

Facing the perfect storm: how digitising will smooth the way in the fast-growing container world

Every year nearly 120 million containers leave ports around the world in an industry that drives the global economy. Yet bookings and prices for 40% of those containers are set by phone calls and emails. And that takes time. What if you could do it online in minutes and track the results?

That's exactly what trailblazing Australian start-up Mizzen has been doing, with a high-tech, fast, cost-saving digitised container booking service that has just notched up its first year in business.

Fifty years ago, the shipping industry was revolutionised by the introduction of containers but, until now, nothing much on price setting and distribution has changed to rock the boat.

But now, unlike using emails or phone calls, freight operators can quickly get port-to-port rates direct from shipping lines through Mizzen, with no intermediaries or mark-ups.

In a few clicks, customers can search shipping line schedules, check dates of departure and arrival, find the right vessel, compare rates and book shipments. A complete transaction can be completed in minutes.

Small wonder that Mizzen, the first start-up of its kind to pioneer a digitised approach to a growing industry which has been slow to change, is rapidly getting the attention of shipping lines and freight operators.

Management consultants McKinsey forecasts the container business will increase in size by two to five times in the next 50 years, using digital technology, artificial intelligence and giant autonomous ships.

Mizzen's Managing Director, veteran shipping executive Jon Charles, said: "What took a freight operator hours on the phone or multiple emails, chasing freight rates and trying to make bookings can now take just minutes on the internet, with new opportunities introduced to insure certainty of being able to make bookings on the vessel needed".

"We had the idea when we sat down and really looked at what could be done to remove the long-standing inefficiency in how prices are set and bookings made. By using our simple system, freight operators and shipping lines can have more certainty, be more efficient and more profitable."

In its first year, Mizzen, based in Sydney, has signed up 45 freight operators and eight shipping lines and is on target to expand into new markets next year.

One of Mizzen's first customers, Richard Lamport of Kalgin Global Logistics, said: "We'd got used to spending so much time, up to half a day, organising a single freight quote and booking for FCLs (Full Container Loads) to go from all main Australian ports to worldwide destinations. We've been in this business for 29 years, shipping thousands of containers all over the world and we estimate that 10 to 15% of our bookings have been delayed because carriers haven't been able to guarantee space. This is only going to get worse as carrier consolidation and mergers and acquisitions continue.

"Since using Mizzen, we can now book online, get comparative rates from different shipping lines, and have the whole thing done within the hour. That has freed us up to sell more volume with our revenue in the past year increasing as a result. We

estimate it has saved us around \$25K per year and countless hours in admin time. It's a better, more efficient way and we have no hesitation in recommending it."

Another early adopter of the system, Lucy Wei of Q Line, added: "It's clear to us that digitising the business is the future, with more automation and more immediate data feedback. We have already seen the benefits in taking advantage of freight rates that we previously would have been unaware of."

Shipping is one of the world's oldest businesses and, in common with many industries, it is slow to adopt change, as Mizzen's Executive Director and co-founder Darren Burden, a former senior digital strategist with Fairfax Media, understands well.

"Media had to go from hot metal to computers, then see its print audience migrate to the web, tablets, and smartphones. But new businesses and new audiences were created. People consume their news in all sorts of ways. In that sense, we are not trying to replace anything in shipping, but we are offering a new channel."

As the recent McKinsey report *Container Shipping: the next 50 years*, concludes: "The shipping industry was built on the vision of strong leaders who dared to sail through the storms. Although it now once again faces a period of disruption—this time from digital technologies—there is a path forward for companies willing and able to seize the day."



Mizzen Group's Chairman Dr Alan Taylor, Managing Director Jon Charles and Executive Director Darren Burden