

Industry Solution

Descartes for Ocean Carriers

The ocean carrier market is an asset-heavy industry that requires huge financial investments to cover the cost of operations, from ocean liners to containers and fuel. It is also a highly competitive market largely driven by supply and demand in Asia, Europe and North America. Whether small or large, liner shipping companies are always looking for ways to take costs out of their business while keeping their customers satisfied.

Operational Challenges and Cost Drivers For Ocean Carriers

Rate Management: Ocean carriers require an effective way to manage their contractual and commercial relationships with customers, from establishing agreed-to rates and delivering accurate Bills of Lading in a timely manner, to ensuring that the appropriate margin is maintained when quoting rates to existing and prospective customers. Rate management for many however is a highly inefficient, manual process. Offshore service centers are often creating the bills for their customers and need to utilize agreed-to billing rates; look up rate contracts with clients; check on surcharge costs; and apply the necessary information to Bills of Lading. This process is open to error, which can lead to lost revenues as a result of under-billing, or conversely, lost clients due to over-billing. In a competitive environment, it becomes increasingly important that both the shipper and carrier know the agreed-to rates, and incorporate them in the Bill of Lading.

Drayage Management: Since most ocean carriers use 'for hire' transportation rather than dedicated fleets, they face numerous challenges in getting containers from point of origin to the customer's door, including managing distributed 'for-hire' transportation networks. They need to evaluate whether routing decisions should be made centrally; determine the most cost effective routing plans; and ensure the best prices are proposed to service carriers. Using local trucking companies for dray haul pick-up at ocean ports makes it difficult to optimize freight management; reconcile accounts; or maximize transaction efficiency. In addition, increasing demands by customers for Proof of Delivery can add a tremendous strain on the carriers as they often need to employ a manual process to confirm delivery with their carrier pool.

Trading Partner Connectivity: For ocean carriers, the complexity of connecting with their trading community in an automated manner can easily outweigh the benefits. Although larger liner shipping companies have numerous staff managing their Electronic Data Interchange (EDI), it is time consuming to map processes to each customer's standards, and move new customers to production. The cost of setting up the infrastructure to enable highly interactive communication across the value chain is also prohibitive. As more shippers demand better, faster and more accurate data from their transport partners, this can become an increasingly daunting task for the ocean carrier.



Descartes for Ocean Carriers provides liner shipping companies with everything they need to manage rates on a global scale; seamlessly plan and execute freight with contract dray haul carriers; and connect with trading partners to ensure the reliable exchange of information.

Rate Builder

Centralized Rates. A centralized rate management database provides a number of benefits, including visibility into rates, contracts, and shipment details from any location globally, which enables more informed decision-making and contract development. Centralized rates also enable the integration of cost tables with contracts, providing for deeper analysis of cost to contract price and shipment routing information to maximize yield management per lane. This data and analysis empowers ocean carriers to forecast cargo volumes and equipment positioning requirements thereby improving asset utilization and increasing overall margins.

Workflow Management. This unique business process improvement tool enables carriers to manage the rate-making process, from a simple rate request to a multi-tradelane contract quote. The module manages the entire rate-making lifecycle and the interactions between the stakeholders such as Pricing, Sales and the Client. Enterprises are able to set and enforce internal rate policies across global operations. The flow and interaction of rate, contract and amendment requests is managed electronically. This ensures freight margins are always on target, reduces redundant data entry, and makes the rate management process more efficient.

Client Configured Data Capture. Legacy tools and databases being used by carriers capture information according to set data formats. With client configured data capture however, carriers can tailor the way in which rate data is saved and stored, thus easing integration with existing back office systems, such as Auto Rate.

Auto Rate. This module manages the seamless integration between existing invoicing systems and the Descartes Rate Builder database for increased efficiency, accuracy and cost savings. It simplifies bill rating, minimizes the chance of human error, and requires less staffing resources to manage the rating process.

Importing and Exporting Data. Rate data can now be manipulated offline and later imported using applications such as Microsoft Excel. This makes the process easier and more efficient for rate management staff, and is critical for increased adoption among various user communities within the ocean carrier.

Transportation Management System

Planning and Optimization. Carrier selection can be made based on cost, service level and commitment to customers, while ensuring enforcement of corporate policies at the regional level. Reporting services (RPS) also provide the ability to analyze and report on captured data to ensure carriers execute according to plan and performance is easily optimized.

Order Execution. Loads are electronically tendered to carriers, where they can automatically accept and respond to a pickup, provide tracking as required, and show proof of delivery. Of particular value in this process is the Descartes eForms option which allows transport providers that are not EDI-enabled to participate in an ocean carrier's electronic commerce initiative, simply by leveraging their existing investment in an email application. This option leads to the goal of 100% compliance with a transportation management initiative. All messages are dispatched from a central database, which allows for in-depth tracking of shipments and increased visibility into delivery status. Implementation of standardized business processes rather than random execution also increases efficiencies.

Settlement. Descartes Transportation Manager stores all contracts and tariffs with an ocean carrier's land-transport providers, while supporting the electronic delivery of invoices from carriers. This leads to increased efficiency and accuracy in authorization, reconciliation, and auditing against rate policies. Local offices can also confirm that shipments took place, were on time, and that the billing rate is accurately reflected.

Global Logistics Network

Trading Partner Connectivity. Descartes operates the largest transportation-focused messaging network in the world. As a result, we can help our ocean carrier customers meet ever-growing customer demands for more data, while decreasing the strain on internal IT departments to meet those demands. By leveraging the Global Logistics Network (GLN) ocean carriers can significantly impact the cost and time to bring new customers on board, while catering to the constant requests for changes to standards by existing customers. The net result is a reduction in costs and increase in customer satisfaction, while ocean carrier IT departments remain focused on supporting internal customers.

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Descartes (TSX: DSG) (NASDAQ: DSGX) is the global leader in logistics technology. If logistics is critical to your business, Descartes connects the people and technology to put your organization in motion. We extend the command of logistics operations, helping the world's largest and most connected logistics community to quickly reduce costs, improve service and comply with customs and transportation regulations.

Descartes' Logistics Technology Platform uniquely combines the power of The Global Logistics Network, the world's most extensive multi-modal network, with the industry's broadest array of modular and interoperable web and wireless logistics applications. At our core, Descartes' team of industry-leading logistics experts is dedicated to delivering innovative solutions while working closely with our customers to help ensure their success.

Descartes is headquartered in Waterloo, Ontario, Canada and has offices and partners around the world.

Learn more at www.descartes.com.