

A Perfect Time to Act

"It's tough out there"! ...

...an expression ideally suited to the shipping industry. And as we progress through 2016, the Ocean Shipping business is certainly not getting any easier!



In addition to the everyday realities of being in a low-margin business, we are experiencing overcapacity, low rates and reductions in global demand. At the same time there has been further industry consolidation and collaboration from the larger shipping lines. Inevitably, this has led to increased competitive pressures and a spotlight on service levels in addition to the necessary focus on the bottom line.

So as an industry – what do we do? Tighten our belts, reduce discretionary spending and postpone any new projects? It is a paradox of being in a business where margins are tight that any change to the *status quo* which may provide the opportunity to reduce costs, improve efficiencies or reduce revenue leakage can instead be seen as an unacceptable risk to the very margins that such an initiative is intended to improve.

In fact, we would argue that this is instead a **perfect time** to focus the business on substantive improvements which can be realized quickly and cost effectively, at the same time challenging some of the assumptions that *'things always need to be this difficult as it is the very nature of the shipping industry'*. These current pressures act as a *catalyst* by forcing us to focus on the priority issues rather than get distracted with pet projects, or technology narcissism.



So where do we focus? Well that clearly depends on each individual shipping line's specific situation. But generally we would be looking to:

- Maintain or increase Customer Satisfaction
- Reduce the time and cost associated with fire-fighting and problem resolution
- Reduce direct and indirect costs
- Improve operational efficiencies
- Reduce revenue leakage (e.g. quotation errors, delays in collecting demurrage and detention fees)
- Look for opportunities to increase revenues

Such positive change generally comes from a combination of business process improvements and enabling systems or technology.



Technology - a 'liability' or an 'asset'

Consultants tell us that technology is an **enabler**, but how often is the reality different? In our discussions with executives, we found that many shipping lines view their current technology as '*just about doing the job*', at best, and more often being a constraint to business improvement and innovation. In difficult times, legacy shipping solutions are increasingly seen as a cost burden in terms of:

- running costs,
- costs and delays in introducing necessary enhancements to support emerging regulatory and other business requirement (for example the VGM requirement required mid 2016)
- significant costs and disruption associated with painful system upgrades
- Inability to support new requirements

If current systems are a liability rather than an asset, then this is the *perfect time* to turn to a solution which truly enables your business, which can be quickly implemented to support your priority business processes and deliver the benefits identified earlier.

By incorporating a customer focus to the technology platform, this enables implementation of a customer portal, seamless integration with INTTRA, connectivity and collaboration with Agents, Shippers, Ports and Depots as well as comprehensive support for all your core business functions.



Solutions like Locus Software's *Odyssey* are designed to fit your business, being easy to implement and highly configurable. Delivered as a service, you can focus on **your priorities** implementing *what* you need, *when* you need and only incurring fees for actual use.

Not only does this allow for quick and cost effective delivery of new solutions during challenging times for the industry, but also provides a platform for ongoing continuous improvement.

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The Shipping Solution from Locus Software

- Functionally rich Shipping Line ERP
- Full collaboration and connectivity
- Point and click configuration
- Continuous feature roll-out
- No disruptive upgrades

Register, Connect & Go

- Fast and easy deployment
- Web based – accessible almost anywhere and any device
- Unlimited number of users
- Highly available, highly secure and highly scalable

Pay only for actual use

- Transaction based pricing
- No user based pricing
- No maintenance cost
- No upgrade cost
- No hardware/infrastructure cost