



Case Study: CargoDocs for Charterers

Background

A leading, global Dry Bulk Charterer requested essDOCS calculate the impact of using electronic documents (eDocs), including Bills of Lading, via CargoDocs. This case study specifically focuses on Charterer-related savings.

Challenge

The paper-based shipping/trade document process at the Dry Bulk Charterer contributed to avoidable document delays, and, in turn, unnecessary costs as a result of inefficiencies arising from a reliance on paper.

Solution

The Dry Bulk Charterer elected to adopt CargoDocs in order to accelerate documentation processes across its Operations.

CargoDocs enables Charterers to review draft electronic documents, handle amendments and make necessary changes instantly, discharge against original electronic documents (as opposed to LOI's), monitor trade documentation processes from end-to-end via a single online solution (across an entire managed fleet), plus more.

The use of electronic documents by the Dry Bulk Charterer creates knock-on benefits throughout the supply chain by enabling faster receipt and endorsement of original documents – reducing the risk of fraud, minimizing re-keying errors and eliminating lost documents.

Note: This case study and the benefits herein demonstrate the added value achieved by the Dry Bulk Charterer via CargoDocs, to which model calculations from implementing 100% paperless processes are also applied. The figures listed herein take into account Charterer-related savings only.

This case study does not take into account Dry Bulk Exporter-related benefits and impact, such as on (i) cost of financing and (ii) exposure and risk relating to outstanding Letters of Indemnity (LOIs). Furthermore, labour cost calculations are based on conservative salary range averages, not taking into account (iii) regional salary differences between global teams and (iv) multiple-employee involvement in document processes –instead assuming single employee time/cost involvement per document process.

Methodology

The findings below are based on questionnaire feedback from the Dry Bulk Charterer, taking into account estimated time, costs and Charterer demands. It does not account for benefits across other departments or its supply chain counterparts.

“CargoDocs provides us with a faster, safer, cheaper, more flexible and better-controlled alternative to paper document processes.”

Operations Manager,
Dry Bulk Charterer

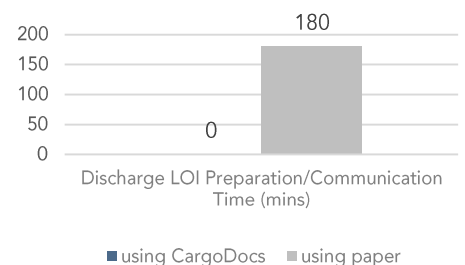
Key Metrics

The Dry Bulk Charterer estimates **\$36.34** direct documentation handling savings per B/L using CargoDocs as Charterer, based on a **3.79 Hours** or **0.1579 Days** time saving per B/L as a direct result of swifter documentation handling times. More specifically, the impact can be broken down as follows:

1. 100% reduction in avg. time spent preparing a discharge LOI (including time spent communicating with owners)

By using eB/Ls, the Company managed to completely eliminate the need for discharge LOIs, where previously requiring up to 180 minutes to prepare a discharge LOI and communicate with relevant parties. This translates to a per eB/L (where previously LOI) time-saving of 180 minutes and labour cost saving of \$28.77.

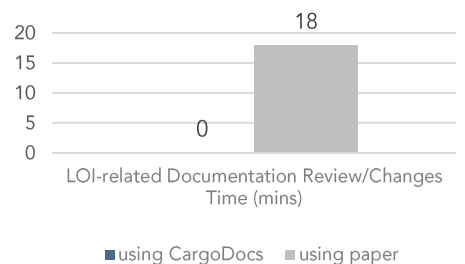
\$28.77 savings per B/L



2. 100% reduction in avg. time spent reviewing/confirming a LOI for change of destination or split/recut:

Prior to switching to eB/Ls, the Company required up to 120 minutes to deal with relevant LOI-related documentation changes. Since LOI-related changes referred to 15% of cases when using paper documents, switching to CargoDocs translates to a per B/L time-saving of 18 minutes and labour cost savings of \$2.88.

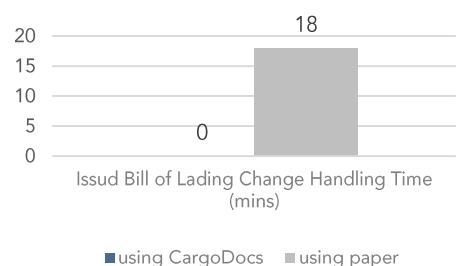
\$2.88 savings per B/L



3. 100% reduction in avg. time spent handling a change on issued B/L (i.e. originals returned, new orders sent to Agents, couriering new B/Ls, etc)

The average time spent handling changes to issued B/Ls – i.e. originals to be returned, new directions sent to Agents, new B/Ls to be couriered etc. – was slashed from 120 minutes to instantly, when such changes were required. Since these changes refer to 15% of instances, this translates to a per B/L saving of 18 minutes, leading to labour savings of \$2.88.

\$2.88 savings per B/L

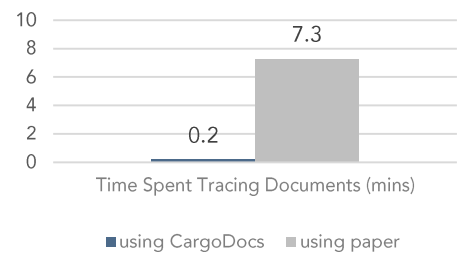


Key Metrics (cont/d)

4. 97% reduction in avg. time spent tracing paper documents when not available

In scenarios where the Company had to trace back and find physical paper documents that were not readily available, traceability time was reduced from 75 minutes to just 2 minutes (when searching and tracing digitally via CargoDocs). Based on the premise of a 10% likelihood of tracing back documents per B/L, this translates to a 7.3 minute time-saving and \$1.17 labour cost saving.

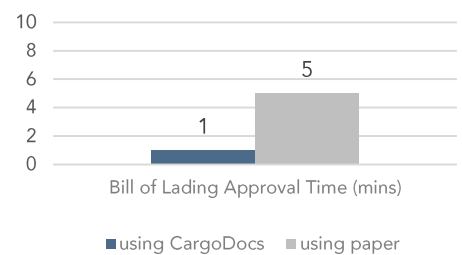
\$1.17 savings per B/L



5. 80% reduction in avg. time spent approving draft B/Ls:

B/L approval times were slashed from 5 minutes per B/L when using paper to just 1 minutes when using CargoDocs. This 80% time reduction leads to \$0.64 labour cost saving per B/L as a direct result.

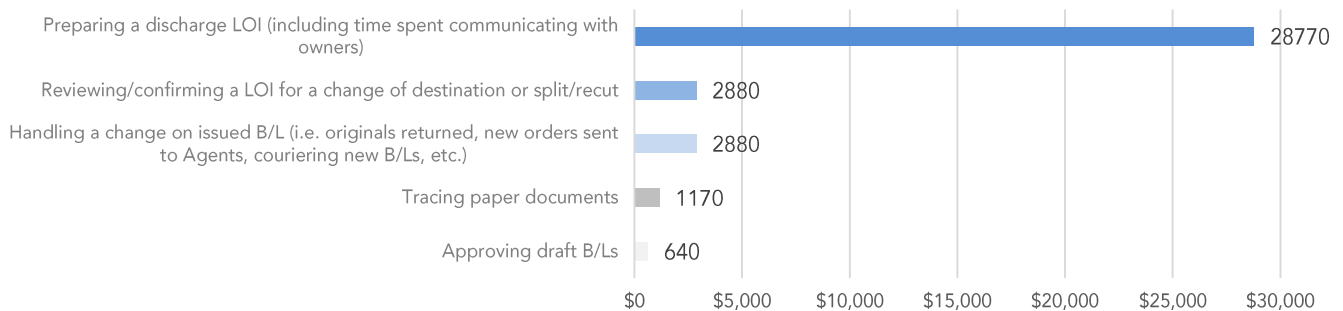
\$0.64 savings per B/L



Cost-Saving Scenarios

1. 1000 B/Ls per annum

Cost-saving total: \$36,340 p.a.



2. 2000 B/Ls per annum

Cost-saving total: \$72,680 p.a.

3. 3000 B/Ls per annum

Cost-saving total: \$109,020 p.a.

4. 5000 B/Ls per annum

Cost-saving total: \$181,700 p.a.

5. 10000 B/Ls per annum

Cost-saving total: \$363,400 p.a.

Learn More

If you're interested in learning more about how CargoDocs can assist your trade operations processes or how these benefits can be calculated, please contact us via adopt@essdocs.com. We can support deploying CargoDocs to any location globally from any of our regional offices.