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 Solutions for Ocean Carriers**

**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 and freight forwarders demand better, faster and more accurate data from their transport partners, this can become an increasingly daunting task for the ocean carrier.

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 Descartes Global Logistics Network™ (Descartes 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. Descartes supports the book-to-bill process between shippers, freight forwarders, ocean carriers and NVOCCs, from booking to freight invoice, using a Standard Messaging Format (SMF), and offering flexible data conversion capabilities. Additional message types such as transport orders for the pre- and on-carriage can also be supported.
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.

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 a reliable exchange of information.

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 deeper analysis of cost to contract price and shipment routing information to maximize yield management per lane. This data 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 helps manage 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 helps ensure 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 users within the ocean carrier communities.

Customs & Regulatory Compliance
Providing end-to-end functionality for ocean carriers includes visibility and integration with customs and regulatory authorities.

Effective integration of security compliance, such as electronic advance manifest filings, into your international logistics operations is essential to streamline the secure movement of goods across borders for any organization with cross-border operations. Global import and export cargo security initiatives are in place to improve the sharing of information gathered by the trade community with the government bodies around the world. With this information, government systems can screen cargo and parties for what they perceive to be at risk and take appropriate actions by refusing the goods or planning for inspection prior to discharging them within their countries. However, the disparity between the mandates outlined by countries around the world, and the infrastructure capabilities of global supply chain stakeholders, can make the exchange of timely and accurate information on a global basis extremely complex and challenging. Our cargo security filing solutions enable collaboration between multiple parties to address a variety of filing requirements and offer increased visibility and control of your compliance and shipment processes.

Next to security compliance, Descartes also offers Customs declaration functionality in North America and several European countries, allowing you to integrate your carrier system, the different Customs Authorities and your business partners in an efficient and standard way standard way.
Transportation Management System

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 and determine the most cost effective route plans. 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.

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. The Descartes Reporting Services™ solution also provides 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 Highway Carrier Portal™ application 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 a web-based 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. All offices are able to view the data to confirm that shipments took place, were on time, and that the billing rate is accurately reflected.