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Software Solutions For The Connected Ship

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Container shipping, like any other sector, continues to search every corner of its business for economies. Larger ships, eco-innovations and more efficient terminal activities are obvious targets but carriers would do well to consider smaller wins as well. Achieving savings in less obvious areas can impact significantly on the bottom line. Reducing the cost of the annual container maintenance and repair (M&R) bill could be an easy win for operators of all sizes.

It is often forgotten that carriers will hold between two and three times the number of boxes in relation to their total number of on-board slots. These are costing, on average, around $1 per box per day to cover leasing/depreciation, storage, repair and repositioning. Therefore, for a medium-sized carrier with 10,000 on-board slots, the annual cost of running a fleet of 30,000 TEU would be nearly $11 million a year. This is a sizeable sum. But savings can be made here by examining and reducing the amount of time containers spend in the M&R cycle. On average, 5% of the fleet under repair – that's 1500 boxes using the current example – are undergoing maintenance at any one time. If we could halve this number then our carrier could perform the same level of business but with 750 fewer boxes. This would save over $¼ million each year.

But how is that achieved?

The M&R process is complex and involves many parties and the exchange of many pieces of information. Surprisingly, it is the coordination of these parties that takes the time – often much more than the physical repair process itself. Many operators continue to manage the process by email and while this is workable for a small container fleet, anything more than around 5,000 boxes and it becomes unwieldly and prone to errors and bottlenecks.

The answer is to use a sophisticated software solution that can be accessed through a normal web browser and which connects all the relevant parties – carrier, agent, surveyor and depot. Such a facility will manage the process, introduce efficiency and control; and reduce admin errors. Repair expenses can be automatically validated against previously accepted tariffs and these can be further compared to past repair data to either highlight inconsistencies or to check that a "double repair" is not being authorised. Software will also control the invoice process to validate what has been agreed before authorising invoices for payment. Good systems will facilitate and guide the repair depot to gather and provide accurate descriptions of the damage together with supporting material and validated repair estimates. This information is then packaged and delivered to the repair manager in an easily digestible format. This allows an informed decision – based on hard information - to be made on whether to go ahead with the repair, re-position a box to another location, lease an additional asset from elsewhere or off-hire/sell. Should the repair option be taken, the software will automatically authorize the work and inform all parties accordingly.

The software will then follow through these activities and recognise that the container has been returned to stock and indicate that it is available to be deployed as required. In essence, the software package handles the main administrative overhead leaving the repair manager with all the information needed to authorise the repair.

Until relatively recently, comprehensive solutions like these were hugely expensive and difficult to deploy across a global network of partners. But today's technology allows operators to take "packaged" software from suppliers that is a tried and tested off-the-shelf solution capable of easy customisation to suit individual carriers. This has significantly reduced the cost of implementing intelligent IT within a shipping company and given the small and medium-sized players the same advantages as the bigger operators.

It is important to continue the search for economies, particularly in today's climate of austerity, and we are fortunate that cutting-edge technology is available to facilitate this.

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