

**PORTXL**  
world port accelerator

# DIGITAL TRANSFORMATION

## ARE START-UPS THE NEW LEADERS?

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The maritime and logistics sectors are changing rapidly. Digital technologies enabling online booking, real time insight and unbelievable analytics have changed the game and many newcomers are challenging even the developments of last year. Whether it is start-ups like Flexport or Xeneta or large corporates such as Amazon, everyone, from logistics service providers, to shipping companies, to ports and freight forwarders, all are stepping-up their digital game. The market is in flux.

So what is the Holy Grail? If you are a maritime or logistics company many people will probably urge you to start implementing smart analytics, or perhaps they'd recommend you realize real time information sharing, or even better, to implement blockchain. The future is uncertain, but perhaps these are solutions that will make all the difference as we move into the digital future. However, in the Netherlands we have a saying: "The best pilots are ashore!" this means as much as when you look at a problem from a distance with a holistic view, a solution seems pretty obvious, but when you are at the wheel and

deeply entrenched in the action, it is much harder to see what is going on outside of your immediate frame of reference. So, with regard to the digital revolution, maintaining a broad, open perspective will be imperative in keeping pace with the market.

The key takeaway from all this is that as individual companies looking to prosper, we cannot do this alone. We need to work with different players in and out of our sectors to deliver value, stay abreast of developments and ensure we are in the best position to spot new trends, collaborate and innovate.

### IF YOU DO WHAT YOU'VE ALWAYS DONE...

So what is the problem with focusing on all these great new technologies such as smart analytics, real time information and blockchain? Well, the problem is that it is not about implementing one amazing new technology, but it is about 'implementing' a set of organizational capabilities that ensures that your organization is adopting new technologies all the time, in a reactive, multifaceted manner, today and tomorrow.

The big question therefore is "How will the current players maintain their supremacy in the new marketplace?" Innovation clearly is the pillar that more and more companies are relying on, yet we all know innovation has many meanings: You can do it in-house. You can work with other players in your sector or the wider supply chain. And, of course, you can start by adopting start-up technologies. This has become a very popular option. But why are companies doing this?

### START-UPS

There are three good reasons to start scouting start-ups. First of all, start-ups generally bring really new and exciting technology into an industry where you can still find existing players working on old operating systems, or even worse, working with old methodologies. Secondly, start-ups are generally a lot quicker (and cheaper) to work with. They can start tomorrow, find workarounds for everything, and deliver you a new version of the work instructions for the tool in real time. Finally, they inspire. Start-ups have an ambition to change the world, or at least the sector, they hear and

know about all the latest developments and inspire your people to get informed.

Does this mean that there are only advantages to start-ups? No – in a word. The main issue is that working with start-ups is actually very difficult because they don't know your working situation as well as you do, and the products they deliver often require some additional adjustments and modifications, and furthermore, often they do not have the financial foundation to wait 60 days (or your company's waiting period) before your finance departments decides to pay the bill. This doesn't mean start-ups should be out of the question, it is just that by realizing these limitations it will help you in actually getting value out of the technologies.

**SCOUTING, TESTING AND SCALING TECHNOLOGIES**

So how can you make working with start-ups work? Firstly, to make the required impact with start-up technologies it is best to plan for a two or three year learning curve for your organization. This time is required to master the capabilities needed in finding new technologies to bring real value for your organization. Value means bringing cost reductions, new business, increases in safety and/or sustainability and productivity. There are three phases involved in realizing this value:

**PHASE 1: SCOUT**

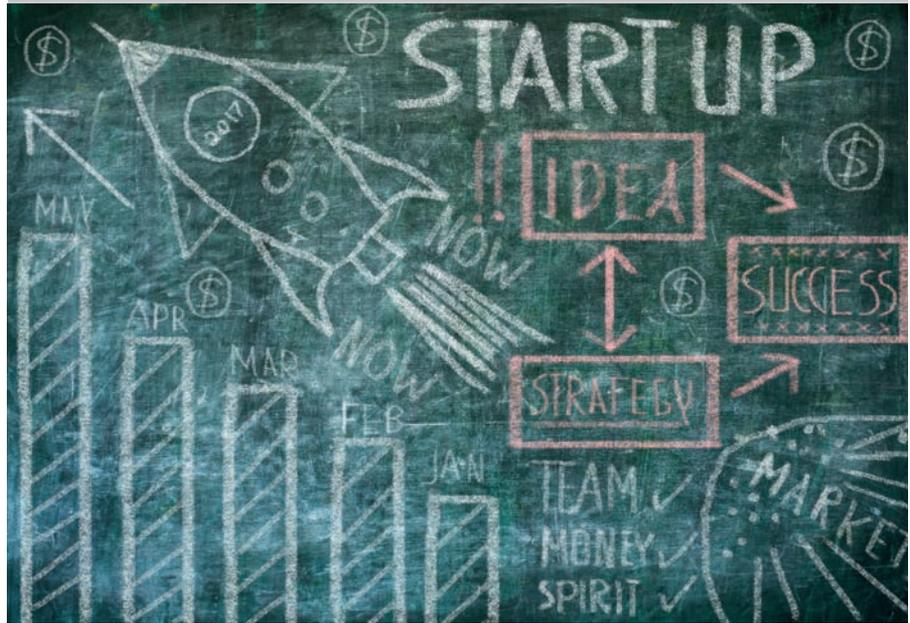
Scouting means searching, finding and assessing start-up technologies. That may sound easy, but what does a good start-up look like? Which proposition can add the most value for your company? And which proposition can actually be implemented fairly easily (the proverbial 'low hanging fruit')? Unfortunately, there is not a simple answer to these questions. There is an element of gambling and just doing it necessary here, as engaging on this journey is the only way to go. The funny thing is that this could be the biggest learning curve for the employees in the organization – not debating and planning every single step, but going into action and learning on the job.

**PHASE 2: TESTING**

Okay, you found the new technology you require, but does it really work well? And does it work in your digital landscape? When testing the technology, you generally need to involve all the relevant business units in your company. On top of that you need to design a relevant, potential and successful pilot.

**PHASE 3: SCALE UP**

If the prior two phases have all worked out, at this point your organization has already made incredible steps, but no business



value has been created yet. Of course, there have been many lessons learnt, which are also of great value to the company, but you are looking for real value that you can see in the business results. So if the new technology is tested and the results were successful, the next step is to scale up the solution. Depending on the exact dynamics of a given organization, this means even more business units need to be involved, as well as locations. Worse still, your suppliers, partners and clients also need to change their ways of working.

**CONCLUSION**

The realization is kicking in that developing new technology and working with start-ups is a true learning curve. Are there shortcuts?

At present, I don't think so. We all share the risk factor. For each technology that you implement, you need different people from inside and outside the organization to make it work. We see today that more and more companies are starting their learning curve, and companies that do this focus on dedicating time to learning lessons. They have people from the organization involved, from top management to the people doing the actual work recording progress and maintaining the imperative holistic perspective. Are such companies afraid of failing? Perhaps. Yet they realize that it is more crucial to actually stop projects that failed and learn from them than to mitigate all the risks involved in starting projects, or not embracing the change at all.

**ABOUT THE AUTHOR**

Mare Straetmans is the Managing Director of PortXL, the first and only maritime, logistics and energy related accelerator in the world. Straetmans has experience in fostering innovation in the port sector. He had a key role in impacting the maritime and logistics sector particularly as Strategy & Innovation Lead within a large maritime corporation. Furthermore, as a consultant he has developed experience with organizational and strategic challenges.

**ABOUT THE ORGANIZATION**

Ports, maritime and logistics sectors are dealing with an increasing level of challenges such as hyper-competition, an increase of digitalization and an increase in sustainability responsibilities. But

they also deal with the rapid rise of new technologies, like blockchain, IoT, digital logistics, drones, virtual and augmented reality. PortXL is a company scouting, matching and accelerating startups, in close connection with large corporates like Shell, Van Oord, Vopak, Thales and more. Being the first and only entrepreneurship hub in maritime in the world, PortXL has established a distinguished approach to increase the speed of development of startups and support corporates in their challenge to create value out of working with startups. With locations in Rotterdam, Singapore and Antwerp, PortXL is covering leading maritime and logistics ecosystems around the world.

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