



FREIGHT & LOGISTICS IN THE FAST LANE WITH BLOCKCHAIN

VIDEO TRANSCRIPT

The blockchain opportunity for freight and logistics is huge.

Why is that?

When you look at the international shipping today, especially in ocean, you look at the number of participants, you have the exporter, the importer but guess what's in between. You have the logistic companies, ports, shipping lines, tracking companies, insurance companies, banks, and more. So blockchain brings us the opportunity to interact in a very different manner. As you can imagine, there are a lot of transactions, and a lot of transactions that need to be shared not necessarily with everybody at the same time.

So you have to be picky as to who gets to see what, you have to have clear determination of who owns what information, because what we need to do is to make sure that the truth is what is being shared for blockchain.

So, what did we do? We put together this small consortium to test what blockchain could do for us.

When we did that, we assigned responsibilities for processing in different ways than it's done today.

We asked the shippers to do certain things, the shipping line not to do things that they were doing today, same for the logistics company. Very important benefits were identified, for example, for the shipping line, 80% of the data that they are manipulating and processing today for getting to a bill of lading creation, went away.

We measured efficiencies for everybody in the team, also for the shipper and forwarder, we also measured the improvement in cost reduction because of all the things that went away, the fines, the documents etc., there are other fees that incur when you keep the container longer because you are not clearing customs, you pay per day for the rent of that unit.

So at the end of this, this is a good business case for all parties involved, and that's very important when you talk about blockchain, and when you talk about bringing something for the community. Adoption will only happen, if all the members of the community have a positive case, otherwise there will be resistance, and if one part of the chain is not on board, then the overall benefits will not be achieved the same way.

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