

Marseille Trip Report
- Confidential Members Only -
Aug 31 - Sep 2, 2020

Introduction

As usual, most trip reports, are notes to myself, helping an ageing mind to keep track, reflect on the discussions had and share with the internal team. We started to share them with members (enabling a virtual business trip), please keep them confidential that we can continue to do so and feel free to reach out for any questions.

Marseille

Having not really been to Marseille since almost 8 years and passing it by 4 years ago on a vacation in South France (dismissing it as not worthwhile to stop), it was kind of a rediscovery. My trips in the past used to be shaped by meetings in “la tour”, the CMA CGM head office and rarely by the beauty of the town, which then was mainly a big building site. Thus seeing the stretch between the tower and the old port, having become a beautifully restored and modernised city, was a real pleasure. Not even the mask obligation was able to taint the picture, as one adjusts quickly, in a surrounding where discipline is high in that regard. And where office visits are not possible, there is always a bar or café nearby to catch up with friends outside, in safe distance and not less face to face.

The port of Marseille had a tough first half, dropping 15% volumes in total. In terms of containerised traffic its -17%, cara import/export -23%. Only cereal, dry bulk and liquid bulk saw growth. The cruise sector was hit hard too.

Tempo One / Serge Arnoux

Serge used to be the head of Oceanfreight for Ziegler Group and after his departure there, has completed a EMBA at EMLYON, before joining Tempo One, a logistics and transportation group in Marseille, where he is heading digital transformation.

Back during the finalisation of his master thesis (“How big data can leverage growth in Seafreight forwarding”) end of last year, we had a lot of discussions and I had the pleasure to be one of the first readers of his paper. 10 months later, the old but open minded practitioner is back in the world of action, no longer the world of theory. Thus we had an interesting discussion on the challenges of our industry’s transformation. Which brought us back to the point that technology is really easy, but it is about transformation, change and people, where the true challenges are. Spending time together with him and some innovative young startup people he had introduced was an interesting evening.

Within his paper last year, he developed an interesting concept, that still resonates with me, especially around the still vague idea of a data business model for our industry: the verifier/reserver/mettre en oeuvre/controle cycle.

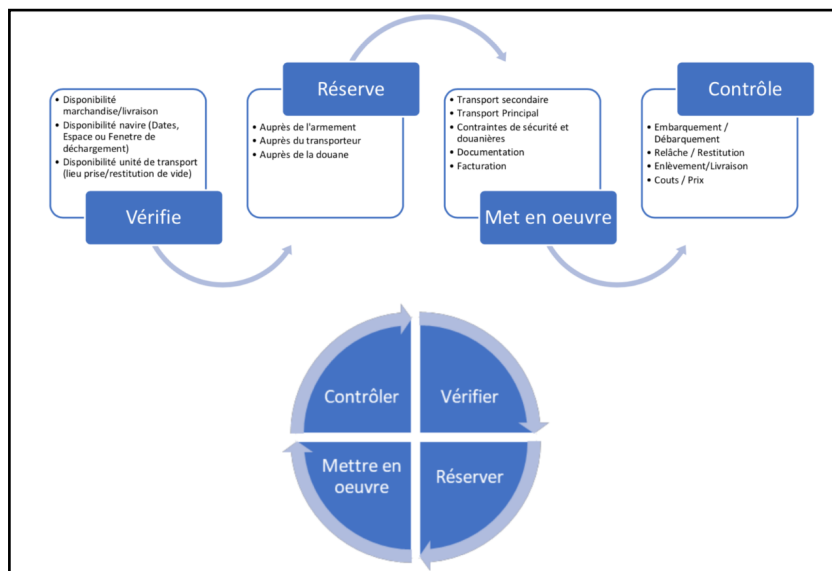
Marseille Trip Report

- Confidential Members Only -

Aug 31 - Sep 2, 2020

Sharing the diagram below and will hopefully at some stage find the time to put some thoughts together on big data and its potential for our industry.

In short and to summarise some of the learnings from this trip: Forwarding will become in a way consulting, using the data aggregated during the transport cycle, deriving learnings from its analysis and helping the customer to improve his supply chain. Taking factors into account, from supplier performance, transit time, landed cost to emissions, etc. Then following Serge's below cycle: verifying the needs, reserving the capabilities, putting things into perspective and action, control the outcome, then review, learn, and start again.



Buyco & Digital Marketing / Joseph Curto

Met Joseph initially through his role in BuyCo, where he has been heading marketing since their start and was instrumental to build the international reputation of the brand. As digital marketing and branding has been an area of interest for me since some time now, he was a great teacher to learn from and so it was really nice to finally catch up in real life, by the beautiful Vieux port in sunny Marseille. Like many at Buyco, his role has changed to freelance and he is not a formal employee anymore, thus he has started teaching digital marketing at the universities of Marseille and Paris while continuing to freelance for several firms. And we are looking to integrate his talent into our upcoming Executive Development program for OceanX members.

T +41 62 544 94 10

E info@oceanx.network

I oceanx.network

OceanX AG, Fluhgasse 135, 5080 Laufenburg, Switzerland

Marseille Trip Report

- Confidential Members Only -

Aug 31 - Sep 2, 2020

BuyCo, essentially a TMS for shippers with marketplace elements, has been progressing well. Meanwhile managing some 10k+ TEU per month and having just made quite some inroads with large target clients, like Total and InBev, while also developing with Exxon. However, also their SaaS solution needs scale to further advance profitability. While following their initial funding of 1 Mio EUR, they have achieved breakeven, they seem to be looking for further 2 Mio to scale and expand their customer base.

NVO Consolidation / Marie-Laurence Brun

Pleasant afternoon meeting with Marie-Laurence, who has opened the Marseille office of our member NVO Consolidation beginning of the year, just before Corona hit, with the greatest of timings. Marie-Laurence is a veteran of the consolidation industry, having spent many years with Multimodal, the WWA agent for France that recently got acquired by SSC and Vanguard/DCL before that. She is certainly a great catch for the NVO team and their expansion in France, which has never been an easy market for anyone, but where people matter a lot and are essential, especially the further South one goes. Discussing the market, the situation remains very much the same as before, that the large French forwarders are running their own direct consolidation boxes on main lanes and continue to control a large part of the market, while smaller and independent players are limited and neutral consolidators even more rare. Thus NVO now has an interesting setup in the country, having taken over a strong team in LeHavre, complemented by Marie-Laurence for the Southern Gateway and their HUB in the Netherlands, it will be exciting to watch their development moving forward.

Traxens / Sylvain Prevot

I had the pleasure to work with Sylvain almost 10 years ago, when I was still in CMA CGM and he was inside Greenmodal, the group's intermodal unit and we tried building a train between Marseille and Switzerland.

Good days back then, where each of his visits caused smiles in my very female dominated office, as the young handsome frenchman entered the building.

We met again three years ago, when I started moderating the tech panels at the Cool Logistics conference, that time in Antwerp and he turned out to be one of the panelists, as commercial head of Traxens. Since then, we regularly have the pleasure to catch up and exchange views on the future of the box, thus only natural to pay a visit up up in the hills over Marseille, where Traxens head office is located and do exactly that again.

Traxens has meanwhile grown to 105 people and as you might have noted from the news, just got Cosco onboard as a partner too.

T +41 62 544 94 10

E info@oceanx.network

I oceanx.network

OceanX AG, Fluhgasse 135, 5080 Laufenburg, Switzerland

Marseille Trip Report

- Confidential Members Only -

Aug 31 - Sep 2, 2020

Following CMA CGM and MSC as key stakeholders, Maersk was supposed to join but is still not completed. Looking at Traxens it always becomes a bit of a question for me whether the support from the main carriers and container owners is a benefit or a curse, as other players in the field like Globetracker or Loginno might seem to move faster.

Further the stakeholders certainly limit potential thoughts on a future business model for the box, which would not necessarily have the carriers own them. Further it also means having to educate a lot of people. "Enabling the container" does not mean producing a device for 50 USD and selling it for 70 USD, its about conceiving new business models and innovations based on the digital box. As Sylvain would say, its about using the technology to augment and enhance the service for the client, solving more of his problems and develop new ways of creating value.

And Sylvain agrees, that visibility on its own has the smallest value on all potential innovations the technology can bring. That said he was pleased to blow me away with a demo of their digital brake test for blocktrains, a project that they realised together with the French railways SNCF. An old manual process that happens thousands of times a day, everywhere around Europe, wasting a lot of time and manpower, can now be done much faster, with much less staff and much more efficient.

Looking forward to see him again at the upcoming Cool Logistics Conference and see more of what they have in store for the industry.

Hunicorn / Philippe Borel

Another evidence that one always meets twice in life, Philippe was one of the senior directors interviewing me at CMA CGM 10 years ago. In the meantime he has left corporate life and is in the business of doing, having joined Samm Yuan to develop and grow our member Hunicorn on Asia-Europe trade. Where they have seen stellar growth in recent years, after starting in nice markets, like the Baltics, initially.

Underlying all their actions is a clear vision of the future: The value of customers and relationships, the need for efficiency and the impossibility of surviving based on selling and reselling freight in a digital world.

Of the Chinese players that I follow, still one of the most impressive in terms of culture, people and operational efficiency, the discussion with Philippe proved that case in point.

Looking forward to see him again in Porto and continue these discussions.

T +41 62 544 94 10

E info@oceanx.network

I oceanx.network

OceanX AG, Fluhgasse 135, 5080 Laufenburg, Switzerland

Marseille Trip Report

- Confidential Members Only -

Aug 31 - Sep 2, 2020

CEVA Logistics / Paul Haeri

Another old CMA CGM friend, is today heading business development at CEVA Logistics.

A former Colonel of the French Legion with experience across Africa and the Middle East, Paul had built up the CMA CGM offices in Africa, integrated Delmas, headed the groups HR and is now in CEVA.

It seems, the guys at CEVA have understood the need to separate liner and logistics, as well as the fact that a logistics company must be service driven, as opposed to the liners product focus. Thus, they certainly have got the essentials right. Further, under Matthieu Friedberg they have certainly established a strong team to drive freight sales and business development as opposed to only the contract logistics focus of the past.

Q2 results certainly show some progress as they almost broke even, the focus on Africa and the target to beat Bolloré on its own turf, are certainly clear. Acquiring our previous member AMI for East Africa, thereby giving them some good platforms in the east. Getting the support from the liner to approach large clients, certainly is an asset too.

However it all leaves the key question, whether they will be given the time needed to get to where they need to get or whether the owner might lose patience before they ever get there.

At least, they have assembled some great people and are working hard for their target along a clear strategy, which I still have not seen in Denmark so far.

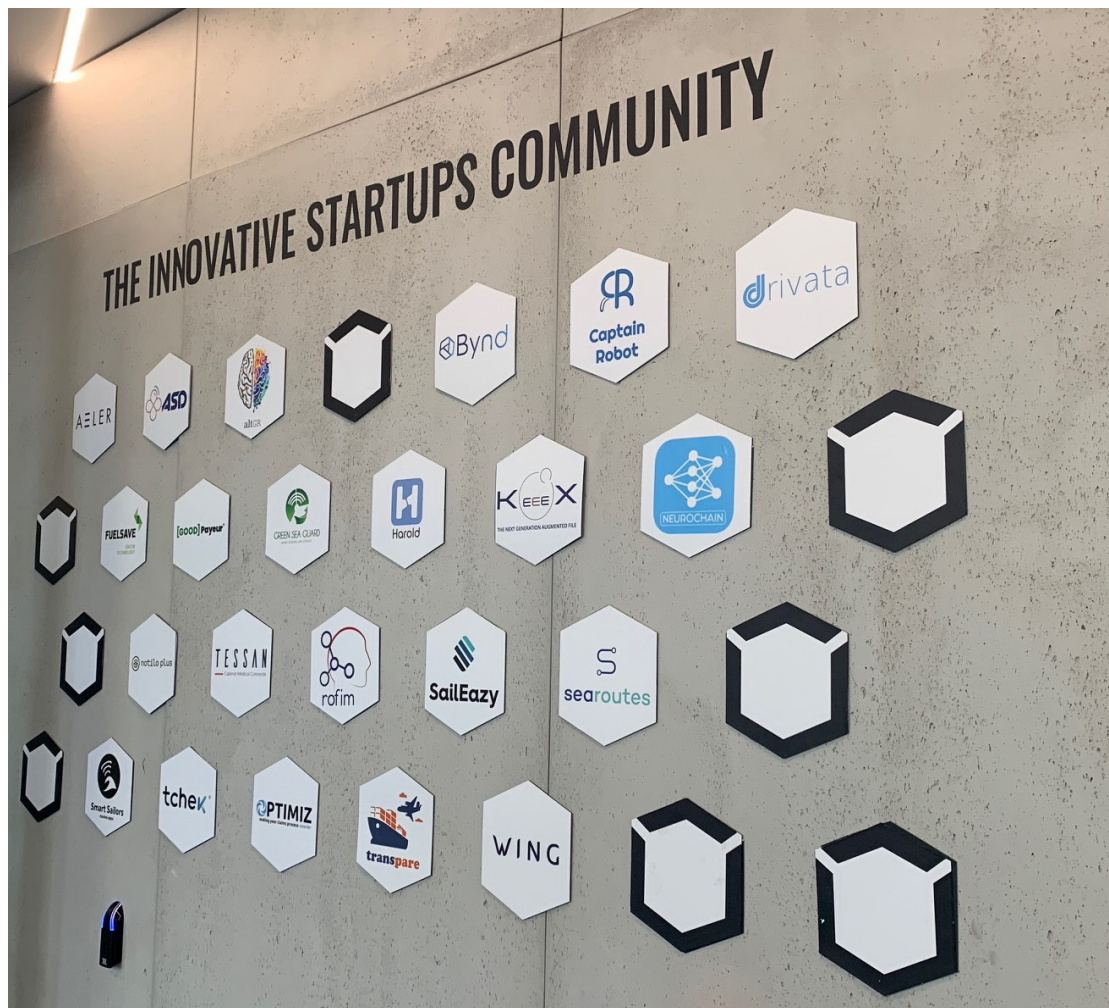
T +41 62 544 94 10

E info@oceanx.network

I oceanx.network

OceanX AG, Fluhgasse 135, 5080 Laufenburg, Switzerland

Marseille Trip Report
- Confidential Members Only -
Aug 31 - Sep 2, 2020



ZeBox Accelerator / Aurore Pillini

CMA CGM has generated a nice innovation HUB in the centre of Marseille and one of its first office locations, the traditional Transatlantique building. It hosts some 21 startups in the maritime sector today, providing a home, accompanying their progress and investment to some degree too.

transpare.eu / ZeBox StartUp

Had the pleasure to meet the founders of Transpare.eu at Zebox, thanks to Introduction by Serge Arnoux. Another team trying to tackle the marketplace challenge, this one focusing on shippers and forwarders with a straight forward and simple UI. Smart team with some nice ideas, in what is becoming a crowded place, as marketplaces, eForwarder package providers and tariff management tools increasingly try to encroach on each others fields.

T +41 62 544 94 10
E info@oceanx.network
I oceanx.network
OceanX AG, Fluhgasse 135, 5080 Laufenburg, Switzerland

Marseille Trip Report

- Confidential Members Only -

Aug 31 - Sep 2, 2020

Searoutes / Eva Cadilhac

At Zebox, I had the pleasure to spend some time with Eva Cadilhac of Searoutes an exciting startup around vessel route optimisation and emission calculations. The green subject becomes increasingly important as a growing number of multinational firms makes it an essential element of their supply chain decisions, following especially young consumers demand. In our sector, certainly Maersk and Kühne & Nagel are leading the pack with the latter including emission ratings for each sailing loop in its seaexplorer platform. However, as in the last green wave before the financial crisis, many emission calculations, be it from the Green Cargo Working Group or Ecotransit are based on estimations, using the same factors for certain vessel sizes, not considering the engine type and built, nor weather or actual route and speed. Similar for actual fuel used, scrubber implementation and loadfactor. Lacking a proper international standard for emission calculation so far, it is a bit of a wild west for anyone really looking to make better decisions based on reliable data.

Searoutes intends to do exactly that, provide better emission calculations and thereby helping forwarders, NVOCCs, shipping lines with the tools to consult their customers and help them improve their supply chains environmental footprint. While certain factors, like the load factor of vessel, that carriers keep secret also requiring estimations for searoutes, they do strive to constantly improve their calculations by adding further elements (shipping line, vessel particulars, actual route, weather information, vessel speed etc.), increasing accuracy and aim to become the benchmark for a more reliable standard. Already deliverable today, they are having an API available that provides customers with a emissions calculations per port pair, enabling integration in customer facing websites or internal system. Certainly something exciting to look at for many players in the space, as worst case its a truly easy way to provide your own sea explorer to customers and add one more subject to talk with the client about, that does not relate to ocean rate only. For our friends offering eForwarding packages, Marketplaces or forwarding ERP systems, certainly something worthwhile to integrate and offer to existing customers.

www.searoutes.com

OKargo.com / Julien Chapus

Whilst OKargo hat a place on our watchlist from early one, as „the French ones in the tariff management game“, we did not have the opportunity to meet before, so it was a great occasion to be in France and upon introduction of a common friend, getting a chance to meet with the founder of Okargo Julien Chapus in Aix en Provence. Looking at their approach and progress feels almost boring and conservative compared to some other players in the sector that are especially known for being loud, noisy and bold.

T +41 62 544 94 10

E info@oceanx.network

I oceanx.network

OceanX AG, Fluhgasse 135, 5080 Laufenburg, Switzerland

Marseille Trip Report
- Confidential Members Only -
Aug 31 - Sep 2, 2020

It starts with the basis that Okargo is largely self funded, focusing on rather small forwarders and has established a customer basis of 40+ clients, by solving their actual needs, enabling the firm to operate profitably while continuing to further adapt services as the customer base evolves. We will need to add them to our rate flow paper, as they are certainly an interesting option for some. www.okargo.com