

Ocean Carrier Network Reduces Container Movement Costs for Better Street Turns

A Massive Carrier Network With Millions of Containers

Recently, numerous major shipping lines consolidated to form a single massive shipping network. The resulting holding company set up business operations in Asia and, today, boasts a fleet of over 200 vessels, including some of the world's largest ships. The carrier network is now one of the largest in the world, covering over 120 countries and offering regular service to every continent except Antarctica. Operating at this scale requires significant investment in equipment, most notably the standard twenty-foot and forty-foot shipping containers used by ocean carriers. This carrier network manages over 1.5 million of these containers with a value of approximately \$3 billion.

Maintaining control of its containers is a costly and challenging concern. Besides the cost of the container itself, simply moving a container costs money — whether it is full or empty. After being unloaded, the best practice is to reuse import containers for export shipments as quickly as possible to save time and money on two empty runs. When immediate reuse cannot be coordinated, the carrier must coordinate with a third-party trucker or rely on the shipper to schedule a trucker to return the container so it is available for outbound moves. This is a manually-intensive task that cuts into profit margins.

The carrier network's massive inventory of containers and the expansion into new regions made its leaders realize they needed better control over this expensive equipment. With teams all around the world managing empty equipment, it became essential for the organization to reduce inefficiencies caused by the inability to efficiently pair empty import containers with nearby shippers for exports.

Reducing the Cost of Container Repositioning

Managing the flow of containers is vital for ocean carriers to reduce imbalances caused by the ebb and flow of supply chain inventory, but it is also important for trucking companies and shippers. All stakeholders benefit when shippers can fill empty containers with an export shipment on the way back to the port — a transaction called a street turn. Shippers get access to cost-effective nearby containers while trucking companies get additional revenue by hauling full containers instead of empty ones. Ocean carriers get revenue from leasing their containers and transporting the shipper's goods over the oceans.

Unnecessary container repositioning, congested roadways, long wait times at ports, as well as idle chassis and containers also negatively contribute to the global environmental footprint. The ocean carrier industry is already retrofitting ships to help reduce the impact of carbon emissions, and this carrier network recognized that proper container utilization would also help reduce the adverse effects of land transportation.

Why e2open?

Based on a history of effective partnership with e2open for shipment bookings, the carrier network's leaders decided e2open was a natural fit. Many of their bookings — along with a significant portion of overall global trade — already flow through e2open's ocean carrier platform, so leveraging the same network for container management was a natural extension. They also preferred the e2open payment model since the company simply deposits funds to the platform and payments to trucking companies for container moves are administered by e2open. This reduces the need for internal resources to manage that portion of the transport move.

Delivering a Container Marketplace

The carrier network's goal was to eliminate manual searches for container locations by consolidating all information about their location and status into a single place. With real-time location and status information for all their import container moves and export bookings, the carrier could eliminate the need to access multiple websites, send emails or make phone calls to try to track them down.

E2open Application

The company chose to leverage e2open Equipment Management to synchronize import shipments with export bookings and streamline container logistics. As a result, the carrier can automate the identification of incoming containers that could be reused for export bookings nearby.

The Technology to Manage Containers

E2open's automated matching algorithm uses the carrier network's own import, export and location data to plan street turns, container reuse or depot drops and returns. Without this automation, its land transportation coordinators have to manually search and align shipments, then schedule a trucker to handle the job. After the implementation, planners can digitally balance container inventory between depots with visibility into future export bookings. They are also able to schedule truckers at a "spot" rate that is often cheaper than contract terms. These combined capabilities would not only make overall operations far more efficient but also reduce costs and enable better utilization of the network's assets.

A Trifecta of Benefits for the Carrier Network

The organization has seen positive results from e2open's functionality, which is operating across most of its business. Cost and time savings are the two primary benefits, but the technology also helps deliver on the carrier's sustainability commitments. Additional results include:

- A 10% decrease in empty container moves
- Cost savings for depot storage rates
- Elimination of internal resources for trucker payments
- Significant reduction of carbon emissions and improved environmental footprint

About e2open

E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 400,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 12 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™ Learn More:

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