, especially in the automotive and high-tech industries.

"We do believe that control towers and the associated technology will be a major game changer, also on the carriers' side," he said.

Shipping lines adopt T&T standards

OCEAN freight customers can now gain access to a standards-based API, following the adoption of track and trace (T&T) standards.

Digital Container Shipping Association (DCSA) members have adopted T&T standards, enabling an API which allows clients real-time, cross-carrier data on their containers.

DCSA said "widespread adoption" would create better reliability and real-time responsiveness, and carrier MSC called for collaboration across the industry.

"While a variety of digital innovations exist in the maritime industry, MSC believes new solutions will only be fit for purpose if they can be operated across multiple carriers, service providers and geographies," said André Simha, chairman of DCSA and global chief digital & information officer of MSC.

This year is all about adoption, said DCSA chief executive Thomas Bagge, who has urged the ocean freight industry to act faster than the decade-plus it has taken air freight to digitise.

"We're very pleased adoption is gaining traction among the carriers. But digital transformation of the container shipping industry, and the resulting improvements in efficiency and customer experience, simply can't happen without even more widespread adoption of digital standards.

"DCSA's focus for 2021 is to promote adoption among all stakeholders. Without adoption, the industry will not benefit from the digital foundation being created."

Voice of the Independent
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