



## ebooking takes the fax and figures out of supply chains

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*The airline industry has used dynamic pricing for some time, now the maritime sector is catching up. Credit: Dtom.*



**Airlines have Sabre the shipping industry has a fax machine. Adoption of modern technologies within the maritime sector has been slow, but the pandemic has given added impetus to the uptake of tech.**

**Softship's Pricing Calculator will change the industry argues Lars Fischer, MD at Softship Data Processing Singapore, part of the WiseTech Group.**

The process of calculating multi-modal transportation models and rates for customers looking to ship goods can cause shipping companies to hemorrhage money.

Considering the complexities involved in managing multi-modal cargo transportation and the myriad possibilities available for moving cargo worldwide, the lack of a dynamic pricing capability for the liner shipping industry is riddled with inherent inefficiencies for shipping lines.

These costs are often passed on to supply chain partners and end-users, altogether increasing transportation costs and reducing revenues.

For most shipping lines, calculations for quotes from customers have to be developed on a case-by-case basis, with trade, sales and agency managers within shipping lines having to draw from a disparate set of Excel spreadsheets, contractual agreements, spot quotes and open tariffs in order to prepare an offer.

This is an exceptionally time consuming and resource intensive process, which generally limits routing options to only the most obvious or immediately available routes. It is a way of working that is highly vulnerable to mistakes, and which – for the end user – also means it can take days for shipping lines to revert to the client.

In today's world, where, as consumers, we can book a multi-country travel itinerary online in minutes, this type of inefficiency is an unnecessary frustration for all parties."

This is why Softship, which provides software solutions for the liner shipping and port agency segments, has developed a dynamic Pricing Calculator which eliminates the problem entirely by automating the process. The web-based Pricing Calculator allows supply chain managers and operators to identify and select optimum end-to-end (port-to-port or door-to-door) multi-modal solutions for their customers and provide full cost transparency at the point of enquiry.

The software solution has been designed to integrate fully into the carriers' existing IT environment, using their existing tariffs, contracts and associated cost calculations, and will provide complete visibility in a single screen of all routing options, costs, revenue contributions and transit times. For carriers of all sizes, the ability to provide instant and highly accurate quotations which factor in all possible routing options, costs, timings and revenue contributions could be a game-changer, according to Fischer.

For the end-user, the pricing calculator will make the experience of booking a cargo for shipping as simple as booking a commercial flight for a holiday, but with all of those pesky 'hidden costs' included for full transparency.

The benefits for the end-user making the enquiry, who can receive a detailed breakdown of their options, and the benefit for the carrier, which has a detailed helicopter view of what they can offer and how they can optimise their revenues, are significant.



*Air cargo hasn't always been technologically more adept than shipping, but it didn't take the industry long to get there.*

Any carrier using Softship's Pricing Calculator can connect it with their rate enquiry handling apps or simply use it to respond directly to customer enquiries. This is possible because the Pricing Calculator tool is a web-based application which is integrated with the company's other internal systems, bespoke or otherwise. For example, it will connect with the company's existing commercial modules and calculate accordingly.

This is done through Application Programming Interface (API) technology, which allows defined and controlled data exchange between two systems. Importantly, as there is a defined interface for the Pricing Calculator and an established way of sending information between the two systems, carriers adopting the tool do not need to customise the system.

The way most carriers are doing their calculations at the moment is very antiquated because there hasn't previously been such a flexible IT solution available to them. Some carriers are still even using fax machines to respond with quotations, which is just madness! This is why we are so excited about this Pricing Calculator tool. It is not a new technology in and of itself, but it hasn't been made available as an independent and flexible solution before, and it really does have the potential to change the business, in our view.

With all pricing and routeing options available at your fingertips, this solution compares all possible options automatically from your company's pre-defined transport network – and can include all transport modes including truck and rail. It gives the carriers far greater control not only over pricing options, but far greater control over operations too, by having more visibility of cargo movements and earnings.

Using a dynamic pricing tool means that all prices given to clients are kept in one repository and are not scattered across different systems or Excel sheets, and enquiries are handled immediately. For global or multi-national carriers, it also means that all offices are working off a single and unified system, which is incredibly important for transparency and conduct.

Importantly, when rates are handed out to clients, the yield or revenue contribution for each shipment is visible. With enhanced visibility over the revenue contribution of a route, the managing agent or salesperson can instantly see if a particular route will make a significant contribution. For many carriers, this is a big selling point, as it helps to foster repeat business. In an industry as complex as this, using dynamic pricing can provide considerable competitive advantage.

The argument for an automated pricing calculation for an industry that has traditionally been slow to adopt new technologies is a simple one.

This year has shown that the industry needs to adapt to new ways of working, and above all really needs to embrace digital and IT technologies in order to compete. Having the ability to instantly, accurately, securely and efficiently complete a process that is absolutely central to your business, but which has been a cumbersome process for decades just by adopting an add-on IT tool is a no-brainer, surely?

**TAGS**

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