

A Catalyst for Change

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If the past few months have taught us anything, it is that people, businesses and governments can act quickly when they have no alternative. Even the most risk-averse companies were left unprepared when the Coronavirus (COVID-19) began its rapid spread across the world, developing into a pandemic of unprecedented scale that few had considered a viable possibility. Worldwide, companies have been forced to rely on telecommuting, to reducing reliance on physical processes significantly adapt their way of working. While this has and will continue to cause callosal damage to the business community – to which shipping is far from immune – there has been one positive: our digital evolution has leapfrogged.

The reality is that the adoption of digital technologies throughout the shipping industry over the past decade has been performed in a piecemeal way. The approach to using 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 between small entities and larger organisations. It is clear that companies that were once able to get by using a disparate set of digital tools and generalist applications now require something altogether more robust. They also need something that allows their people to work from anywhere.

Disruption at or between port calls has put owners, operators and charterers alike under significant pressure, with quarantine rules and safety requirements differing considerably between jurisdictions, and individual ports. This is impacting spot rates, trading and operating patterns as every party seeks to minimise risk and avoid additional costs. We can expect this to continue, and we can also expect the requirements of agents in ports, and the support that they can provide their clients to change. There is talk of fast-forwarding efforts to move entirely to electronic Bills of Lading; we can expect (Port State Control) authorities, flag states, Class Societies, and every party in-between to rapidly pursue efforts to move to more paperless documentation, and remote processes.

As a provider of software solutions for the shipping industry, in our view, independent ship agency businesses and smaller owners and operators who have not previously been able to invest in bespoke IT systems are exceptionally exposed in these turbulent times. Many of these companies are simply not digitally equipped to operate efficiently and safely for a prolonged period. These companies have no choice but to change now. But such a transition shouldn't be feared – it was going to happen eventually – but we have been thrown to critical mass for digital adoption.

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. In the cloud, a company will only pay for what it uses, capacity – and therefore fees – can be adjusted to suit the highs and lows of the business, which is critical as operating margins will be pressured for some time to come. Cloud-based working also provides a platform for the use of mobile devices, which can enable personnel to work more intelligently.

Importantly, every department and every individual are 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.

While this is a fast-moving crisis, with few certainties, it is clear that shipping companies must continue to adapt – and embrace digital solutions as a business asset. For many maritime 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 simply shown that there are simple ways to significantly improve efficiencies, reduce costs and enhance flexibility. Now is the time for all 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.



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