



## No looking back

While the IT industry has been expounding the virtues of cloud-based working and the benefits of telecommuting for many years, the unprecedented global crisis we have all borne witness to over the past few months has firmly kicked the business community into the digital space



Almost overnight companies have been forced to rely on telecommuting, to reducing reliance on physical processes and in some cases, to completely overhaul their way of working.

For many companies, this rapid transition has exposed fundamental weaknesses in their IT infrastructure and capability to work flexibly. It has left them exposed and unable to compete. For others, it has shown that there are simple ways to significantly improve efficiencies, reduce costs and enhance flexibility.

While this is a fast-moving crisis with few certainties, the experience so far has demonstrated that shipping companies must embrace digital solutions as a business asset that not only provides efficiency savings but also enables business continuity. With every passing week, the broader impact of the Covid-19 pandemic is escalating and will be felt for the year ahead, and far beyond. Now is the time for companies to invest in flexible IT infrastructure that will fortify their business for a future not only influenced by digital technologies, but wholly reliant upon them. But in the panic, the biggest mistake would be to adopt the wrong solution.

Across the shipping industry, when it comes to IT, until now the approach to selecting new digital solutions has largely been determined by cost, and often guided by short-term decision making. This has led to a significant divide in the digital capabilities of shipping companies – particularly in the liner segment, where inhouse solutions have been built and designed to operate on physical servers and office-based desktops. These systems, in many cases, are fraught with restrictions and dependent upon significant inhouse IT resource.

What is concerning, if predictable, is that cyber threats are emerging in the vacuum created by Covid-19, leaving inhouse IT systems particularly exposed. We have already seen such an attack on Mediterranean Shipping Co (MSC), with its data centre in Switzerland targeted, reportedly knocking out its website and its customer portal for managing bookings and using self-service tools. Fortunately, third-party software used by the company was unaffected and as such, MSC was able to manage much of the disruption.

This was an important lesson for MSC which can be shared with their peers – and their liner agents, many of which have very basic IT capabilities. Cloud-based solutions, or bespoke ‘centralised systems’ hosted by third-party providers with data stored on remote shared servers, are more routinely updated, enhanced and fortified against emerging threats. As importantly, this type of software solution also provides much greater user flexibility for companies searching for reliable platforms for managing all of their operations.

Using web-based platforms that encompass every administrative task, and reduce paper-based administration, means every team within the company has the capability to work remotely. Automatic syncing of information, automation of data flows and standardisation of processes remove a significant amount of human error and provide a greater level of foresight and control. Importantly, every department and every individual is linked within a single system so that there is transparency and a data-trail that can be understood by any team member. In the liner segment, this is particularly beneficial in terms of financial management – with systems and processes in place to ensure accuracy of billing and cash flow, and providing absolute transaction transparency – at a time when margins are particularly squeezed.

With more frequent home-working and significant supply chain and operational disruption likely to be a feature of life for some time to come, these capabilities are business critical. This digital transition is nothing to fear. While Covid-19 has rapidly accelerated what was, in my view, an inevitable shift to more remote working, the shipping industry – traditionally slow to adopt new technologies – has demonstrated the ability to adapt rapidly. Now, there is no looking back.

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