

{ WAVELENGTH }

# Standardisation may just be the catalyst that leads to innovation

Focus on better integration of business processes is an eminently sensible idea — all it requires is a bit of harmonisation, and that can't be too difficult



Paul Berrill

**F**ifteen years ago, the dot.com revolution took the world by storm: millions were going to be made overnight from online innovation. It didn't quite happen that way — but some early strugglers like Amazon are now fully fledged success stories, and there are plenty of new businesses that keep coming through, like Uber taxis and Airbnb holiday homes.

Shipping had its own dot.com revolution — and like in the outside world most of the launches, dotty or not, failed — although a few survived.

Many, like LevelSeas and ShipDesk, alienated many of their potential users, the brokers they thought they could cut out of the business. The chartering platforms either failed to get off the ground or work any better than, or even as well as, the manual processes they sought to sweep away.

But former ShipDesk pioneer Peter Andersen is not alone in feeling there were “some good ideas in all the creative madness” that can still be utilised.

A timely one-day discussion held last week in London, Smart Solutions, gave a chance to debate where technological development has got us in shipping — and where it might go from here.

Shipping's dot.com boom survivors were mainly providers of online tools that did a single job — like Q88's vessel questionnaire documents or Chinsay's chartering contract recap systems.

Many in the industry would now like to use more of these tools together to better integrate business processes. It seems an eminently sensible idea. All it requires is a bit of standardisation, and that can't be too difficult, can it?

Captain Philip Bacon, head of operations at ship-manager AM Nomikos, led a valiant charge for harmonisation at the meeting.

Riffing on a Star Wars theme where inter-galactic trade in the year 3,000 AD was still hampered by today's lack of standard protocols, so every transaction still had to be retyped as a PDF because no hi-tech system would work with any other across the entire universe, Bacon argued that the time is nigh for change.

Back in the dot.com day there was an attempt at building a common shipping Internet language based



► **JEREMY PENN:**  
The Baltic Exchange chief wonders 'why there is so little demand for integration...'

Photo: TRADEWINDS EVENTS

on XML code but it is still difficult to find applications that can talk to each other.

Bacon sees greater potential in standardising not the technology but the format of chartering documents. He believes that would make it easier to transfer details from one system to another.

He has taken the idea to Bimco, which does a lot of good work in standardising shipping documents, but it appears the organisation is unwilling to push for this kind of development. That is mystifying to many who work on all sides of the chartering business.

Baltic Exchange chief executive Jeremy Penn, also at the meeting, described how he was amazed when he joined the industry 10 years ago at how little drive there was for technological innovation.

Things have changed since, he says, but Penn added: “I still ask why there is so little demand for integration and pulling things together in a way that is really functional.”

“The idea that you would have charter parties in all their various forms, and with all their different clauses, set up on a centralised, or your own, system, so that you could automatically generate them and tie confirmations to them would seem to me to be a basic idea,” Penn said.

A common response is: Yes but who will pay for systems to work together?

It is fair to say they might want to benefit commercially.

And so we are stuck with a situation where individual technology providers fight to persuade shipping companies that their system works best, and the tech-

nology users prefer to hold onto their data — thinking it will give them an advantage over their rivals.

These dual approaches work against the creation of integrated information-sharing networks and mean that developments that appear to have obvious advantages, like electronic bills of lading, struggle to be adopted despite the major efforts made to promote them.

A halfway house is suggested by Q88. It is pushing the idea that cloud computing allows online voyage management systems to be brought together on one screen for do-it-yourself process harmonisation. “The cloud is halfway to the dream of one application,” said research vice-president Richard Abrahams.

AXS Marine commercial director Steve Fletcher agrees that duplicated effort is unlikely to give many people a competitive edge, but he said: “I doubt there will be a single solution.”

But Bacon argues that shipping industry organisations have been fixated with regulations rather than the more prosaic business of business harmonisation.

Members of the Baltic Exchange have over the years shown they do not want to spend large amounts developing a chartering platform or freight derivatives trading system. But perhaps the exchange could play a greater role in finding ways to standardise charter party clauses, or maybe Bimco would like to reconsider its position.

The time seems ripe to make the next big step in joining up shipping's Internet dots. It might even help the industry work a whole lot better than even the dot.com pioneers dreamed. ■

FORMER SHIPDESK PIONEER PETER ANDERSEN IS NOT ALONE IN FEELING THERE WERE 'SOME GOOD IDEAS IN ALL THE CREATIVE MADNESS' THAT CAN STILL BE UTILISED.

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