

By Herbert A. Sample

REAL-TIME BREAKBULK

New software gathers disparate data to determine logistics profitability

What does real-time breakbulk business analysis look like? It probably would give instant answers to questions such as: Will this voyage be profitable? Should we tender? Should we book this cargo? Are these our best port pairs? Is this our best customer in this trade lane?

Pulling together a confusing welter of data to answer questions such as these quickly and efficiently may appear to be an impossible task.

"If you go to a bank or to a supermarket ... their ordering is automated," said Arjun Vikram-Singh, chief executive of Quantum Business Solutions and Outsourcing, headquartered in Bangalore, India.

"The whole thing is really streamlined from where the production takes place to the actual shelf in a store. It's all on one big computer system that has visibility and transparency."

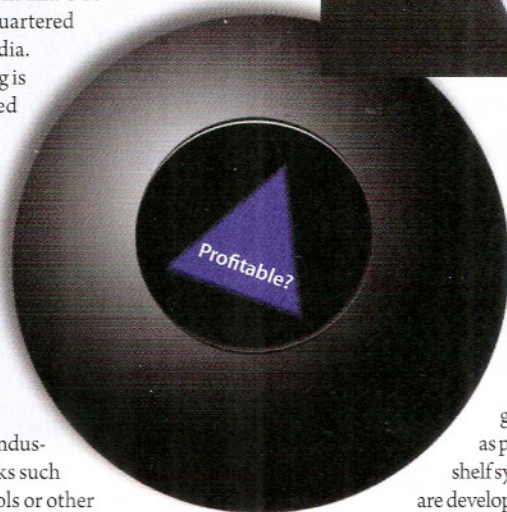
The ocean transportation industry generally lacks such management tools or other ways of quickly determining, for example, the profitability of booking a particular cargo or sailing a particular vessel, he said.

Without real-time analysis, managers tend to repeat the same patterns, Vikram-Singh said. Then, "they find out three months later that actually what they've been doing over this period of time is actually detrimental to the bottom line."

Toward the goal of solving these problems, Vikram-Singh said his company's Web-based



Arjun Vikram-Singh



software, Quantum Intelligence, or Qi, can pull together reams of data in a comprehensive form that managers and executives can view, navigate and use.

Quantum builds ground-up systems as well as pre-configured or off-the-shelf systems. Ground-up systems are developed from client specs and normally take 90 to 120 days to deliver, while pre-configured systems are plug-ins and usually take 30 to 60 days, Vikram-Singh said.

For either method, once the system is in place, data entered into the company's core operating system is automatically copied to Qi; it does not have to be entered separately.

For a ground-up project, Quantum works with a team from the client for approximately five days to devise a unique system for the com-

pany. A first phase based on this work is normally delivered within 45 to 60 days and is intended to cover at least 90 percent of the client's needs. The remainder could be ordered progressively, Vikram-Singh said.

Delivery of a pre-configured system works differently, he said. Quantum maps the system to the client's existing database. Mapping normally takes five to 10 working days, with another 10 days on installation, fine-tuning, acceptance and training.

Once trained, for example, a transportation manager could sort real-time data for periods, country, port, customers, exports, imports or commodity types. This can further be analyzed or sorted on different measures such as revenue, profitability, metric tons, cubic meters, bills of lading or shipments.

Filters also allow selection by services, voyages, legs, load areas/country/port, discharge ports, customers, etc. The system also allows comparisons between similar and dissimilar values to assess best performance, Vikram-Singh said.

Fixed or vessel-related costs and variable or cargo-related costs are mapped, making it simpler to analyze profitability, Vikram-Singh said. The system includes a "what-if" feature that allows simulations of any business condition, such as the effect of fluctuating freight rates, cargo volume, bunker rates, currency exchange rates, etc.

Any revenue or cost element could be simulated and analyzed, including the value of positioning voyages. The what-if simulator can be used to define a budget or a business plan or to assess the impact of general rate increases or more global changes.

Vikram-Singh is not a mere techno geek. The 50-year-old CEO spent 15 years as a merchant marine officer, including five years commanding a cargo vessel. Afterward, he was Norasia Line's regional manager in the Middle East, overseeing operations and container logistics. In 1995, he became the line's general manager in Asia and

the Pacific. Five years later, he took his talents to South America, where he was senior vice president for CSAV Group.

In 2003, he joined Quantum BSO, which designs core operating systems and business intelligence software, primarily for various sectors of the shipping industry.

And that's where Qi, the company's new software, comes in. Essentially, it collects data from various sources, inside and outside the customer's own databases, and compiles it in a way that provides managers with a snapshot of their entire operation, said Satish Babu, product manager for Qi.

An executive "can get a complete picture of his business ... where it was yesterday, what is happening today, and where (he is) thinking the future is," Babu said.

This comprehensive approach to business metrics is something breakbulk shippers don't do enough, Vikram-Singh said. What the industry "really lacks is the ability, in relative real time, and now I'm talking three months after an activ-

ity, to be able to tell the manager what the result of that activity has been," he said.

A manager books cargo. Was it profitable? He sails a ship. Did that ship sail out profitably? Without real-time analysis, it is very difficult to know, Vikram-Singh said. Managers think they

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are making good decisions, but they lack data. He calls his software a crystal ball that takes data from previous years on suppliers, customers, finances, operations and the like and presents it in a manner that allows managers to better understand their business.

"As soon as the software is loaded, it takes this one, two, three, four years of information and it tells you, 'All right guys: this is the good,

this is the bad, this is the ugly,'" he said.

The firm first began selling the systems in December 2008, and they are now available in versions tailored to container carriers, multipurpose and project carriers, and freight forwarders, among others.

Customers contacted about the software declined to comment on it for competitive reasons or because they've been using it for too short a period of time to assess it.

Qi may not make Vikram-Singh the subject of a popular movie, as other, trendier programs such as Facebook have done. But it is an object of affection for the Quantum team. "This has allowed me a great deal of pleasure," Vikram-Singh said, noting the joy of watching his team of "very simple" but "extremely clever" underlings come up with the idea and the wherewithal to make it happen.

The program serves a "huge need," he believes. ■■

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