

Complexity, Complacency and Disruptive Technology A Shipping Industry Perspective

By Locus Software

Ocean shipping is viewed by most practitioners as being *inherently complex*. Although the basic premise of shipping is quite straightforward (moving something from one location to another), the number of parties involved, the individuality of shipments (different service offerings, commodities, products, geographies and internal operating practices) and a range of unavoidable uncertainties necessarily result in a broad array of operational challenges.



In such an environment it can often be difficult to 'see the wood for the trees', to be able to stand back and understand which aspects of this complexity are *hard* constraints (unavoidable) and which are *soft* constraints (ones which can be challenged, potentially worked around or even substantially disrupted). Over time it becomes natural for shipping lines operating in this environment to overly rely on legacy processes, legacy technology and a belief in the perceived unique nature of their specific business to innocently constrain system and business process enhancement.

"Insanity: doing the same thing again and again and expecting different results"

Einstein

At best, this may be simply because there has been no external stimulus to provide the opportunity to view the business from the outside, or possibly a lack of appreciation of technology as an agent for incremental or even substantive change. At worst this is may be due to *complacency*, an unchallenged belief that life has to be this complex and systems need to be this customized to fit the business. Although there have been many innovations in the shipping industry it is fair to say that there has been a more conservative view than other industries on the use and application of technology to generate value for the Line, Agents or Shippers or indeed the whole shipping supply chain.

However

A combination of challenging business circumstances for the industry together with the emergency of new technologies are combining to create such an external stimulus providing the opportunity to break with the past. As in many other industries, *Cloud* solutions for the Shipping industry have now come of age providing broad functional scope (wider and deeper than many legacy solutions) and both operational and economic benefits allowing shipping lines to be more cost effective, more nimble in challenging



market conditions and more responsive to opportunity and to shipper needs.

Benefits of a Cloud solution

- No need to invest in solution infrastructure
- Quick and Cost-Effective Deployment
- Access from any location
- Access by any authorised party
- Highly Secure, Highly Scalable, Highly Available
- Use as a community platform or as a private cloud

Software as a Service

As Cloud solutions have become pervasive the concept of delivery as a service has closely followed providing an additional layer of benefit to legacy solutions. At Locus Software we have built a cloud platform specifically for the shipping industry and designed specifically to be delivered as a Service. As a result for the growing number of Lines, Agencies and Shippers using our Odyssey platform, there is additional value in:

- Integration and connectivity (for e.g. to Ports, Terminals & Depots) is either already in place or built as part of the
- Inbuilt integration to Shipper platforms (e.g. INTTRA)
- No need to license any additional software
- Value add solutions (e.g. Hazardous goods looked) are embedded and included as part of the service
- A program of ongoing enhancements providing additional features and capabilities on a regular basis and avoiding 'release lock-in' and expensive and disruptive upgrades
- Unlimited number of users
- Transaction-based pricing (pay only for what you use)
- Automation and Self-Service, for the Shipping Line, the Agent and the Shipper

An Opportunity

Today, there is a choice. Rather than being constrained to the past, or being locked-in to legacy solutions, now there is an opportunity to break out with a more cost effective, flexible and agile customer facing philosophy. The depth and breadth of a shipping solution delivered in the Cloud as a Service allows shipping lines to respond to the opportunities and uncertainties of the current and near future while managing cost, increasing operational efficiencies and providing additional customer facing differentiation and value.



