

THE TRANSPORT ADVISOR



IT'S THE INDUSTRY

The TPM (Trans-Pacific Maritime) Conference was held in Long Beach, CA this year, and over 2,000 industry experts gathered to consider the future of the ocean transportation industry. As one might expect, the conference featured competing ideas about what this future should look like, but there were essentially two points of agreement. First, the ailing ocean transportation industry is in need of great change. Second, this need for change suggests massive untapped potential.

In response to the need for upheaval, many at TPM emphasized the need for day-to-day operation to transition to a digital platform. Suggestions included greater transparency in pricing elements and the use of an exchange to enforce terms of service contracts on both shippers and carriers.

In fact, none of these are new ideas. No matter how the industry moves forward, one point is abundantly clear: the cure cannot be worse than the disease, and prohibitively expensive solutions stand to do more harm than good.

SO NOW WHAT?

A prime example of misguided attempts to modernize is seen in the increasing reliance on expensive in-house systems. Ill-conceived efforts to transition to in-house systems can be disruptive and – worse yet – they often become obsolete quicker than they're implemented. As an alternative to in-house systems, the industry needs to use established systems and tools to modernize their business, adapt their practices, and equip their businesses for the ever-changing future. *Continued on page 2...*

FYI – HELPFUL HINTS

INTERNATIONAL MARITIME ORGANIZATION (IMO) The International Maritime Organization (IMO), known as the Inter-Governmental Maritime Consultative Organization (IMCO) until 1982, was established in Geneva in 1948, and came into force ten years later, meeting for the first time in 1959.

IMO measures cover all aspects of international shipping – including ship design, construction, equipment, manning, operation and disposal – to ensure that this vital sector for remains safe, environmentally sound, energy efficient and secure.

Shipping is an essential component of any program for future sustainable economic growth. Through IMO, the Organization's Member States, civil society and the shipping industry are already working together to ensure a continued and strengthened contribution towards a green economy and growth in a sustainable manner. The promotion of sustainable shipping and sustainable maritime development is one of the major priorities of IMO in the coming years. For more information go to: <http://www.imo.org/en/About/Pages/Default.aspx>



SPOT MARKET TRENDS

Over the last several months we have adopted the practice of breaking down the current rates filed within the system to show the minimum, maximum and average rates under various type and size equipment.

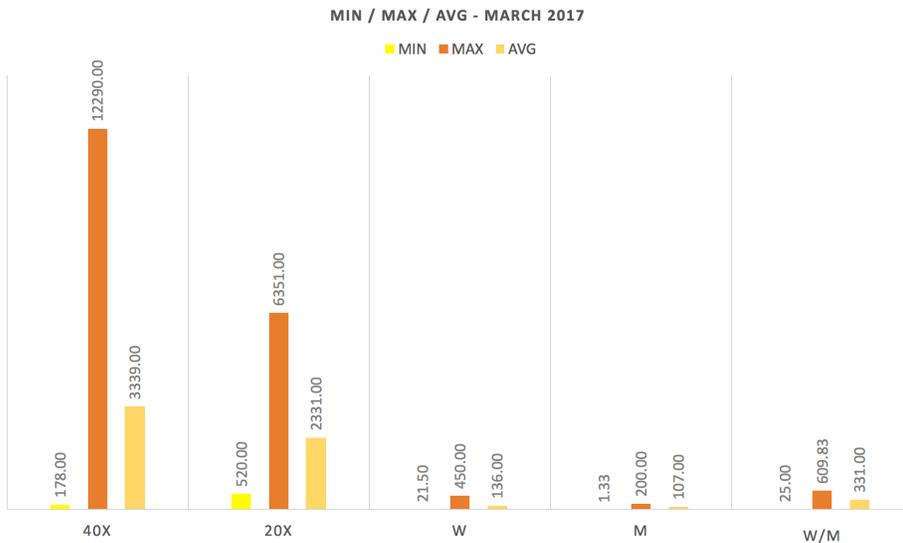
In keeping with that practice here are the March findings to date as shown in the chart of page 2.

In 40' equipment the min rate is \$178.00 and moved from Barranquilla, Colombia to Port Everglades, Florida. The max rate came in at \$12290.00 and moved from Beloit, Wisconsin to Rio De Janeiro, Brazil.

In 20' equipment the min rate is \$520.00 and moved from Rio Haina, Dominican Republic to Miami, Florida. The max rate came in at \$6351.00 and moved from Dallas, Texas to Hamilton, Bermuda.

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

Industry - continued



WHAT'S NEW

We have recently introduced several new features into the Bote Quotes system. In February, we introduced multiple equipment quoting and further enhanced the ability to amend and edit these quotes to ensure a speedy response to market conditions. The program now allows the user to amend ocean freight and charges on the fly.

Our API has also been enhanced to allow more customer features to be brought forward and introduced into the various programs associated with the Bote suite of products.

For more information on these features or to schedule a demo of all of the Bote products call us to schedule an appointment.



APIs, or Application Programming Interfaces, will allow the industry to do just that. By incorporating themselves into existing systems, APIs allow for both modern functionality and the ability to adapt to the exponential technological growth that will be coming to the industry in the coming years.

With the thousands or millions of dollars saved on in-house systems, businesses can focus on one major area of concern that was conspicuously absent from much of the discussion at TPM: the need for educated and knowledgeable staff. Businesses would do well to remember their most valuable asset will continue to be their employees in the coming years, as technology alone is not a silver bullet for the industry. This brings us to our next point.

By reducing the focus on technological developments published in trade journals, which more often than not prove to be glorified advertising, businesses can adapt short term solutions on top of their mid to long-term plans for modernization. Confidential service contracts with terms that are enforced by both carrier and shipper, spot rates that offer customers a specific piece of business, and time volume rates are all steps that be taken immediately to improve business and functionality.

If the industry moves now to effectively modernize through APIs, improve business practices in the short term, and educate staff, we will be ready for the technological boom on the horizon. If, however, we double down on stagnant systems that may seem like a step forward, but will hold the industry further back in the long run, we will suffer for it. Silicon Valley is taking stock of our great potential. Be sure you're setup to profit, or else you stand to find yourself at sea.

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