



Portals in shipping today – which way forward?

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The problem with Portals in shipping today is that they have to achieve immense expertise in content management, marketing, service provision plus outstanding standards in software design and implementation all at the same time, or so they assume.

Portals are in the same predicament today as land transport companies (trucking companies) where in the beginning of the century. The automobile opened vast opportunities in land transport, just like the computer combined with the Internet allows tremendous potential for networking of people and their jobs with relevant information.

However, the transport companies of the early part of this century would have probably achieved poor results if they had started as chassis building workshops without much concern for their expertise (or lack of it) in consolidating cargoes. Equally they most likely would have failed had they started as freight consolidators and decided to build their own trucks, especially if they went into building heavy duty transmissions, steering boxes, differentials, axles, etc.

There are probably some rare exceptions to the rule of focus in business but even these rare exceptions start in a focussed manner and succeed first in this, before broadening the spectrum. Above all the leaders of any such broad enterprise must be able to make leading alliances that succeed, and usually this means the enterprise must be conceived by outstandingly resourceful people

with an outstanding grasp of value in a business alliance. For example no freight consolidator of repute would make an alliance with a second rate machinist to build a motorized trucking company. To access the leading consolidators during the emergence of the trucking industry, the talented engineers necessary to run technical operations in a trucking company were people of great promise in the budding engineering field. They would have been people with the foresight to utilize current technology as needed in the trucking business, plus the foresight to stay adequately wide of the path of the major automobile manufacturers and their future products.

Today we are looking at the maritime opportunities for information networking. Portals seem a plausible entry point because they can be set up fairly easily and anybody can give it a try. In fact it is the low threshold of entry and the notion that one company can rule in the business-to-business e-commerce field, that has led to so many portals with similar business plans. It is the venture capitalists who drove the broad-brush concept, because they needed big market numbers to justify the risk reward figures needed in their formulas. Big markets need a broad range of products and services and thus we have the current cut-throat competition in such a virgin domain.

However a small degree of common sense and research at this juncture, will yield the formula for success: the percentage improvement in efficiency and convenience. The proportional efficiency or convenience added by a portal to any tasks in the maritime business is dependent on the degree of inefficiency or inconvenience experienced in this same maritime task prior to the instigation of the portal.

THE PERCENTAGE IMPROVEMENT IN EFFICIENCY AND CONVENIENCE:

So the successful portals will not concentrate initially on a wide coverage of assistance to the maritime business but instead will focus on an area with a high ratio of improvement via the use of a portal.

For example, Intertanko has its own information portal, and will continue to cut costs substantially through the use of a portal to create a low cost shop-front for the press, a reference area for current affairs for its members (thus reducing the need for mail outs and distribution of such content), plus all the other obvious advantages. The value is so high in way of added cost efficiency and convenience, that research and cost benefit analysis is superfluous.

TECHNOLOGICAL CONSIDERATIONS ALLIANCES AND CO-OPERATION:

The technological challenge for Intertanko was purely to find a common sense website designer and operator and let the leading software companies provide the underlying software tools.

There is nothing elementary about picking a competent, common sense partner in a new industry (designing and managing portals) however it is easier than trying to become an all around producer in a new skill which has nothing to do with one's previous core competence.

Technology is only one aspect of success. If we could get portals to call us on our cell phones to tell us things we need to know, this

would be nice, but only if procured by a company that can ensure beyond any doubt that the content, for example, is appropriate and timely.

There are rarely if ever any successes in good technology accompanied by poor packaging of the complete service.

CONTENT:

For content on the web we must draw lessons from some leaders like Yahoo and AOL. They have had far less success from content than from focussing on solving one massive inconvenience and doing so expeditiously and conclusively.

Yahoo, in getting established as a search engine (which was in itself a amazing accomplishment in light of potential competition and the fact that they did not write the code for the search engine), solved a current problem for Internet users that added incredible efficiency to their tasks.

AOL did similar amazing feats in way of their focus on bringing e-mail to millions of users, via a local call.

In the area of broader content provision, both companies have needed to build a sophisticated alliance structure. This is possibly the understatement of the decade. And still, their success in the future is by no means guaranteed.

Why? we may ask ourselves. Well, the answer lies in the fact that broader content provision can cover all subjects and therefore all markets. Tackling broad markets at the initial stages is not a good recipe for success, so even entertaining the concept of broader content without specific market justification is absurd. Now if we add to the absurdity by seeing lesser companies than Yahoo and AOL try to do the same, without much concern for the nature and specifics of their alliances, we can begin to understand the reasons for the current dip in enthusiasm for most of the .com industry.

Specifically the underlying business skills needed by .com companies to compete with old economy companies are unlikely to be available in all but a narrow field. Similarly in house information technology experts are also likely to be ultimately competitive only in a narrow aspect of the requirements of the .com business.

The solution is to create the appropriate alliances, which takes a very long time because alliances are like marriages.

It's easier to choose an alliance poorly than correctly and it takes time to build up the trust to a sufficient level just to get the full benefits of the alliance.

Furthermore, just like marriage there is a lot of attached baggage that needs to be carried judiciously.

CONCLUSION:

Success in business is borne from focus, plus the outstanding suitability of the entrepreneurs their teams and their allies, to the requirements of the field they are approaching.

A recipe for failure is: lack of focus, lack of team suitability to specific requirement expertise, lack of skills in building teams of really competent people rather than teams of intellectual tourists, plus an initial business motivation driven by relaxed investors.

The .com business is the greatest business revolution since the industrial revolution. It is neither sick nor wavering; it merely has not yet started its main engine.

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