



Softship launches new Port Cost Calculator

WiseTechGlobal subsidiary Softship has launched a new Port Cost Calculator to streamline and automate port costs and voyage calculations.

Softship is a global shipping software solutions provider and its web-based Port Cost Calculator enables carriers to maintain up-to-the-minute, fully accurate records with full visibility of expenses at all stages of each individual port call.

A vessel's expected port activities are pre-loaded into the Calculator from original port call templates, while unforeseen or real-time adjustments can be taken direct from vessel reports. Based on this, it presents a list of all expected charges and costs. These are then automatically applied to the overall voyage result, giving the carrier user full visibility over the financial performance of each voyage.

As the port call progresses, vendor invoices are automatically reconciled and approved for payment, a process that reduces staff time and errors. Discrepancies are identified and rapidly resolved. Softship's managing director,

Thomas Wolff, explains: "Vessels will call at many ports across the world and each call requires a significant number of services to be provided by a large range of providers. Multiply this by the number of vessels in an average fleet and the process quickly becomes unwieldy and error-prone.

"Port calls are expensive and a carrier needs to know, in advance, the anticipated cost of a call so that the overall voyage result can be accurately predicted. Carriers must also be confident that the costs they incur in port are legitimate and accurate and can be reconciled against services actually delivered for the pre-agreed tariff.

"Our new web-based tool - which slots seamlessly into a carrier's own internal IT environment - streamlines this time-consuming process and injects a much higher level of confidence and accuracy into the overall port cost calculations," Wolff informs.

The Calculator integrates into the carrier's existing IT systems

via the Softship WebAPI (web application programming interface), and data is exchanged through standard JSON or XML files. The use of these web services also facilitates easy data exchange within a carrier's own company and between external business partners.

Development

The building blocks for this latest Port Cost Calculator date back some five years, recalls Lars Fischer, managing director, Softship Data Processing, Singapore. It was designed to meet the general problem that the shipping industry faces, he says - the sheer complexity of port call activities and costs, that vary from port to port, and which make it extremely challenging for carriers to keep control of expected and actual costs.

Some carriers still use average or 'standard' costs to estimate the cost of a port call, and many still use manual processes to verify and reconcile invoices, he points out. But what the industry was

really asking for - and what the Port Cost Calculator provides - is a solution that uses actual tariffs to provide highly accurate estimates, along with a system that records actual activity and then reconciles invoices received with activities carried out and price estimates made. "This delivers a completely different level of accuracy," Fischer says.

The two main building blocks of the Calculator are 'tariffs' and 'statement of facts'. It is within the tariffs module that carriers register the individual tariff structure of each individual port. This is the foundation of the Calculator and can be extremely complex, Fischer says.

Port charges vary depending on a range of parameters including day of the week, day or night shift, vessel length, vessel tonnage and other factors. And larger carriers tend to enjoy discounts on published prices.

The statement of facts module is used to log all the events that are required to take place during a port call.

These two building blocks, when combined, form the Port Cost Calculator and have been available to carriers as part of the Softship LIMA software offered by the company for a while. What's new is that Softship has lifted the two building blocks, combined them and placed them into a new product.

"This means that we have created a new, standalone Port Cost Calculator that can be used independently of the Softship LIMA product. It also means that any carrier, using any software suite, can take the Calculator and

integrate it seamlessly into their own internal IT systems," says Fischer.

While the Calculator has been available as part of Softship LIMA for some time, and has been the subject of some very favourable feedback in the past, he says, the standalone product - developed solely by Softship over the past year or so - has only now been made available.

The future

"Development of new products that help the industry to simplify its process and increase its efficiency is part of Softship's DNA," says Fischer. "We are continually refining and redeveloping our core software suites."

Its current principal development project is migrating its flagship software suite, LIMA, onto Cloud technology. In August 2020, Softship also launched a new web-based Pricing Calculator that allows supply chain managers and operators to identify and select optimum end-to-end multi-modal solutions for their customers and achieve full cost transparency.

The widespread adoption of IT solutions by global ship-owners has proved to be a great leap forward for carriers and shippers alike, Fischer considers, but he argues that IT must be used intelligently to achieve real benefits.

Many ship-owners will say that they are now fully digitised - and most are - but the challenge is also to be fully integrated, he argues. Almost every container carrier will use IT to manage its accounting functions, rate

handling facilities or vessel scheduling and box repositioning requirements, Fischer suggests.

"The trick, however, is to integrate these functions such that a request for quotation flows seamlessly to a booking, a bill of lading and, eventually, to an accurate invoice that contains all the correct and applicable freight and charges; and finally a chase for late payment. It is only with integration that the carrier will realise the full benefits of modern technology."

Fully integrated packaged software solutions have, and are continuing, to transform how shipping conducts its business - but in an evolutionary way. There are, however, much more powerful IT trends that are threatening to disrupt the business such as Blockchain, Big Data and the Internet of Things, he opines. Going forward it will be important that to embrace these new technologies if shipping is to realise the benefits.

"But we shouldn't get ahead of ourselves. Whilst these new tech-concepts are much more than just a fad, the fact remains that much of the day-to-day administration of shipping supply chains still happens offline and inefficiently.

"Before taking a leap into the technological unknown, carriers should make use of the solutions that are tried, trusted and readily available to manage their back office. In one hit, they will enhance efficiency, reduce errors, improve customer service and positively impact their bottom line," Fischer concludes, pointing to the role that Softship can play in this market space.

Qatar Airways offers ebooking through WebCargo

Qatar Airways Cargo is offering its forwarder customers the capability to digitally book cargo space, informed by real-time pricing and capacity information, all through the WebCargo ebooking platform.

WebCargo is a Freightos Group company. WebCargo AcceleRate is a platform used by freight forwarders to manage rates and automate sales across ocean, air and land transport modes, while WebCargo Air is a digital platform for live air cargo rate distribution and bookings that links hundreds of airlines and their forwarder customers.

Roll-out of WebCargo by Qatar Airways Cargo began with the French, German, Italian, Dutch, South African and Spanish markets in the first half of February. As a result, the Doha-based cargo carrier expects more than 2,000 WebCargo

forwarders and customers to have instant access to capacity and pricing. Qatar Airways chief officer cargo Guillaume Halleux believes that partnering with WebCargo will allow it to offer "true agility and digital connectivity" to its customers.

Customers' ebooking via WebCargo is being seen by Qatar Airways Cargo as part of a wider digitisation process. "As a leading global carrier, we rely on constant innovation and digitalisation across all our operations in order to provide our best-in-class customer service," Halleux says.

"During the past months, we have introduced several digitalisation initiatives such as online rate distribution, ad hoc rate automation, track and trace and availability via API. The future of air cargo is indeed digital and this change will

definitely bring in efficiency across the supply chain."

He observes: "The demand for digital services has been growing over the past few years and this trend has been accelerated by the Covid-19 outbreak (digital bookings have risen from 25% before the pandemic to 33% now).

"One third of our bookings today are through the airline's website. In some countries, such as Vietnam and India, the ratio reaches 85-90% of bookings."

Indeed, he explains: "We have been busy growing with a double-digit increase [in digital bookings] over the past few years and that is one reason why we did not engage with third-party platforms in the past. It was our intention to put our energy and resources in one place.

"We are now ready to expand our digital presence, with the WebCargo partnership as a first step. We want to give our customers the ease and flexibility of doing business with us and proactively seek ways that will benefit our customers."

Forward thinking, Forward moving

“Since purchasing ForwardOffice in 1998, our business has evolved considerably. ForwardOffice has developed with us throughout this period. We have developed a fruitful relationship with FCL and see them very much as a strategic partner, rather than just a software supplier.”

Jerry Cook, IT Manager, Meachers Global Logistics



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