

Back to profit with container management strategies

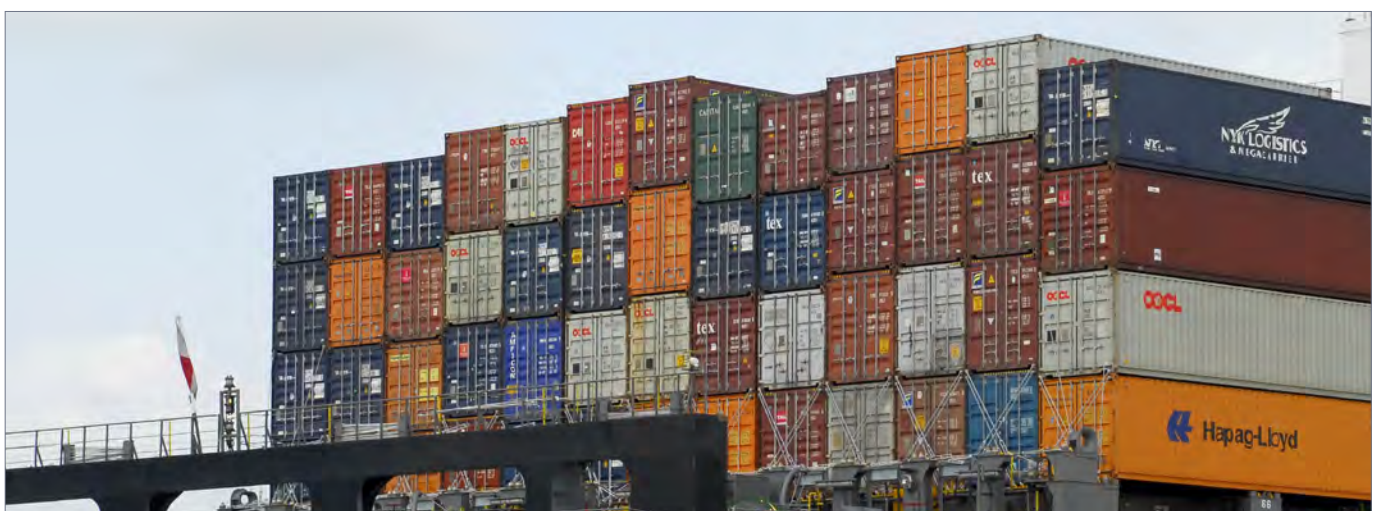
CC&S and MIT consultants brainstormed with over 15 Global carriers on finding ways to overcome the challenge of container imbalance.

CC&S in conjunction with four consultants from MIT (Massachusetts Institute of Technology, School of Management) conducted an in-depth research project in order to learn valuable information and feedback on exactly what shipping lines would find useful in order to improve operations and cut costs.

Primary research included interviews and case studies with over 15 global carriers in order to better understand their needs and expectations for reducing the cost of empty container management.


Container imbalance has always been a major challenge for container shipping carriers and all companies who were interviewed expressed serious concern at the gravity of the situation. The downturn caused by the global economic crisis (lower volumes, increased competition and consequent rate decreases) has made the cost of repositioning empty containers to attend to export demands an even more critical issue.

The research revealed that ocean carriers use a combination of factors such as tracking systems (equipment stocks), experience (past performance) and manual work to manage empty repositioning. A small minority have systems to forecast demand and allow planning but none of them have the visibility to potential bottle necks with the necessary advance notice for timely corrections to planning.



High performance information technology (IT) goes a long way to making this collaboration a success. Mv-Fleet™ 2.0 was based on feedback from equipment managers and senior shipping personnel who are faced with this problem every day. Due to this research project led by MIT, CC&S were able to move forward with custom solutions to the issues raised. Mv-Fleet 2.0 promotes communication and offers visibility by facilitating collaboration which allows the maximization of industry resources. The technology creates the possibility to compete through sharing resources in a similar way to how this has been done successfully in the airline industry. This will become the next step in standardization for the container industry.

The required improvements are as follows:

- Standardize the way carriers visualize their unmet demands and inventory bottlenecks.
- Improve access to information in order to get better container leasing and charter deals.
- Integrate container operations (booking, vessel moves, equipment) into a single process.
- Eliminate unnecessary processes which are based on old data-capture systems and excel sheets, lists, among others. 

We share with you their voice:

"The accurate positioning of empty boxes is the difference between being profitable and non profitable. This is still a major issue for smaller carriers."

Chief Operating Officer

"The cost of equipment control is very high and is one of the top 3 costs for us. Bunker charges is actually the largest right now."

Deputy General Manager

"A carrier's customer forecasts should be very reliable so that an interchanged container is returned to its original owner at the right port at the right time. Having such reliable forecasts is difficult even today."

Equipment Manager

"More effective container management will undoubtedly decrease costs for the liner business since the present ineffective process creates a situation where containers are located at a non-demanding location which creates relocation costs. It is therefore imperative that container management must be significantly improved and well-managed, in order to make cost-reduction a reality."

Global Equipment Manager

[Click here to receive in-depth results of the MIT/CC&S Research.](#)

(Your internet browser will open up with our online form requesting more details.)