

Interview with Kathrin Wolf – Discover the patterns in technology

Intro: At Kuehne+Nagel we believe our people, their passion, their resourcefulness are what sets us apart and make the difference in the lives of colleagues, customers and the society where we live and work.
In this podcast we share some of the stories that move us and invite you to discover the world of logistics through the voices of the people and customers of Kuehne+Nagel. Find us in our stories and help us write new ones.

Sara: 00:00:31 Today's topic is enhanced sea freight visibility and a volatile market. Oh, this is an exciting topic, and I'm sure all of our listeners out there really, really want to hear what we're about to talk about today. And with me, I have Kathrin Wolf. Kathrin is from our German organisation. Kathrin, why don't you say a few words about yourself?

Kathrin: 00:00:53 Yes, thank you, Sara. So thank you so much for having me here. I joined Kuehne+Nagel about ten years ago, and since 2018, I'm the responsible product manager for our online platform seaexplorer. So I joined that team in 2018 because I have a shipping background. I used to work for a larger shipping line before I joined Kuehne+Nagel and that's why I think it's a great topic for me to work on.

Sara: 00:01:26 OK, bringing lots of great insights here to the organisation. So you mentioned seaexplorer and that's definitely something we really want to talk about today. Now if those who have been following our podcasts, have heard about seaexplorer a little bit, they also heard it's a boat. But we're not talking about the boat today, right?

Kathrin: 00:01:43 No, definitely not. No. And some people also say OK, why is the boat seaexplorer called seaexplorer and the product is called seaexplorer. So in the end, the product or the online platform that we have was there before the boat was even called seaexplorer.

Sara: 00:02:03 That was my next question, which came first? The whole chicken and the egg: Was it the boat or was it the platform? But it was the platform.

Kathrin: 00:02:11 Exactly, yes.

Sara: 00:02:12 So with that, I mean, it's a great Segway. Right? Let's talk about it. I mean, what is seaexplorer, the platform? What is it? As for me, I'm a customer and I was a customer in my previous lives as well. Like, what do I get out of it? Tell me, tell me more. Tell me more.

Kathrin: 00:02:28 Yeah, sure. So let me start at a different angle. So if we want to go on vacation, we use apps and websites, portals like Booking.com, Expedia or TripAdvisor, right? So we have one platform or one tool, one place where we find all the information that we need. We do not start our planning or research on individual home pages from airlines, hotels or holiday homes.

Sara: 00:03:01 Sure, it's easier to have a one stop shop to kind of look for what you're trying to plan.

Kathrin: 00:03:09 Right. What do we do when it comes to our business? What do we do when we need information in order to get our containers in the containers of our customers from A to B? That's where we started it, initially. We said we want to have one single platform where we provide our customers the information they need for their shipment planning and for their supply chain planning when it comes to sea logistics. And that's basically our ambition that we have: an easy to use tool that delivers the information that our customers need and our colleagues need in order to get their job done.

Sara:
00:03:51 Okay. So you mentioned planning, right? And I think that is such a great analogy about trip planning or travel planning. Hopefully something we will all be doing more of here these days. But what kind of things can we plan on the seaexplorer tool? Is it routes? I know there's some sustainability factor to it. Tell us a little bit more about what we can plan.

Kathrin:
00:04:14 Yeah. We say always seaexplorer is like the digital search engine for container shipping. So it's designed for people in the container shipping business and in the logistics industry who need to deal with day to day container transport. And therefore this platform combines routing details, carrier service information, schedules and everything is very transparent in this one single place. And probably most important nowadays is that we do not just provide how can I get from A to B? I also - as a user - can inform myself about the disruptions that I might take into consideration or might need to take into consideration when I want to avoid delays for my shipment.

Sara:
00:05:13 So that's a really, really fun topic, right? I mean, disruption, that's all we've talked about here in the last couple of years since the onset of the pandemic and supply chain as a whole has really been mainstream media now. So what would be some ways - if I'm a user - that I could see some of this disruption on the platform or understand even the disruptions around the world a bit better?

Kathrin:
00:05:40 Well, it's very, very easy. So on the tool, we have a big map, and on that map we visualize all the different disruptions that we might need to be aware of or the customers have to be aware of. So these are disruptions related to bad weather conditions, related to problems that occur on vessels like piracy attacks, for example, or accidents, engine failure, all that stuff. And then probably nowadays most important, we visualize what the situation is in the ports around the globe. So what is the port status? Is the port heavily disrupted, slightly disrupted, maybe even closed due to various reasons. And in addition to that, we also visualize how many vessels need to wait currently in front of these ports. And that makes it crystal clear how massively some ports around the world are affected by these disruptions nowadays.

Sara:
00:06:51 Oh, absolutely. As I think our listeners know, I'm based in the United States, I'm based in New York.

Kathrin:
00:06:59 Then I don't have to tell you.

Sara:
00:07:00 Oh, yeah, exactly. Disruptions, especially in Southern California, I mean, this has really been a norm for us for many, many years. But I think being able to have that day to day visual on it and to know "Is it going up? Is it going down? What's happening?" is just so important when you're looking and planning your supply chain. So, you know, but now I've got a question: How do we get all this data? I mean, how are you cultivating this and feeding it into the platform?

Kathrin:
00:07:29 What we basically do is that we import a lot of bear data and then we, as Kuehne+Nagel, we make sense out of the data, right? So we are connected to various sources. We import scheduling service information from carriers, we import news from different news providers. We have a lot of big data and data science that we do on our side in order to calculate emissions, for example, in order to calculate whether a service is reliable or unreliable, whether the transit time of the carriers announced in their schedules is met or whether they face some major delays. And then we also do a lot of research, for example, in order to figure out how much CO2 is emitted when our customers want to ship their containers.

Sara:
00:08:30 Oh, very interesting. So a couple of things I'm hitting on here from your response. One would be really, again, going back to our planning conversation from a transit time, you know that is something we hear from customers and potential customers all around the world: Steamship Lines says it's 15 days from Shanghai to LA. How can that be with 56 vessels setting off of the port there and being able then to look into the platform and say, well sure, they might say it's 15, but the reality and using this big data and this this AI that we have, we're actually able

to say it's really about 24 days. So that's a really, I think, great tool that folks can be using to better hone in on what their overall lead time should be. But then also this, the CO2 thing, I know it's been tough and we have talked about this in a couple of different of our series. You know, sustainability is such an important topic as a whole. And I think with the pandemic and with the crises in essence of the supply chain situations that we've been dealing with, it's kind of taken a little bit of a backseat. But I think we all want to know more here about how it is calculating CO2? Why is this important? And then especially as folks are really starting to pivot and really starting to refocus on some of these bigger initiatives, not just how the heck am I going to get my stuff from point A to point B? How does this become such a more important factor in their planning purposes?

Kathrin:
00:10:14

For sure. I mean, right now, the major issue is "How can we get our stuff in and out of the port, in and out of the warehouse?" and all that. Nevertheless, climate change is affecting us all. And therefore, I think it will be a topic - even if it may not be right now. But as soon as we get to a more or less normal working environment again, we will all be asked to contribute to less CO2 emissions. So choosing and providing environmental transportation solutions that are sustainable is certainly becoming more and more important in order to fight climate change.

Sara:
00:10:03

Right.

Kathrin:
00:10:04

And it's also not just because of fighting climate change, but it's also because consumers ask for sustainable products and goods and transport certainly has a major impact, whether a product is sustainable or not. So in general, transport greenhouse gas emissions play a major role when we want to do something against climate change.

Sara:
00:10:29

Right.

Kathrin:
00:10:30

And therefore, we also said that we want to make our customers aware of what or how high the emissions are when they transport their goods. And that's why we say we need to enable our customers to easily compare if they choose this vessel or if they choose that vessel, how much CO2 on the same route might be saved just by making a choice for the more sustainable solution.

Sara:
00:12:03

Right. Absolutely. I think as everyone is looking at how something is made, we can sit here and say "Is my shirt that I'm wearing made of sustainable cotton or whatnot?", but you really have to look at the end to end process. And our CEO said it best, 8% of all the greenhouse emissions of the gases, it's contributed by the transportation industry. So you can't just stop at how something is made, but you really need to look at every part of the process here along the way and where we can reduce and make these smart decisions to help better impact our global environment. So, exciting stuff.

Kathrin:
00:12:44

Exactly. I mean, just choosing the greenest solution might not mean that you also end up on the slowest service or on the least reliable service. And it's not necessarily a trade off. So you can also figure out that maybe the most sustainable solution might also be the most reliable and the fastest option that you choose.

Sara:
00:13:09

OK, good point. They're excellent. So "green" doesn't always have to mean slow or unreliable, it can actually be quite the opposite and not just that tradeoff factor. Very cool. I want to change gears just a little bit. So recently there's been a really great new feature to the seaexplorer platform. Could you tell us a lot more? See, I didn't say a little because I think this is what our listeners are looking for. Tell us more about this disruptor indicator. How did this come about? What does it do? And what can I - as a ship or a company - use this fascinating thing for?

Kathrin:
00:13:56

Sure. I figured that we want to talk about the disruption indicator now or even today here, because it's our new kid in town.

Sara: Of course. Can't leave it out.

00:14:06

Kathrin: Yeah, well, I guess volatility within the industry has always been around. It will always be around. But I think the situation we face today is very extreme. And as you already said, it's even in the whole media: We are informed about port congestion, we are informed about empty shelves in the supermarkets and that all leads back to the disruptions and the port congestion that we are currently facing. So I don't want to get into that topic too deep because there are probably plenty of podcasts out there already and as I said, it's all over the place in the news already.

Sara: Sure, we made it mainstream. So for once, we're getting some respect out there in the business world in terms of what we do. But I'll be at it, I think we all wish it was for something else, but that's fine, we'll take it and run with it. And you're right, the supply chain challenges I think, have been so to say the phrase "beat to death" in some regards. So let's talk about how we're looking to improve upon this or have better visibility in these volatile markets.

00:15:02

Kathrin: Yeah, I think visibility here is key. What we do with the disruption indicator is that we provide visibility on how bad the situation is in hot spot ports in terms of vessel waiting times. So there are - as I mentioned earlier - plenty of vessels around the globe waiting in front of ports and they wait because other vessels need to leave these terminals before they can get a free pass. We monitor the situation with the disruption indicator. What we measure is - which sounds quite complex, but it's rather easy - the total TEU waiting time in nine hotspot ports. So we defined nine hotspot areas: the US ports because that's where we face the major congestions, then also one port in Europe which is Rotterdam and then two port areas in Asia, Hong Kong, Shenzhen area plus Shanghai and Ningbo area. Here we measure the total TEU waiting time. Let me give you an example: There is one 10,000 TEU vessel waiting in front of a port which means that vessel has a capacity of 10,000 TEUs, and this vessel is waiting for 12 days. So the to you waiting time for that vessel would be 120,000 TEU waiting days. But then there is another vessel in front of that port that also wants to call the port. And that vessel has maybe 5,000 TEUs and needs to wait ten days. That ends up with 50,000 TEUs waiting days. So now we just take the total of these two vessels and then we end up with 170,000 TEU waiting days.

00:15:29

Sara: The easy math version. Yes, correct.

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Kathrin: And that's what we measure for all these nine ports around the globe. And this in the end goes into the indicator where people can see whether the indicator is going up or going down, and by that trend line, they will see whether the global situation is improving or getting worse?

00:17:44

Sara: Okay. All right. With this, is there any future looking at it as well, based on what the data has been telling us?

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Kathrin: Right now we have about 12.5 million of TEU waiting days. It's quite a lot. But we do not have necessarily exact data from the past or from pre-pandemic. But we assume that in these nine hotspot ports - in the usual situation, in a normal situation - this value would be around 1 million waiting days.

00:18:13

Sara: 1 million on average, quite a difference.

00:18:44

Kathrin: So, when this indicator goes down now, we'll hopefully see some less pressure on the supply chains that we have today but let's see. Right now, there is no trend visible whether there is any improvement.

00:18:49

Sara: Okay. All right. So I think everyone needs to go in and check it on a daily basis and hope to watch that trend line start to go down and then we can all maybe sleep a little better at night, perhaps.

00:19:13

- Kathrin:**
00:19:27 Yeah, I hope so. What we do right now is that we publish this indicator on the seaexplorer web page or the tool every day. But the nice thing about it is you can also track all this on a mobile app.
- Sara:**
00:19:44 Very 21st century here. So great! Very easy to use from your mobile phone or your tablet: You can log right into the application and then see it right away.
- Kathrin:**
00:19:53 Exactly. So you don't need to log into the browser version of seaexplorer. All the analytics around, waiting times are all available now in this mobile app and all people who have access to seaexplorer also can download this app from the play store or from the Apple store, install it on the mobile, and then they every day will get an overview of what the situation is. And they cannot just see this indicator, as we also publish there some additional data on waiting times in these hotspot ports, like how many vessels there are waiting right now, what the capacity is that is blocked by these vessels and what the average waiting time over the last seven days and 14 days is in these ports.
- Sara:**
00:20:48 Okay, cool. So two things for you, Kathrin. One, could you repeat what the app name is for everybody in case they missed it that they can look to download? Is it seaexplorer?
- Kathrin:**
00:20:58 Yeah, exactly. When you go to the app store, you just need to search seaexplorer and then you know what to do.
- Sara:**
00:21:07 Then you know what to do. I think most of us these days can figure it out, even if we're not some of the younger folks. Then my second question is, I'm sure people are thinking "How do I get access to seaexplorer?"
- Kathrin:**
00:21:21 Well, the simple thing would be becoming a Kuehne+Nagel customer. So because all our customers have access.
- Sara:**
00:21:31 Brilliant!
- Kathrin:**
00:21:31 So we have seaexplorer within our online application suite that we provide to customers within myKN. So for booking, for tracking, for tracing, but also for exploring, you can use myKN and within that we have seaexplorer available. But then we also have people, not the traditional Kuehne+Nagel customers who use seaexplorer in there we have a separate web page seaexplorer.com and those who have an seaexplorer-account can also log in from that webpage.
- Sara:**
00:22:08 So there's definitely a couple of ways to do this, but I think, you know, being a little selfish here, we can all laugh and say, yes, become a Kuehne+Nagel customer - very well said, Kathrin - and you have the access to it. So it's a great feature, a great value that we can provide. So I want to go ahead and I want to start to wrap things up. I really appreciate you being here. But before we go, I always like to throw these ones in here while we're finishing up. So I hope I don't throw you off too much, but tell us what the future looks like. So can you share with us any roadmap developments without getting in trouble? What are some things that we should all be on the lookout for now?
- Kathrin:**
00:22:50 Now you want to know the secrets?
- Sara:**
00:22:52 Oh, always.
- Kathrin:**
00:22:55 Well, but before I come to the future, maybe one more thing that might also be interesting as we just launched also a Twitter page. So what does that mean? On the port detail page - it's very simple - you go to the sea port, look for a port like New York, and then you will see which container vessels are currently in New York. When did they arrive? When were they expected to arrive? You will see which vessels have recently left the port. And then you will also be able to see in the next step what the waiting time for vessels in these ports are. So, great stuff is

launched on that one and we haven't talked about that. So that's why I wanted to mention this. But talking about new stuff, I think we have a lot of valuable features and also functionality enhancements in our mind. But on the other hand, our strength is also to react quickly to changing user requirements and also to changing market environments. So it could mean that the things that we have currently on our roadmap might change a little or might be postponed because other features might become important. It's also how we started with the app and with the disruption indicator because we said that this is something we need to work on right now because this is a major pain point for our customers. But talking about the things that we have in the pipeline right now and what the team is currently working on is that we want to add additional important parameters to our port-to-port-bookings. So for each routing we will add a on-time-performance-indicator.

Sara: Oh, okay. I think that's very interesting to a lot of folks out there, for sure.

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Kathrin: You will be able to compare the announced transit time from carriers, the realistic time, and then you will also see how many vessels of that particular service have been on time over the last few months or few weeks. So then, for example, it would show you on that service that 68% of the vessels have been on time. And then this gives you a much more informative picture on the reliability of services.

00:25:04

Sara: Oh, absolutely. From a QBR and more standpoint, a conversation, a planning standpoint, and it affects so many different things. Now, 68% - you are being nice right now, very generous because... Hopefully, you know, we will get to that point here again, which still isn't great, but, you know, wishful thinking here in the near future.

00:25:33

Kathrin: Yeah. Yeah. And the other thing that will certainly be interesting is that we will also give previews into services that carriers will launch in the near future, so that the user will be able to see that these are the upcoming services. This is the capacity of these services. This is how the service structure looks like. I think this would be also very valuable because then you can already include these routines and these services into your future plan.

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Sara: All right. Well, very good. Very exciting stuff. Kathrin, thank you so much for being here with me today. I do appreciate it. And I really enjoyed our conversation.

00:26:29

Kathrin: It was great to be here. It's a great format, this podcast. And I also hope that maybe when you invite me next time that I can tell you some more about future features or features that are lifelong.

00:26:42

Sara: Absolutely. I plan on it. So thank you again. And to everybody out there, be sure to follow us and to ensure that you are up to date on our latest podcast episodes that drop. But thanks again and I really, really enjoy talking about visibility in this volatile market today. So stay tuned for more. Thank you. And thank you to everyone for listening.

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