

DIGITAL DISRUPTION IN AUSTRALIA AND THE GLOBAL AND LOGISTIC INDUSTRY



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With more and more organizations and business leaders throwing around the phrases 'Digital Transformation', 'Digital Disruption' and 'Digital Density', it's important to know that while these three phrases all mean something different, in a business sense all three matter to the future and growth of a business and the economy.

Wikipedia translates Digital Transformation to be the changes associated with the application of digital technology in all aspects of human society. Digital Disruption refers to changes enabled by digital technologies that occur at a pace and magnitude that disrupt established ways of doing business and more generally our thinking, while Digital Density is the effectiveness in which digital investments are made.

In a speech that Sarv Girm, Chief Information Officer at the Reserve Bank of Australia, gave to the Committee for Economic Development of Australia for the Reserve Bank of Australia, the way he interpreted Digital Disruption was spot on; "It's an opportunity of a lifetime, but on the other hand it is also littered with risks. If you are an executive of a business or a director on a board then the challenge is to determine if the right balance has been achieved in these extremes."

A study by Accenture Strategy contends that "for organizations to retain their global competitiveness in an increasingly digital economy, Australian organizations must reassess where their profit centres, competitive strengths and growth opportunities lie and optimize their

investments in digital skills, technologies and operations accordingly."

'If the Australian economy were to improve its digital density, the study estimates Australia could enjoy a boost to Gross Domestic Product (GDP) of 2.4% beyond current forecasts – pumping an additional \$46 billion into the national economy by 2020.'

It's important to understand that it's not one single organisation or country that it's effecting. It's affecting all organizations around the world. We need to remember that we can't ignore this, we must move forward and keep up with the technology as the opportunities and rewards are significant.

Digital Transformation must start from the top. Executives and board members need to push and promote the change and to make sure the organization is reassuring all employees that the disruption is a way forward for themselves and the organization.

Investing in digital technology is critical to businesses to ensure they are keeping up with the modern day and this is no different in the importing and exporting industry.

I recently reported that the rate of innovation and adoption is accelerating and will likely continue to do so. This rapid change has an impact on decision-making. Decision-makers need technologies and solutions to support this, rapid and accelerating change to help them make good decisions based on knowledge, experience, and sound logic have a much higher probability of delivering success in any business.

Accenture Strategy notes that "managing digital disruption is a complex and ongoing process" and that there are three key actions business leaders must take to exploit the growing digital economy, improve economic opportunities and drive new productivity and growth:

- **Prioritize digital investments based on value opportunities:** Balance digital investments so that an optimal combination of improvements in areas such as skills or technology helps you to deliver the best returns
- **Compete using an industry-specific digital strategy:** Be clear on which platform, what roles and which data are fundamental to compete successfully in your industry
- **Create the right environment for digital transformation:** Improve your own 'digital IQ', invest in ongoing skills training and development, have systems in place to encourage and utilize innovation across your organization

Regardless of where a business is today, the evolution of decision making in the importing and exporting goods business relies on three key factors:

- **Business Process Automation (BPA):** any operator that uses technology to tap into the benefits of business process automation is immediately improving their planning processes
- **Operational Engagement (OE):** In ports and terminals there is a clear advantage that arises for terminals that invest in a port wide vehicle booking system e.g. Vehicle Booking System (VBS)



- **Port Community Insights (PCI):** Use data and insight to improve and optimize business

These key factors fit into the three factors in Accenture's study and when they all are incorporated into a terminal's approach to planning, managing, and optimizing for continuous improvement, the benefits can be realised.

Accenture notes that "investing in digital technologies is critical to deepening an organisations digital density, but this must go hand in hand with investing to build, acquire and retain digital talent throughout an organisation, from entry level to the C-suite."

Daniel Burns commented for Business 2 Community; "Using digital technology to ease our daily frustrations by questioning traditional methods and delivering empowering alternatives or more efficient business models is something that should be celebrated rather than feared."

1-Stop has shown the Global Logistic industry the benefits of implementing technology solutions, that while it may have been disruptive at first, all users benefit from efficiency gains. So many opportunities

now exist to collaborate, improve efficiency and reduce administration hours, which in turn also helps the economy by boosting productivity, saving money, and integrating all port operators (sea, port and land operations).

Ports and Terminals that are using 1-Stop's services in Australia, New Zealand and the Philippines reported results that are so impressive the rest of the world is watching. Some results reported include:

- Importers, exporters, freight forwarders, transport operators and terminals have gained more certainty in how they operate and can rely on consistent and efficient truck turnaround times and service levels
- Truck turnaround times reduced from 91 minutes to 37 minutes
- Terminals moved to auto gates with complete validation that includes container, truck rego, drier and time zone booking
- Terminals in South East Asia experienced a 20% increase in truck servicing and a 30% decrease in dwell times in the first 2 weeks of operations. Terminals are seeing benefits in terms of efficiency,

transparency and flow, and the ripple effect of these is reaching into industry and congestion benefits for Manila

- The import and export community is able to clear cargo more quickly through a community payments platform that links to shipping line and terminal systems for the immediate release of cargo

In closing, here at 1-Stop we are actively ensuring 'Digital Transformation', 'Digital Disruption' and 'Digital Density', keeps us moving forward to ensure our technology and the products we are providing to our customers will always be innovative and world class that sees not only us grow, but makes our clients grow and expand.

ENQUIRIES

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