

THE TRANSPORT ADVISOR



To Buy or Build

The Velocity Channel is awash with TV shows covering the details of car-guys and gals who take old Junkers and turn them into pristine, better than new hot rods.

These gems are customized to appeal to a particular person, conform to his or her sensibilities, and offer all those elements that appeal to their entertainment and driving rush. There is no doubt that these transformed cars-are miracles of technology, comfort, performance and aesthetic.

What they are not, however, is cheap. While these vehicles are completed in the hour-long time frame of the shows, they actually take much longer to build out and mostly at a cost well over the planned budget.

DOES NOT EASILY TRANSLATE

In recent years we have heard of a number of organizations that decided to build their own transport software. The expected outcome was that they would get *exactly* the capability they wanted, have *all* their needs met and the technology would be conveniently in house. And all of this would be theirs for a lower cost than going through a vendor.

Much like the deception of an hour-long TV show, development time and budgets end up far exceeding anything imagined as the worst-case scenario. The inherent problem with this approach is that, unlike the car builders who are expert mechanics who love cars, IT staff and software personnel most often aren't shipping guys who love transport. They've never been under the hood of the industry. The elements of a shipping organization's software needs are various and need to be integrated to be efficient and more accurate. These elements require expertise in:

- Pricing.
- Equipment control.
- Accounting.
- Documentation.
- Regulatory compliance, and,
- Stowage and cargo movement. *Continued on page 2...*



SPOT MARKET TRENDS

The first chart is our usual spot market trend and is important to take note of the May 2 rates, which include a sizeable number of refrigerated rates. In a bulletin put out by the USDA on world trade markets they indicate Pork

"Exports are forecast over 5 percent higher to 2.4 million tons as competitive prices will bolster shipments to most markets, particularly China..."

Good news in a time when it's hard to find some in the transport industry.

Chart 2 depicts North America to Europe 40 FT market comparing the VOCC to NVOCC rates. It is evident that the gap between the two service offerings has closed substantially at least within this trade.

Chart 3 depicts South America to North America 40 FT market comparing the VOCC to NVOCC rates. Unlike the previous trade there is substantially less fluctuation in rates but also significant difference between the services.

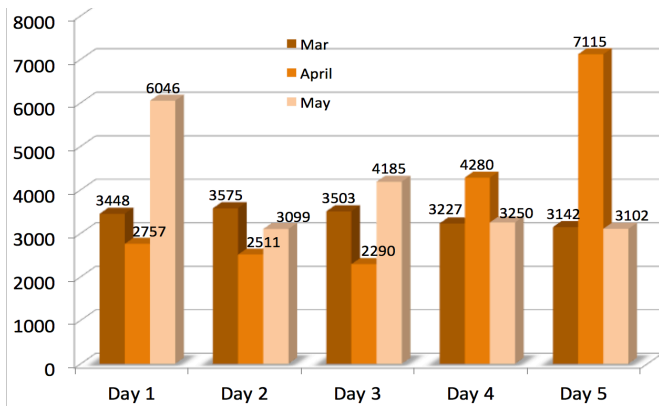
See charts, page 2.

**We appreciate your feedback.
Please let us know if this
information is useful to you and
your business.**

COMPLIANCE SHOULD NOT BE A COST

If you are paying only to respond to regulatory compliance then you have the wrong system. With the Bote Suite of products you get a system that can help you manage your process, track your rates and integrate with other products. As a bonus, it provides full compliance.

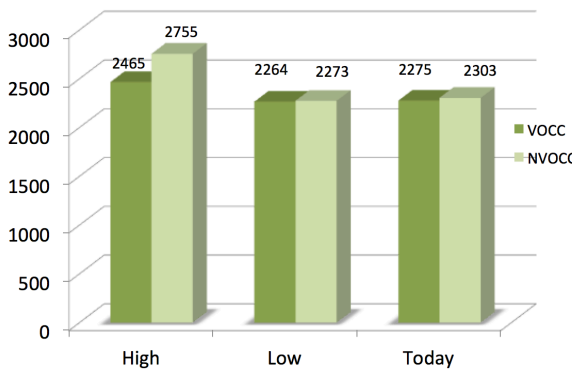




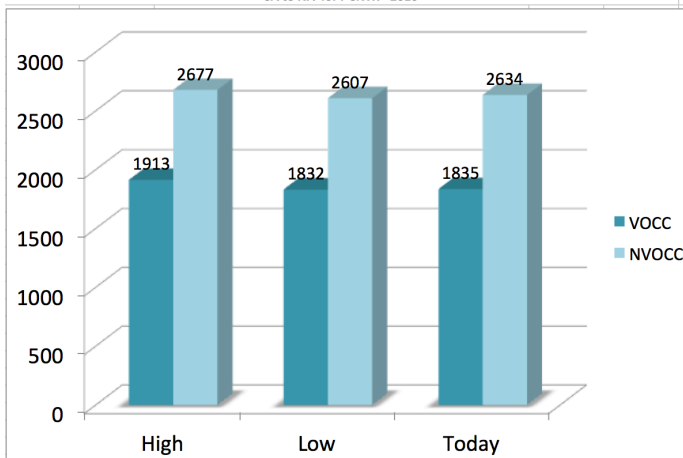
DAILY FILED 40FT CONTAINER RATES IN THE FIRST DAYS OF EACH MONTH

NA to EUR 40FT CNTR - 2016

NA TO EUR 40FT CNTR RATES IN 2016
VOCC vs. NVOCC



SA to NA 40FT CNTR - 2016



SA TO NA 40FT CNTR RATES VOCC VS. NVOCC - 2016

Buy - continued

A company who chooses to build their own software often operates under the misguided belief that their solution will be their answer for years to come. Software and technology may be many things, but one thing they are not is long-term solutions. For example, in the past 10 to 15 years you may have used a half dozen versions of Microsoft Windows, with Windows 2000, and moving onto ME, XP, Windows 7, 8, and now 10.

In the software industry development is constant, and products are always advancing. It requires staying on top of changes in order to design the best performing elements. It requires attention to server, desktop and mobile requirements because our world operates on the go with various devices.

The decision to build technology platforms often falls in the wrong hands, and is often made on the reliance of people whose interests in long-term employment are in conflict with what is best for the organization in the short- and long-term.

It would be unheard of to have a CEO incapable of reading a P&L or unable to understand the organization's accounting statements, and at the same time it is rare to expect a CEO to be able to understand the ins and outs of software and technology.

And yet they are the ones who decide to develop software, most likely one of the largest expenditure the organization will take on. Unless software development is a passionate interest like cars are to those on the Velocity Channel, an organization won't end up with the miracles that can meet their software needs.