

# **LSCM Logistics Summit 2016**

## **Orient Overseas Container Line Ltd.**

**Sep 2016**

# Trade – Shipping – Technology

- Vast majority of the world's traded goods are carried by ships
- Many forms of shipping
  - Tankers
  - Bulkers
  - Container ships
- Container (“Liner”) shipping – most able to benefit from technology

# Liner Shipping

- Small part of a “logistics supply chain”
- Service characteristics:
  - Network (multiple O&Ds)
  - Scheduled (weekly service)
- Economies of scale (# / size of ships)
- Capital intensive
- Complex product
  - “Customer” definition / Multiple parties per transaction
  - Product delivered over time and multiple locations
  - Multiple vendors (trucks/terminals/trains/feeders/depots)

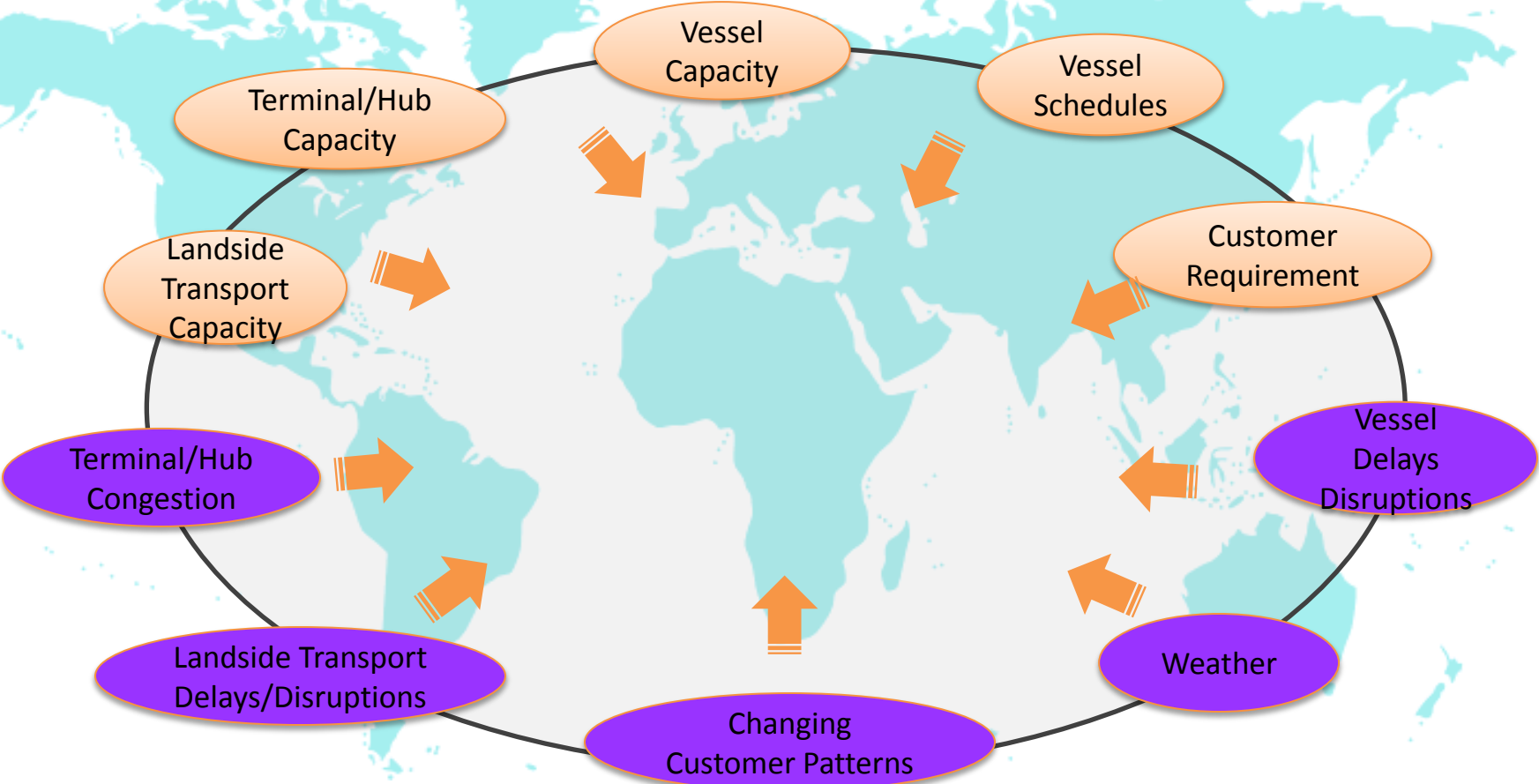
# Liner Shipping

- Management intensive / nuts & bolts business
  - 100 ships in motion at any time
  - ~70,000 boxes departing per week
  - “Orchestrating” multiple vendors /moves per departed box
  - Constant disruptions requires re-planning
- Highly competitive
  - Fragmented / lots of players
  - Lack of service differentiation
  - B2B biz / everything is negotiated
  - Lack of standardization
- Importance of technology
  - Information transparency
  - Decision support

# Digitization in Shipping

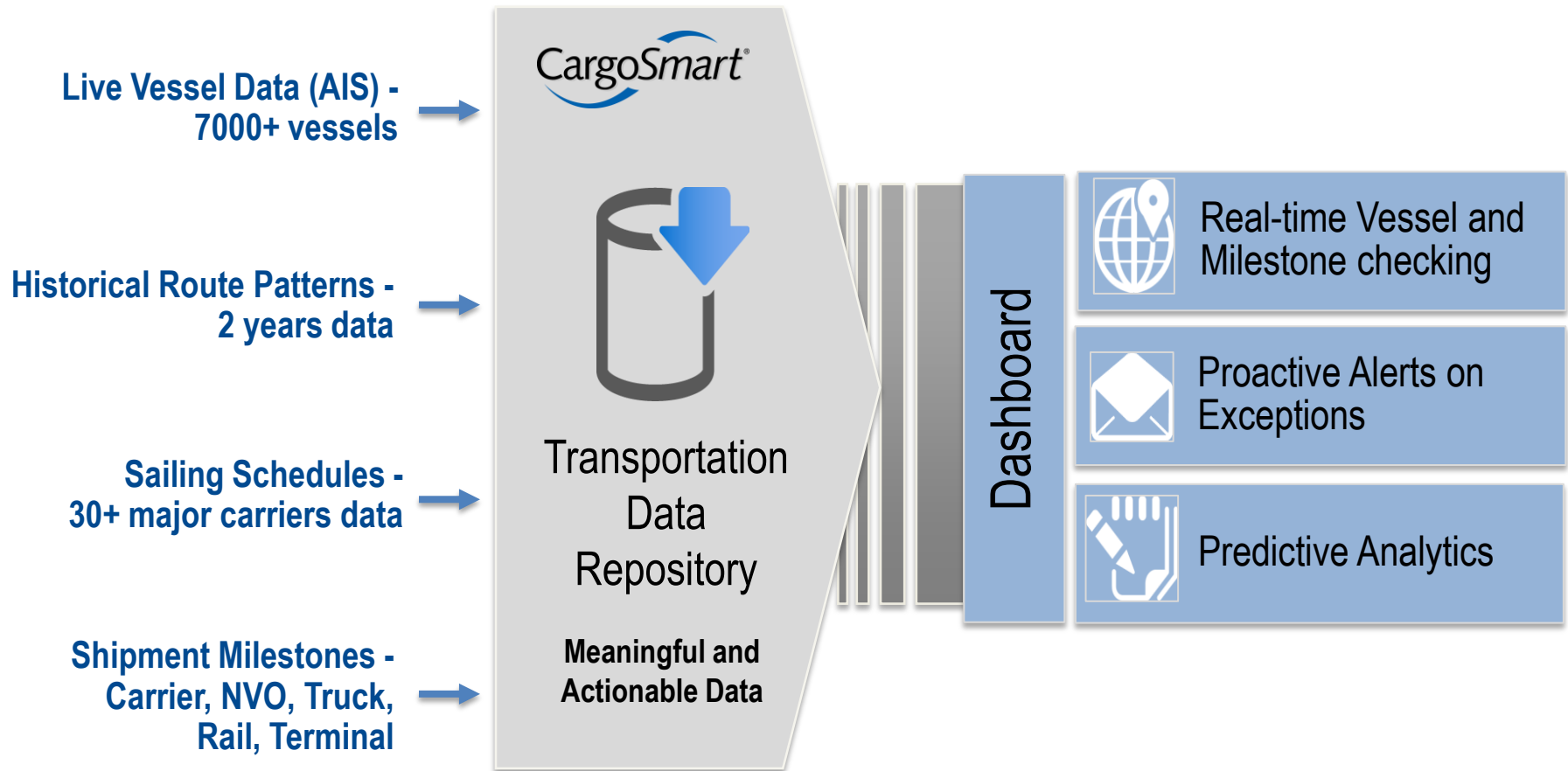
## IoT & Big Data Analytics

### Global Container Shipping Network Drivers



# IoT & Big Data Analytics

## New Visibility & Predictive Capability



**Visibility → Analytics → Prediction → Prevention**

# How is the analysis of Big Data performed?

Digitize different types of data from multiple sources



Analyze big data through visualization and machine learning



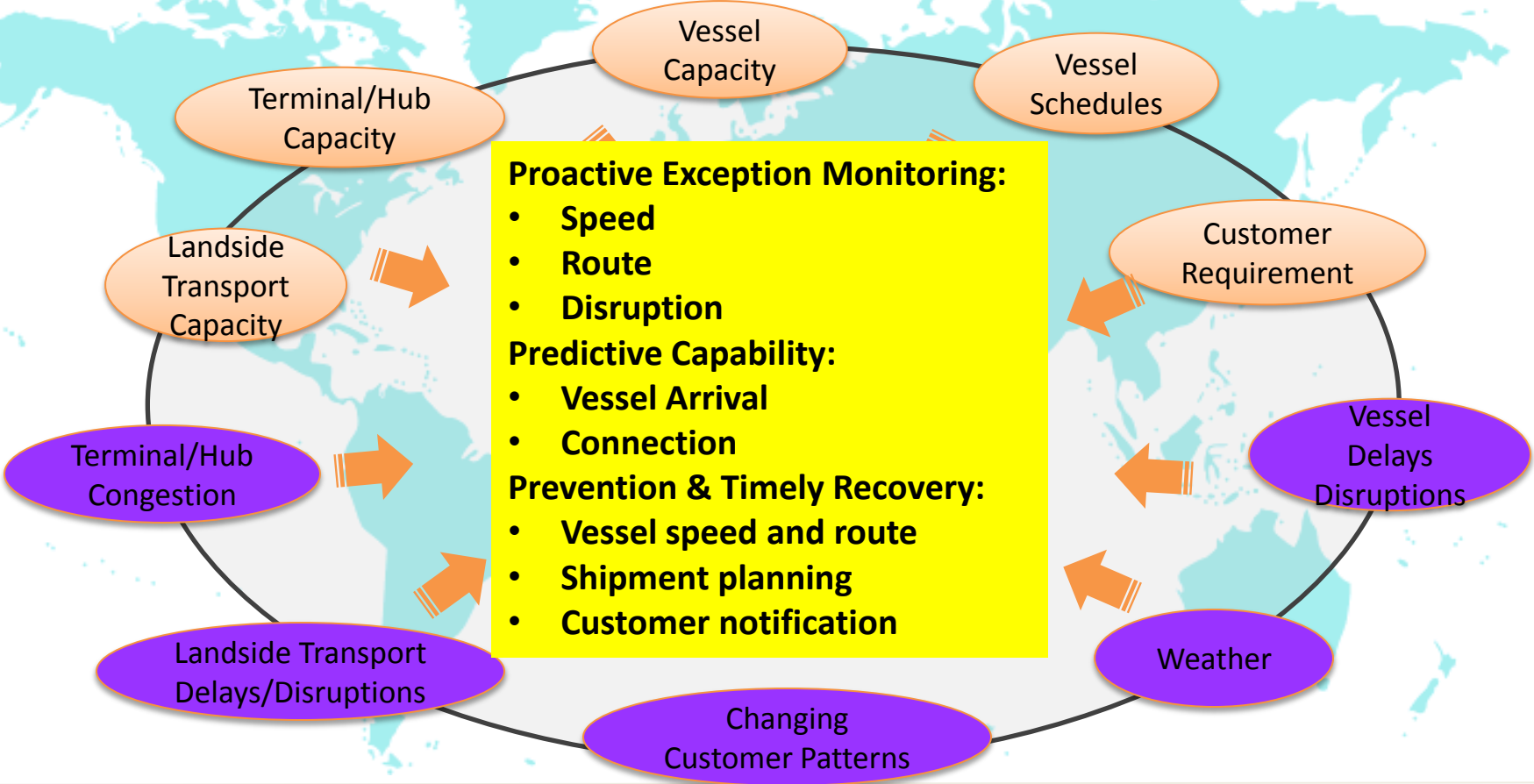
Provide analytics visualizations and insights for better decision making



# Digitization in Shipping

## IoT & Big Data Analytics

### Global Container Shipping Network Drivers





# Digitization

## Overall Business Values

Leveraging advanced technologies, IoT, Big Data Analytics and digitization in general, we have equipped ourselves to:

- Manage on a “network” level vs. “local” level
  - Proactively re-plan vs. react to disruptions
  - Enhance speed and precision of decisions
  - Bring a higher level of customer service
- => Better quality AND lower cost

# OBOR

- Infrastructure development in 60 countries
  - Finance
  - Build out
- Much needed boost for global economic and trade growth
- Positive for transportation businesses



# OBOR – Different Game for OOCL?

- Different “foreign” markets
- New physical gateways
- E-Commerce could disrupt supply chain needs?

SO.....

- Learn and set up in new markets
- Explore beyond ocean shipping and get involved in land routes?
- Embrace/adapt to new E-Commerce models?

**End**