A rising tide

by Jason Berman, *CCO, S5 Agency World*

The past decade has made the global supply chain increasingly intricate and unpredictable. Over time, the amount of data available to the shipping industry has sky-rocketed, allowing deeper insights into ways of working. For port services, in particular, digitalisation has tantalising untapped potential to create greater visibility and understanding of port transactions and operations to help meet the industry's evolving needs and support more sustainable operations.

Today, the rapidly decarbonising and digitalising shipping industry is changing at an unprecedented pace. Innovation and new technologies have been at the forefront of the movement to help drive the transition to a greener, safer, and more efficient shipping sector.

Still underutilised

Traditionally, various manual procedures, including emails and one-to-one phone conversations, have been used to handle port services. Some businesses still use desktop spreadsheets to coordinate port calls and track vessel status. This strategy is no longer viable for vessel owners and charterers in a world that expects greater responsibility, sustainability, and quicker decision-making from its supply chains. Those who have already adopted digitalised procedures are reaping the benefits. In turn, those who are yet to adapt face being on the wrong side of the sustainability movement.

Digitalisation reduces laborious administrative procedures, freeing up time for leaders to focus on more pressing business issues and creating an organisation equipped to operate sustainably in an increasingly more competitive market. Artificial intelligence is also used in contemporary software to speed up tasks like scheduling. Not only does the digitalisation of port services make operations more effective and frictionless, but it also reduces risk and creates opportunities for businesses to create more value.

At present, the potential of digitalisation remains underutilised. Less than half of all seaborne vessel movements currently use digital hub solutions for port services. This means there is vast scope for improvements in resilience, transparency, and sustainability across the board. At S5 Agency World, we want to make the digital transition accessible to everyone. We do this by linking our IT solution, Simply5, with the clients' platforms and helping to identify areas where we can drive efficiency and value.

As all cargo owners know, port call procedures are a complex ecosystem prone to last-minute adjustments and involving many diverse actors. This complexity necessitates high-level synchronisation to accomplish efficient coordination. Business-critical papers, such as charter agreements, bills of lading, and port documentation, must be easily accessible. Thanks to a centralised, digital system, having documentation always on hand eliminates delays caused by lost paperwork, delivering smoother port calls and more efficient and sustainable operations.

Everyone suffers

Ports are essential in the shipping industry's broader decarbonisation and environmental stewardship ambitions. The effective and safe management of port activities by all parties can benefit economic growth, mitigate supply chain risks, and improve environmental protection. The COVID-19 pandemic has been a stark reminder that when ports are impacted, everyone suffers. It is in the industry and its customers' best interest for ports to run as efficiently as possible to reap the benefits of optimisation, which, in turn, leads to greater sustainability thanks to efficiency savings.

While ports play a central role in the functioning of the global economy, due to the reliance on heavy equipment, trains, trucks and ships to operate, they are also sites of significant air and water pollution generation. By adopting digitalised processes that reduce time spent burning fuel in port by making calls more efficient, future port emissions can be considerably reduced.

For port services especially, digitalisation can release untapped potential within businesses to help them meet their environmental, social, and governance goals. The benefits of greater transparency will help to raise standards further in the industry. Digitalisation will make it easier for teams with permission to access important information. This increased transparency, involving more accurate and precise records, will help individual companies comply with stricter governance requirements. In both the short-and-medium terms, a wide range of new compliance mechanisms are coming into play, with both net-zero targets for 2050 likewise the 2023-incoming Carbon Intensity Indicator and Energy Efficiency Existing Ship Index.

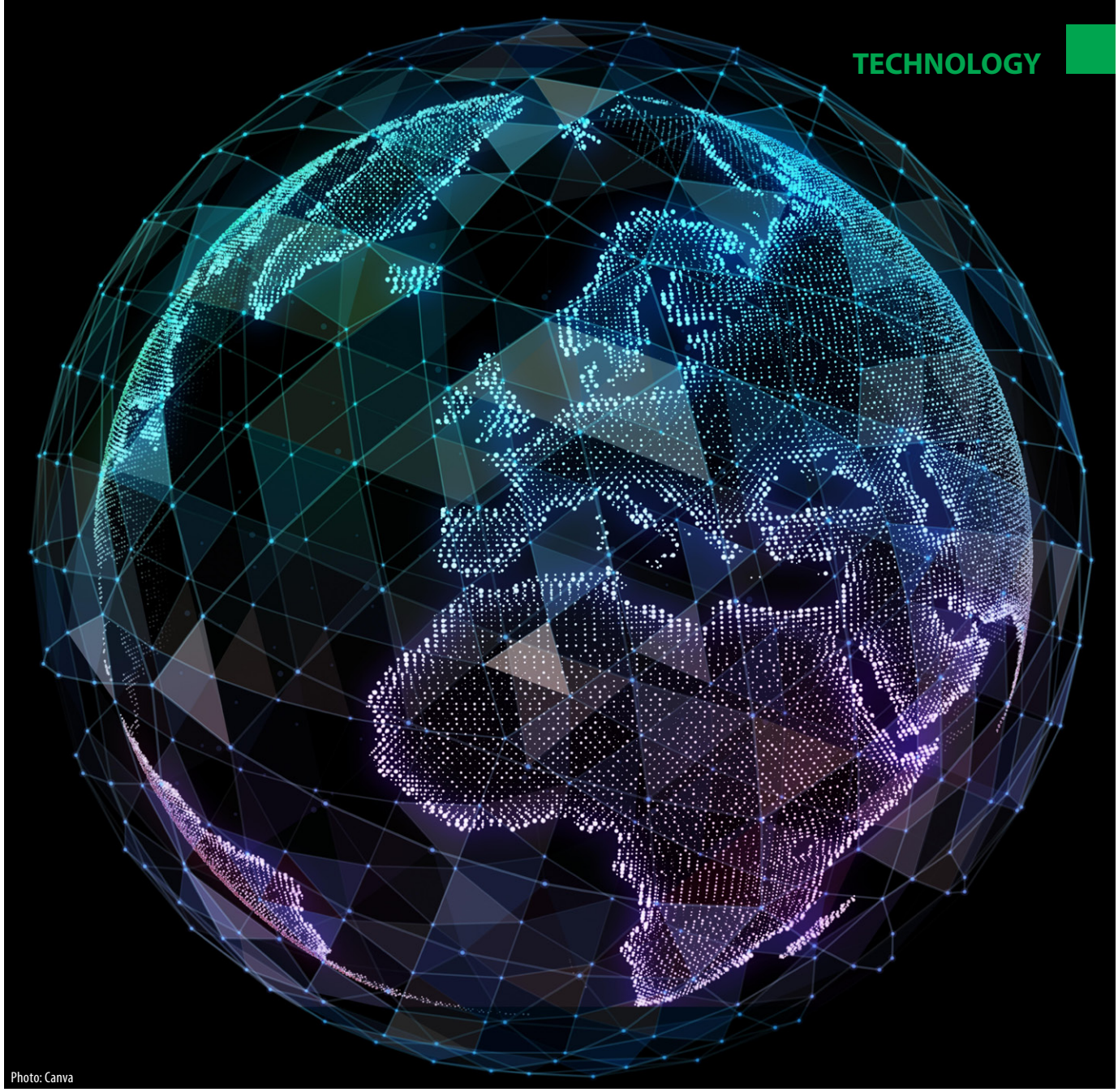


Photo: Canva

Lengthy port waiting times worldwide further demonstrate the need for quicker adoption of digitalised port services. Insight and analysis of data collected across thousands of port calls and available through a central, digital hub can help vessel and cargo owners optimise their approach to ports with long waiting times and continue to operate safely and sustainably.

The next generation

Another aspect of digitalisation is the draw it will have for a new generation working on and offshore. Gen Z and Millennials are digital natives who can provide a unique set of skills to the sector that will help it advance – but this workforce cohort does not always have the seafaring experience that so many companies find beneficial. However, when paired with the exchange of structural information and background from older generations with experience at sea, the influx of workers born in the digital age creates ideal conditions for the further digitalisation of working practices. The sector may benefit from a changing workforce by implementing meaningful operational change to contend with the dynamics that are fast altering the shipping business.

Digitalisation will provide a backbone for the transition to shipping's more sustainable future. Increased data access combined with greater transparency and info sharing will pull the entire industry forward as a rising tide lifts all boats. Those who fail to adapt to these new working realities will struggle to compete against more agile companies with more profound insights and an understanding of the pressures and areas for improvements in their businesses. This is critical for success in port services, paving the way to a more sustainable shipping & logistics industry. ■

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