WHY RESILIENT SUPPLY CHAINS NEED AN ELECTRONIC BILL OF LADING

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Niels Nuyens,
Digital Trade Program Director,
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Association (DCSA)

Nine of the top 10 ocean carriers' recent commitment to a fully standardised, electronic bill of lading (eBL) by 2030 is a significant step towards fully digitalising container shipping processes. Digitalisation is important for many reasons, not least because it builds resilience into global trade's complex supply chains. It enables more accurate and timely information to be rapidly and seamlessly exchanged so that all stakeholders can have true visibility into the whereabouts of goods as they make their way across supply chains. This is of benefit to all stakeholders, from shippers to financers and carriers, and the many other involved organisations.

TRANSITIONING FROM B/L TO EBL

The bill of lading (B/L) has a long history. It has enabled trade over time by functioning as an agreement, a receipt, a document of title and a record of terms and conditions. To transport goods, it must be exchanged at the right times during the process. However, despite technology advances, B/Ls have remained mostly paper-based which creates a number of challenges and a missed opportunity.

Paper B/Ls aren't environmentally sustainable. They are expensive to produce and move and, of particular pertinence to supply chain resilience, they can hold up the progress of goods. If an original B/L or title document isn't where it needs to be, or hasn't been processed in time, cargo can get stuck in ports.

Supply chain stakeholders recognise the challenges of legacy processes. Indeed, the COVID-19 pandemic highlighted the limitations of paper, heightening the call for electronic documentation.

DIGITALISATION TO CUT COSTS, IMPROVE THE EXPERIENCE AND INCREASE RESILIENCE

Pre- and post-pandemic, other industries have digitalised to increase automation, reduce costs, improve customer experiences and be more sustainable. Container shipping can gain these benefits by digitising too, along with the ability to scale to support growth as trade volumes increase.

An eBL circumvents the need to enter data manually into, for example, customs systems. That stands to improve data quality and timeliness, an important gain in the fight against crime.

Despite the many benefits of digitalisation, there have been obstacles to change. A significant one is that parties exchanging eBLs need to connect to the same platform. Proprietary platforms, leveraging unstandardised data, can only support discrete segments of complex and interconnected global supply chains.

The industry needs interoperability to make progress towards a digital-first approach, starting with the eBL, and for that, it needs standards. Standards establish common processes, data definitions and communication protocols. As such, all technology platforms leveraging the standards can exchange data smoothly.

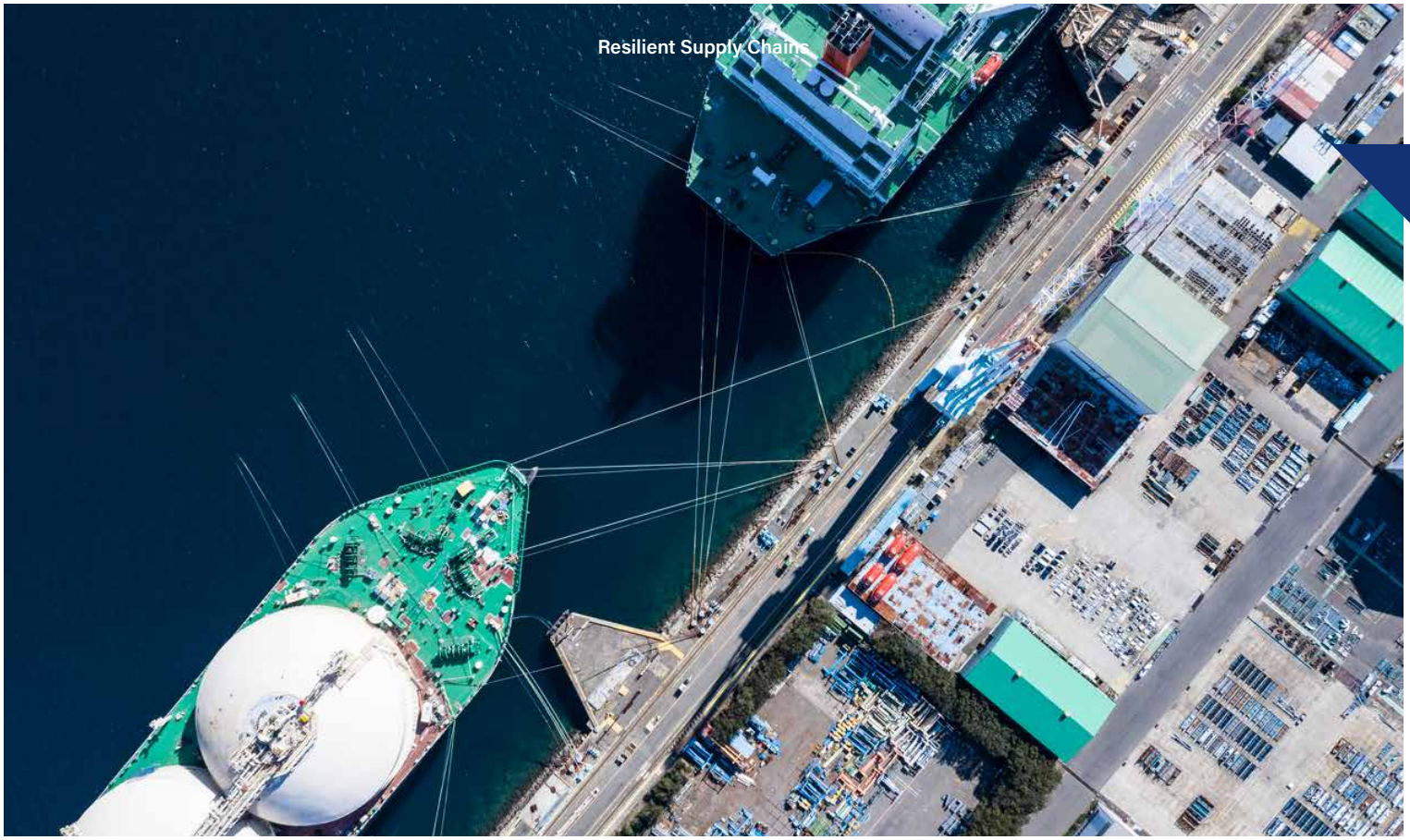
This makes for a better experience for shippers who will be able to choose an eBL platform based on service levels and capabilities and exchange electronic documentation with carriers, banks and other parties that may use different platforms.

100 PER CENT EBL BY 2030

The carriers' commitment to 100 per cent eBL by 2030 illustrates a readiness for change. 2030 is an aggressive target, but the standards to enable interoperability, and therefore streamline processes, are available, therefore the time to act is now. While a universal approach to legal and platform interoperability is still being worked through, viable options are available now for adopting eBL. Shippers and banks can start working with carriers and IPG&I-approved solution providers to switch from paper to eBL.

DCSA was established in 2019 to be the de facto standards body for the container shipping industry, and the carrier commitment to 100 per cent eBL epitomises the purpose of our organisation. Transforming document exchange through eBL will accelerate the digitalisation of container trade to benefit all shipping customers, providers of ocean shipping services and maritime supply chain stakeholders.

However, realising the far-reaching benefits that can be gained from universal eBL will require wide industry collaboration. Through collaboration and industry alignment, we can drive digital transformation of eBL and the container shipping industry, which will ultimately transform international trade.



"2030 IS AN AGGRESSIVE TARGET, BUT THE STANDARDS TO ENABLE INTEROPERABILITY, AND THEREFORE STREAMLINE PROCESSES, ARE AVAILABLE, THEREFORE THE TIME TO ACT IS NOW."

ABOUT THE AUTHOR:
As Program Director, Niels is responsible for the development of digital standards for DCSA's Data & Interface and Industry Blueprint initiatives. Niels works with carrier members and other industry stakeholders to align standards with common industry practices and promote adoption.

Prior to joining DCSA, Niels served with Deloitte Consulting for 14 years as a digital transformation consultant for companies such as Adidas, Ikea, Dutch Railways and Shell. He was also Operations Director for an Augmented Reality start-up for two years.

Niels has an M.Sc. in Information Management from the University of Tilburg and completed an Executive Education program at Nyenrode.

ABOUT THE ORGANISATION:
Digital Container Shipping Association (DCSA) is a neutral, non-profit group founded by major ocean carriers to digitise and standardise the container shipping industry. With the mission of leading the industry towards systematic collaboration, DCSA drives initiatives to make container transportation services transparent, reliable, easy to use, secure and environmentally friendly.

DCSA's open-source standards are developed based on input from DCSA member carriers, industry stakeholders and technology experts from other industries. DCSA member carriers include: MSC, Maersk, CMA CGM, Hapag-Lloyd, ONE, Evergreen, Yang Ming, HMM and ZIM.