Maersk is surfing the digital wave

The Danish shipping company A.P. Møller-Maersk wants to be at the forefront of the digitization of shipping. 2.5-3 billion dollars are dormant in the war chest. Instead of ordering more new buildings like the competition, digitization should ensure growth.

The goal is ambitious. They want to be the first "integrator" in container logistics, said CFO and chief strategist Jacob Stausholm at the Capital Market Days in Copenhagen. "We are far better equipped for the upcoming transformation process than other companies," he says.

The industry leader in container shipping has long been one, with the acquisition of Hamburg Süd, the global market share rose to 20%, in some trades, it is still far higher in 34% (Africa) or 35% (Latin America). Of course, the global network and port calls will now be further optimized to make ocean transport more efficient and therefore more cost-effective. So more direct routes to the selected hubs are planned, the transshipment share should decline in return, announced Anders Boenaes, Head of Network Planning at Maersk.

In the future, however, it will be even more important to extend its own supply and value chain, not just as a carrier, but also as a logistics service provider beyond the shipping routes and ports. Business lines such as tankers, oil and triples no longer fit in the concept and are repelled. "We want to grow where we are already big," says Stausholm. Instead, the Danes have teamed with IT giants IBM and Microsoft to drive digitalization and strengthen their core competencies in shipping and logistics. "The technological development helps us here."

Digitization and blockchain are two of the key concepts when it comes to making better use of existing data streams and extracting values. With the expansion of the IT infrastructure and new digital products, one wants to set oneself apart from the competitors. This alone requires the zeitgeist. "Customers expect us to provide a comprehensive service, including new digital products, preferably one-stop shopping and door-to-door delivery," says Stausholm. Including handling of all customs formalities, insurance questions and financing, hinterland transport and depot services. In the future, container shipping should become as uncomplicated and transparent for industrial customers as an online order at Amazon & Co for private customers today is already. Thanks to Maersk as a kind of DHL at sea.

The potential is enormous, say the experts. 20% of all costs incurred today could be avoided and world trade increased by 15% if existing barriers and shortcomings in supply chains were removed.

Maersk will be rebuilt and given a comprehensive management and a new segment structure: Ocean (Maersk Line, Hamburg South), Terminal & Tugs (APM Terminal, Svitzer), Logistics & Services (Damco, Regional Offices, Finance & Insurance) and Manufacturing. The business, which is not part of »Ocean«, is expected to grow disproportionately. Wherever it fits, activities of the different business units should be bundled. In three to five years, it is hoped in Copenhagen, the transformation process could be completed. "It will not be easy," says Chief Strategist Stausholm. "But we believe in success."

The beginning is made with an industry-open blockchain platform of the joint venture of IBM (49%) and Maersk (51%). This should speed up processes, simplify them and thus also cost-effectively. Manufacturers, freight forwarders, shipping companies, ports, terminals and authorities should be brought on board to make data relevant to the Blockchain system available to all parties - transparent, unchangeable and in real time. The times when there were up to 200 different accompanying documents for each container should then be over.