

October 2020

MARITIME REPORTER AND ENGINEERING NEWS

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Number 10 Volume 82

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2050 IS DEAD AHEAD

One Input Only

By Lars Fischer, Managing Director, Softship Data Processing

Margins are thin and the search for cost savings and efficiency gains remain a business-critical priority for all breakbulk operators. While in years gone by breakbulk carriers have focused on adopting physical innovations applicable to the vessels themselves and their loading/unloading activities in order to reduce costs, COVID-19 has focused attention on back-office efficiencies. For many shipping companies, this year has laid bare many of the failings in the administration of their business and highlighted how important IT infrastructure and communications capabilities are to the resiliency of their operations.

As a software solutions provider, at Softship, we see many shipowners trying to work with software built for very different purposes and around which they end up having to shoehorn their operations. It is certainly true that modern IT systems and software applications, if used intelligently, can help deliver much-needed benefits, but care must be taken to select applications that are tailored to account for variances required by the break-bulk sector. Many operators mistakenly choose container-specific software which is often simply not up to the job of moving breakbulk, project or out-of-gauge cargoes.

A good software suite designed specifically to accommodate the requirements of these specialised cargoes will connect and integrate all activities from sales to customer service through to documentation and invoicing. Currently, many companies still duplicate their work in

these areas which is both inefficient and error prone. Implementing intelligent solutions will streamline these processes and introduce a level of accuracy not previously experienced.

By fully integrating – creating automated processes and syncing programmes – software solutions developed to cater for breakbulk cargoes specifically can markedly reduce risk by providing intuitive, automated and networked processes that simplify all administrative requirements. Working on the “one input only” principle, data is input only once and then shared across the company and with relevant business partners. This significantly reduces the administrative burden and introduces efficiencies across the business.

Take as an example the common problem of calculating the profitability of a breakbulk cargo booking: a well thought out software application will retrieve variable costs per shipment from a cost database and apply these as estimated costs to the booking. Information on volumes taken from the customer at the time of booking are automatically married with this data to provide analysis and profitability assessments for each consignment.

If this can be married with an integrated dynamic pricing tool such as Softship’s Pricing Calculator, an exceptionally clear picture of all of the possible transportation routes, options and profitability can be calculated instantly, without having to reference a single Excel document or lever-arch file.

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. For global or multi-national carriers, the use of this tool also means that all offices are working off a single and unified system, which is incredibly important for transparency and good conduct.

By automating all back-office processes, a huge amount of data is automatically captured, shared and reused throughout the company, and can be analysed and presented in the form of management reports. Introducing such information transparency across the business allows busy executives to understand which areas of their business are profitable and which require more focus – a process which has been complicated by COVID-19 and reduced ability to travel between offices, or inspect processes in person.

The reality for all shipping companies is that COVID-19 will continue to impact operations. Any companies not equipped with the right IT infrastructure will surely suffer in the long term. Now is the time for companies to invest in flexible IT solutions that will fortify their business for a future not only influenced by digital technologies, but wholly reliant upon them. But for breakbulk carriers, in the race to adjust, the biggest mistake would be to adopt the wrong digital solutions or try to shoehorn applications to meet the unique requirements of breakbulk shipping.