

Digital Supply Chains – as many questions as answers

By PETER KOSMINA, MisterMina Group

The container supply chain is a vital element of the Australian economy and it is reliant on an efficient interface between all stakeholders in the supply chain. The escalating demand from customers for fast and accurate deliveries is placing an ever-increasing pressure on suppliers to meet their customers' requirements.

To achieve this in the container transport task, cooperation between Supply Chain Participants (SCP's) is crucial and therefore the lines of communication and the availability of critical and timely data are paramount.

The key to any enterprise maximising the value of their operation is consistency and reliability and the timely and accurate exchange of data allows SCP's to efficiently allocate resources to tasks and manage their requirements. Unless it is effectively managed, cargo is delayed which has ramifications for all parts of the supply chain.

There has been a consistent (albeit slow) drive toward solutions to these increasing data demands and companies have been adopting new business-to-business (B2B) strategies involving integration and knowledge sharing with other parties in the supply chain. Many companies are moving away from the "paper-trail" and

are digitising all of their documentation and they have also already established electronic message protocols for knowledge sharing. However, these are normally only with their major customers or service providers and are therefore "one-to-one" relationships meaning that data is siloed from the other parts of the chain that could benefit from that information.

As the founding CEO of 1-Stop way back in 2001, we built a platform capable of connecting all SCP's through a central data base for the safe and secure transfer of data; and it worked.

Now 18 years later, whilst we've seen the technology evolve the goal hasn't changed and we are seeing the emergence of many initiatives aimed at accelerating the digital transformation of the world-wide shipping industry by developing IT platforms that allow the fair and open exchange of supply chain data between SCP's.

1-Stop have improved their tech and are extending their product range and their geographical reach in order to touch a broader range of SCP's and secure, aggregate and add value to information for their users. However, they do not have the complete picture and have information gaps in their offering.

In the last edition of ACROSS BORDERS, Richard White from WiseTech Global talked about straight through digital processing that allows SCP's to connect with each other. His technology, stable of companies and products offerings like CargoWise One are perfectly set up to make the digital world much easier for his users, whether within the WiseTech ecosystem or outside of it. However, whilst WiseTech has a lot of users world-wide and are better placed than most to connect everyone, it also doesn't have all the data, so they too have information gaps that need to be filled.

More recently, two shipping line-led initiatives in this information gathering space have announced their intentions to build IT platforms for the collection and dissemination of data. The first is the Maersk led TradeLens project, which consists of Maersk, MSC, CMA-CGM, Hapag Lloyd, and ONE. The second is the Global Shipping Business Network (GSBN) being led by CargoSmart with cooperation from CMA-CGM, COSCO (Shipping & Ports), Hapag Lloyd, Hutchison Ports, OOCL, Port of Qingdao, PSA Int'l and Shanghai Int'l Port Group. Both will be using BLOCKCHAIN technology.

Whilst TradeLens & the GSBN will have support from the world's biggest shipping lines, who between them control close to 80% of international container volumes, even they will have information gaps, especially on the land side of the container chain.

Everything that is happening in the digital supply chain space is wonderful and will only make our daily lives better but as all of these initiatives evolve, two big questions come to mind:

1. how can a SCP digitally receive all the information they require to efficiently run their enterprise when there are so many sources of information with a stack load of different messaging standards and "flavours" even within the same standards, and
2. data/information is (still) king and comes at a cost, so how much?

Even if all the players I have previously mentioned set up inter-operability agreements for the transfer or data between their platforms, there still exist a host of questions surrounding privacy, data security, data ownership, visibility permissions and protocols. And, the big question around commercials; how much will it cost me and what benefit do I get?

I fully support any move toward a digital supply chain and believe that, even at a cost, will deliver SCP's huge efficiency gains. However, given the conservative and suspicious nature of businesses operating in the supply chain, I will closely be watching how all of this evolves and how industry deals with all the issues.

MisterMina Group

ABOUT MisterMina

MisterMina specialises in helping firms with their B2B technologies and building supply chain communities that streamline the real-time flow of information between industry participants, removing cost and providing real value.





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