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## **Global Maritime Shipping Industry at the Tipping Point of Digitization, Still Needs Better Data Sharing and Collaboration, Says BPI Network Study Report**

*Study Finds Huge Opportunities to Improve Performance and Customer Service Through Better Use of Technology Across Ocean Supply Chain*

**San Jose, CA—June 20, 2017**—The maritime industry and broader ocean supply chain are suffering from major and costly inefficiencies due to ineffective data sharing and poor cross-industry collaboration, according to a new report and industry survey released today by the Business Performance Innovation (BPI) Network in coordination with Navis and XVELA, both part of Cargotec.

The study, entitled “Competitive Gain in the Ocean Supply Chain: Innovation That’s Driving Maritime Operational Transformation,” is based on a global survey of more than 200 executives and professionals from terminal operators, carriers, logistics providers, vessel owners, port authorities, shippers, consignees and other members of the global ocean supply chain. The study was developed in partnership with maritime industry technology leaders, Navis and XVELA.

Download the study at <http://www.bpinetwork.org/competitive-gain>.

The study indicates that importers, exporters, container carriers, terminal operators, vessel owners and other stakeholders suffer from poor visibility and predictability around shipments and are losing money due to a lack of partner synchronization and insufficient data insight.

However, there is recognition, particularly among industry leaders interviewed, that digitization and mindset shifts are afoot, and will be a boon to all players in the industry. “Everyone benefits from collaboration and data sharing,” says Andreas Mrozek, Global Head Marine & Terminal Operations for the Hamburg Sud Group, one of the world’s largest container shipping lines. “It starts with the customers and moves to the carriers, then the terminal operators, vendors, freight systems, truck companies, and keeps going down the line. Closer collaboration is a compelling value proposition for each supply chain partner.”

Ninety percent of survey participants said real-time data access and information sharing was important to increasing the efficiency and performance of the shipping industry. Some 82 percent said the industry needs to improve supply chain visibility.

The push for improvements will likely come from a combination of forces, according to industry executives. Shippers will push for better operational visibility; alliances will demand better ways for their carrier members to share information to improve efficiencies and customer service; and terminals and port authorities under pressure to increase utilization and optimize existing infrastructures.

On average, surveyed executives estimated that each of a wide range of ocean supply chain processes could be improved by as much as 66 percent and no less than 55 percent if the industry updated its IT systems and improved its ability to share data with other members of the supply chain.

“Our study underscores the critical need for the shipping industry to improve collaboration and visibility through the adoption of new technology-driven models and processes,” said Dave Murray, head of thought leadership for the BPI Network. “Perhaps partly because the industry has been preoccupied and constrained by its economic challenges—but also because many of its members are just plain resistant to change—the industry has been far too slow to enter the digital age.”

According to respondents, the areas most in need of improvement are: 1) carrier to terminal coordination, 2) supply chain visibility and information sharing, 3) terminal operations, 4) cargo flow visibility and predictability, and 5) coordination across carrier alliances.

"The findings of the study are consistent with what we are hearing in the field from some of the biggest carriers and terminals in the world. As we have already seen in other industries, the visibility, coordination and collaboration across business networks provided by cloud platforms drive higher efficiencies and customer value," commented Guy Rey-Herme, XVELA President. "It is much easier for everyone in the network to achieve performance and service goals when operations are synchronized."

The report indicates that industry resistance to change, coupled with the industry's aging and inflexible IT systems, are key impediments to improving visibility and collaboration. Some 54 percent of respondents said the industry being “slow to change” was one the biggest roadblocks to improving collaboration, while 49 percent cited the cost and complexity of legacy systems.

At the same time, many in the industry believe that change is coming. Some 46 percent of respondents said their companies were either investing significantly in new technologies or significantly increasing those investments.

“We are seeing accelerating technology innovation and upgrades as terminals and carriers alike embrace the age of digitization,” said Benoit de la Tour, President of Navis and Head of the Software Business at Kalmar. “Last year alone, 43 terminals completed the implementation or upgrade of our N4 terminal system, more than double the amount of the previous year. And we are seeing strong uptake this year, along with a more positive outlook in third-party research and media reports from some of the leading companies in the container shipping industry.”

Other key findings include:

- Some 90 percent of shippers and consignees say there’s a need to improve visibility in the ocean supply chain.
- Eighty-five percent of shippers and consignees rate the industry as either “slow to change” (70 percent) or “far behind the curve” (15 percent) when it comes to innovation and next generation technology adoption.
- Just 12 percent of respondents said their partners were “very effective” at collaborating and sharing data, although 38 percent said their partners were improving and 32 percent said they were “somewhat effective.”
- Respondents said the top five most promising technologies for the maritime industry are: data analytics, automation, the Internet of Things, new software management solutions and cloud solutions.

Despite the global cargo shipping industry’s major economic challenges, many survey respondents anticipated a turnaround in the next two years. 27 percent expected “some improvement” or “significant improvement” in profitability, while 35 percent expected “stabilization, but lack of profitability” over that period.

The full study report is available now and can be downloaded at <http://www.bpinetwork.org/competitive-gain>.

**About the BPI Network**

The Business Performance Innovation (BPI) Network is a peer-driven thought leadership and professional networking organization reaching some 50,000 heads IT transformation, change management, business re-engineering, process improvement, and strategic planning. It is dedicated to advancing the emerging roles of the Chief Innovation Officer and Innovation Strategist within today's enterprise. The BPI Network brings together global executives who are champions of change within their organizations through ongoing research, authoritative content and peer-to-peer conversations. These functional area heads (operations, IT, finance, procurement, sales, marketing, product development, etc.) and line-of-business leaders are advocates for innovation as a fundamental discipline and function within 21st Century organizations. They seek to demonstrate where and how new inventive solutions and approaches can advance business value, gratify customers, ensure sustainability and create competitive advantage for companies worldwide. For more information, visit [www.bpinetwork.org](http://www.bpinetwork.org).

**About Navis, LLC**

Navis, a part of Cargotec Corporation, is a provider of operational technologies and services that unlock greater performance and efficiency for the world's leading terminal operators and ocean carriers. Navis combines industry best practices with innovative technology and world-class services to enable our customers to maximize performance and reduce risk. Whether tracking cargo through a port, automating equipment operations, or managing multiple terminals through an integrated, centralized solution, Navis provides a holistic approach to operational optimization, providing customers with improved visibility, velocity and measurable business results. [www.navis.com](http://www.navis.com)

**About XVELA**

XVELA provides a transformative, cloud-based collaboration platform that drives transparency, efficiency and profitability to a network of ocean carriers and terminal operators. Through real-time collaboration, shared, unbiased data, and actionable visibility across the vessel rotation, XVELA enables terminals, carriers and operational partners to work together to synchronize their operations and forge new efficiencies throughout the stowage planning and execution process. The result is a win-win solution that allows both terminals and carriers to see the full stowage picture, improve customer service and reliability, and capture substantial untapped savings across the ocean supply chain. For more information, visit [www.xvela.com](http://www.xvela.com).

**About Cargotec Corporation**

Cargotec (Nasdaq Helsinki: CGCBV) is a leading provider of cargo and load handling solutions with the goal of becoming the leader in intelligent cargo handling. Cargotec's sales in 2016 totaled approximately EUR 3.5 billion and it employs over 11,000 people. [www.cargotec.com](http://www.cargotec.com)

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