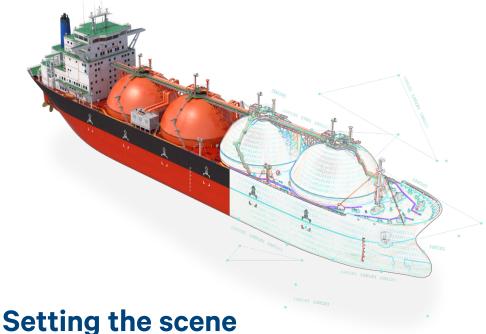
7 imperatives for success

How to be successful when digitalising shipping operations

Guide to digitalisation









Tipping the scales in your favour By Dionysis Tzelepis, CEO, DA-Desk

Process is everything in maritime. From cargo booking and containerisation to document handling and disbursements, the industry runs to a regimented, systematic beat. Over the past decade, many of those processes have been transformed. Digital technologies have been employed to minimise manual input and reduce the need for repetitive, time-intensive interventions.

As Michiel Marelis, Operations Director at Chemship, says in his 'view from the top' interview (see section 3, page 23), this is all about "finding areas where digitalisation can take away tasks that are getting in the way of other, more valuable tasks."

Of course, there is a substantial difference between recognising the benefits of digitalisation and realising actual value. For every project that delivers results, many more fall by the wayside.

There's rarely a single reason for project failure. Lack of skills, underperforming technology, and unrealistic expectations all play their part. But as we'll see later, the human element is one of the most common reasons for a digitalisation project to miss the mark. Project success is as much about getting people bought in and securing leadership support as it is the initial idea.

When it comes to process improvement, there are few better places to start than with the operations team. Tasked with a growing number of mission-critical responsibilities, ops teams are under continual pressure to get the job done ever faster and even better. Digitalisation can help – but that doesn't make it any easier to deliver.

Drawing on analyst commentary, and showcasing cross-industry examples, this E-Book explores the seven imperatives for success in digitalisation of shipping operations. If you want to effect a successful change at the heart of your operations team, the following pages offer our suggestions on the key issues that must be addressed.

In this guide you'll find:

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No such thing as business as usual

Addressing the daily challenges in maritime operations



When it comes to operations at a multi-national shipping concern, there's no shortage of responsibilities. That's true of the team as a whole, but particularly so for the directors and senior managers who drive the division forward.

Today, a typical ops director is tasked with a plethora of responsibilities, ranging from the strategic to the tactical. From applying regulatory changes to controlling budgets, contingency planning, maximising operational performance and closing the voyage, many of these involve workflows and processes that are ripe for digitalisation.

At the same time, the sheer pace at which ops teams now need to move – and the volume of demands that come their way – means that there's little time left to spearhead digital projects, no matter how promising they might be.

Because of this, when projects do move forwards, they need to deliver as much value as possible. That's where the seven imperatives come in.

The seven imperatives for digital success

- Choosing the right processes to automate and transform
- Defining in detail the benefits and changes required
- Prioritising communication and collaboration
- Securing visible support from leadership and change champions
- Knowing your audience users, the C-suite, or both
- Considering ongoing factors like user experience, onboarding, and support
- 7 Measuring effectively against your stated expectations

What determines the success or failure of a digitalisation project?

Why do so many programmes underdeliver? And what do those initiatives that do achieve their goals have in common?

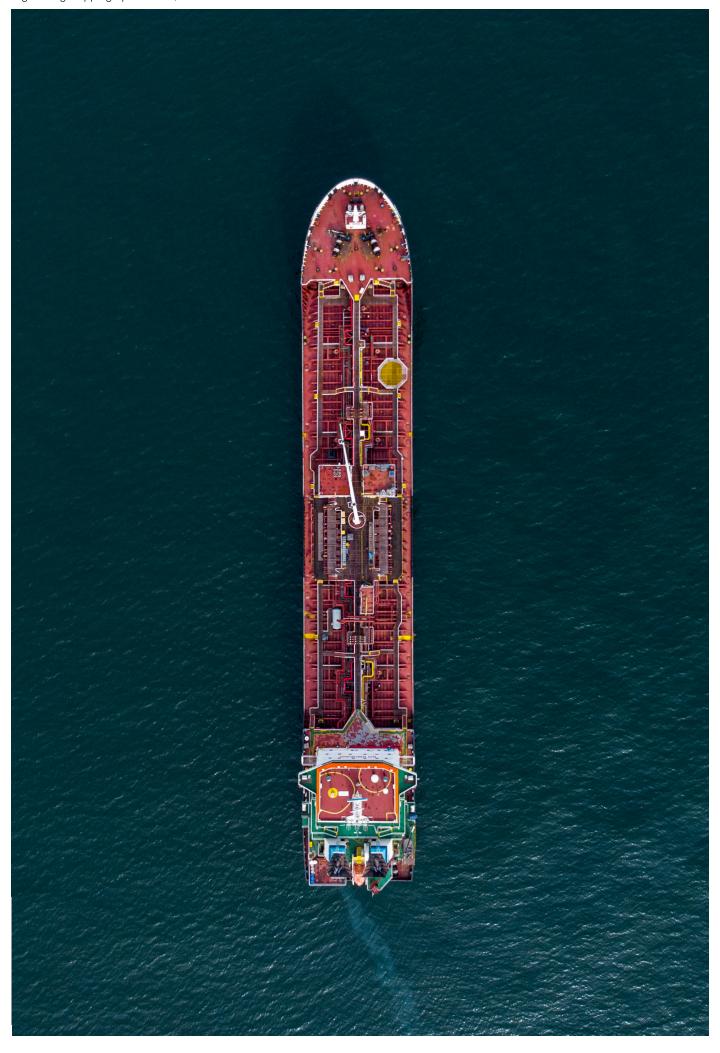
All good questions, and none with easy answers. There are any number of reasons that a project can fall short – from unforeseen technical issues to the simple problem of unrealistic expectations. Moreover, the transformative nature of digitalisation means that there's often no blueprint to follow.

11

Forty years ago, 70% of transformations failed. In the dawn of the digital era, that percentage increased to 84%.

Today, **90%** of transformation programmes fail to meet the expectations outlined in the business case.

How Organisations Can Create a Humanised Change Experience EY, 2020



1 Choosing the right processes to automate and transform

11

[Digitisation] Leaders understand the promise of new technologies is about more than freeing up our time to think, or to increase efficiency. The real promise lies in its ability to augment and improve human intelligence by helping us make better choices.

How Organisations Can Create a Humanised Change Experience EY, 2020



Digitalisation presents an almost endless opportunity

Giving shipping companies the ability to rethink and redefine processes of all kinds for the better. At the same time, just because an action can be automated doesn't mean that it necessarily should; there's no quicker way to ensure the failure of a transformation project than by focusing on tasks or workflows that deliver little benefit by being digitalised.

Of our seven imperatives, choosing the right processes to automate and transform is arguably the most important. No matter how well the rest of the digitalisation journey might go, starting it off by focusing on the wrong issues will always lead to subpar returns. To avoid that being the case, we recommend taking the time to answer the following questions...

What are my ultimate objectives?

For every action, a reaction. Knowing what you want to achieve is a good way to start zeroing in on the best tasks to digitalise. Delivering better customer experiences might see you prioritising different processes than if your goal was to improve your operational efficiency, for instance. Engage with stakeholders, and pay attention to customer needs and market trends.

What are our existing processes?

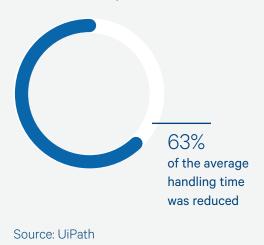
Every journey needs a map. Creating a comprehensive list of your current processes will make it much easier to identify gaps and opportunities that could be addressed through digitalisation. Be sure to highlight any weaknesses in existing practices – repetitive, expensive, time-intensive, and error-prone tasks are all likely priorities.

Which ones can be digitalised most effectively?

Close the loop on your thinking. Even if an existing process is time-consuming, costly, and manually intensive, you still need to be sure that it can be digitalised without compromise. You may find that, while certain processes can't be automated wholesale, certain elements of those tasks can be – empowering your people to perform them faster.

Digitisation in action

Sometimes, priorities can be easy to spot. When the COVID-19 pandemic caused a spike in the number of customer service calls to Sharp Electronics, the company used automation to help gather information in advance of them being connected to an operator.



2 Defining in detail the benefits and changes required

76%

of a US worker's tasks could be reinvented by combining new technologies and new ways of working, automating repetitive activities while augmenting high-value activities. These actions will... enhance productivity and allow people to focus more on their unique capabilities.



Pragmatism is key here. It's all too easy to unwittingly set a project up for failure by stating over-ambitious or unachievable goals. As well as the expected results, it's also critical to log and communicate what digitalisation will mean for the people it impacts – both day-to-day and across the longer term. Here's what you should consider when mapping out the benefits and changes...

What are the precise outcomes we want?

Be specific, be realistic. Build on the objectives you outlined as part of step one, and create quantifiable aims:

"reduce manual compliance interventions by 30%" is better than "improve compliance efficiency". At the same time, engage with stakeholders across the organisation to ensure that the outcomes you're committing to are achievable.

What are our metrics?

Measure what matters. Set specific key performance indicators (KPIs), use language that resonates with the departments involved, and ensure those KPIs serve as meaningful indicators of positive change. Extend your thinking to cover indirect benefits as well as key objectives, and implement measurement and monitoring well in advance of a project's go-live.

What are the implications for our people?

Any sort of digitisation project requires an element of cultural and behavioural change. Financial opportunities and operational efficiencies are one thing, the impact on a person's working life is quite another. It's important then to take a human-centric approach.

Engage with divisional heads and end-users to explore how the decisions you make now will impact employee experiences and working practices further down the line. Acknowledge any threats or dangers – as well as potential improvements. Remember, employees need to feel included in, and empowered by, change. And not have change imposed on them.

"Give employees a say on where digitisation could and should be adopted. When employees generate their own ideas about where digitisation might support the business, respondents are 1.4 times more likely to report success."

Source: Unlocking success in digital transformations, McKinsey & Company

Digitisation in action —

Headcount reduction isn't a given with digitisation. At the Newcastle-upon-Tyne Hospitals NHS Foundation Trust in the UK.

7,000 hours

of clinical staff time is being saved every year through process automation.
Rather than downsizing its workforce, that has simply given the Trust the ability to deliver a better standard of patient care.

Source: Automation Anywhere

3 Prioritising communication and collaboration

Many organisations underestimate the importance of communicating the 'why' of a reinvention.

Engagement with people needs to have a vision and a call to action that resonates with each person, helping connect individual purpose with the overall goal of the change.

Total Enterprise Reinvention Accenture, 2023



Successful digitalisation is a collective effort

Successful digitalisation is a collective effort. While research suggests that most organisations treat digital transformation as the CIO's responsibility¹, the reality is that getting the most out of it means bringing on board the skills and expertise of different teams and individuals. That's important not just in terms of ideas and innovation, but in ensuring that the proposed changes will actually work, too.

Communication and collaboration are key elements – providing a continuous feedback loop that can help keep things on track. Engaging end-users and other stakeholders – and engaging them early – can shape a project for the better and highlight any major obstacles to success. To do that, we recommend considering the following:

How should I communicate with the organisation?

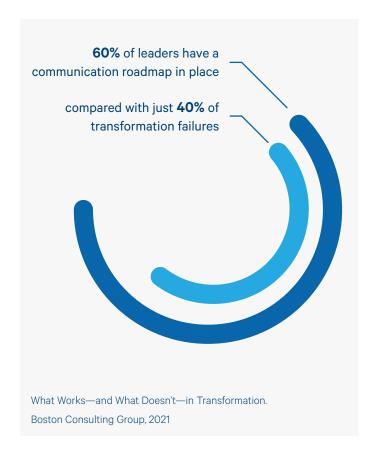
Bring people along with you. Identify your key audiences, develop relevant messages, and create a detailed engagement plan. Use whichever channels are most relevant within your organisation or for different teams. Most of all, be open; welcome feedback, encourage ideas, and don't be afraid to address concerns.

How do we keep people engaged?

Be transparent. Communicate timelines and milestones early, and keep stakeholders and users updated with progress. Highlight unexpected challenges, and call out quick wins and achievements. Use collaboration tools and create workshops or feedback rounds to give people a continued voice as the programme moves forwards.

How do we demonstrate progress?

Celebrate successes, and commit to more. Call out milestones met and achievements realised. Report regularly – and widely – against stated KPIs. Highlight where feedback from across the organisation has helped to steer a project towards success, and how lessons learned are being used to improve future outcomes.



"Building personas can help leaders think about employee behaviours — what they think, feel, need and how they work. In this way, rather than the journey being a series of steps to execute, leaders can focus on how the journey is going to feel for employees, where they may face resistance and where the opportunities lie to improve the experience for each employee on a personal level."

How Organisations Can Create a Humanised Change Experience — EY, 2020

4 Securing visible support from leadership and change champions

11

Although digital transformation is an imperative for virtually every business today, there are many ways to do it – and many ways leaders can play a role. However, the one constant is the importance of direct leadership involvement. Leaders should give themselves space to plan and set aside time to drive the transformation itself.

How to Lead Digital Transformation From the Top Deloitte, 2022

Executive sponsorship is critical to the success of digitalisation programmes

While it's easy to look at that through the lens of mission-critical factors like resource and budget, there's more to it than that. Done right, digitalisation is something that can reshape operating models and even redefine industries. Support from the top should go far beyond simply signing off on a project.

Senior leaders must be involved from day one. More than that, they need to be visibly engaged with the process – giving the rest of the organisation the confidence that the path ahead comes with endorsement from the top. If you want to win the ear of your own execs, focus on the answers to questions like:

How do we build a case for change?

Support the wider vision. Ensure that your digitalisation programme supports the organisation's overarching strategy. Create a compelling and data-driven business case that outlines the benefits in terms that will resonate with your leadership. As well as the opportunities, be sure to highlight the risks of failing to move forwards.

How do we engage senior executives?

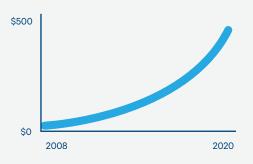
Educate and inform – constructively. Pool the insights, research, and case studies that you need to prove your case about the merits of digitalisation. Bring them in, involving them in planning and decision-making to ensure that your project becomes a shared vision. Identify "change champions", and request their guidance and insight – as well as their approval.

How do we maintain their support?

Communicate often and clearly. Highlight quick wins and early successes, but don't lose sight of the long-term strategic value that your programme will deliver. Provide frequent updates against key milestones, be honest about obstacles and shortfalls, and source feedback from key stakeholders outside of the core project team.

Digitisation in action

"To truly succeed, transformation also needs to happen at the very top – with the individuals who set strategy and allocate resources. Take Domino's... In a mature and competitive industry, the company moved its stock price from \$3 in 2008 to a high of \$433 in 2020 because an integrated, digitally savvy top management team used data-driven experiments and decisions to modernise every facet of the company."



Is Your C-Suite Equipped to Lead a Digital Transformation? Harvard Business Review, 2021

5 Knowing your audience - users, the C-suite, or both

31%

of organisations share a common vision of how business' should change through digital technologies

"Aligning the organisation around a common vision is a key first step in articulating the digital transformation journey. Today, few organisations have that clarity, with only 31% agreeing that senior executives share a common vision of how the business should change through digital technologies."

Taking Digital Transformation to the Next Level: Lessons from the Leaders Capgemini, 2018



Change can be good. It can also be threatening. No matter how inefficient or archaic an existing process may be, replacing it with something new can cause disruption when people are used to it and believe it "works". This is doubly true when it comes to digital technologies, which can lead people to worry about having power taken out of their hands.

Most digitalisation projects need to be "sold" to the wider organisation, with leadership, stakeholders, and end users alike all brought into the conversation. Understanding those different audiences, and pitching your engagement strategy correctly for each, can have a critical impact on overall success. How do you know where to focus, though? To start with, ask yourself:

Where will the biggest impact be felt?

Strategic shift or disrupting the daily routine? Thinking about the "weighting" of your project can help you understand where you should focus your communications. If the changes you're implementing will affect the working practices of end users more than the company's operating strategy,

for instance, the majority of your time should be spent with that audience.

How does the organisation deal with change?

Culture is key. While some shipping companies are inherently collaborative and accepting of change, others can be more resistant. It's vital to know how change-ready and accepting of new ideas your business is. Where there's a risk that users may be hesitant or reject the incoming strategy, a top-down, exec-driven programme may prove more effective.

How can we incorporate both perspectives?

While you might have to prioritise one audience from a communications standpoint, it's vital to include multiple viewpoints when planning your project. Seek support for your vision, and broader expertise from the C-suite, go to end users for first-hand experience of pain points and specific processes and seek to establish 'change champions' across your departments.

"One of the most effective vehicles of change in an organisation can be employees themselves.

Companies are leveraging their digital "champions" through both informal and formal roles to facilitate skills transfer and engage the rest of the organisation."

Being Digital: Engaging the Organisation to Accelerate Digital Transformation.

Capgemini Consulting

6 Considering ongoing factors like user experience, onboarding, and support

11

Authenticity is key. By taking a holistic view of the needs of their people and the complexity of implementing change in the context of the operating model and work environment, organisations can develop and execute a human-centred approach... What people learn to do, or don't do is a big reason why transformations fail. ??

How Organisations Can Create a Humanised Change Experience EY, 2020



Digitalisation's never done

Projects may come to an end, and immediate change effected, but it's the long-term response that really matters. Planning out a digital transformation project is about more than just realising the ultimate goal – it's about ensuring that the people that the programme touches are brought along on the journey as well.

We've already looked at why it's important to include end-user views as part of your planning process. How exactly do you ensure that the project you deliver stays true to their needs? How do you best introduce them to the new applications and services they're expected to use? To answer those questions, it's important to consider the following:

How should I communicate with the organisation?

Empathise and understand. The user experience should be at the heart of your project, with input and insight gathered well before solution selection and deployment begins. When considering whether to build or buy, consider in-house skills and resources, cost and time to market. It may be significantly easier and more cost-effective in the long run to select an established platform from a third-party provider.

What can you do to drive adoption?

Onboard and support. Ensure users are involved throughout development and implementation, and ensure comprehensive training and onboarding programmes are provided to engage and empower users. Keep documentation clear and simple, and support this with workshops and webinars as needed.

How will you support users in the long-term?

Be prepared to evolve. While a helpdesk or support system can provide answers to immediate queries, it's important to keep one eye on the future too. Develop a culture of continuous improvement, and commit to the idea of taking user feedback onboard as a way of prioritising future developments.

Digitisation in action

When it needed to improve collaboration and free up the time of its small IT team, Cancer Research UK empowered a community of "Citizen Developers" by using a low-code approach to transformation.

By giving its staff the ability to automate and streamline repetitive tasks, the non-profit has delivered impressive results: one process has been cut from two days to just five minutes.

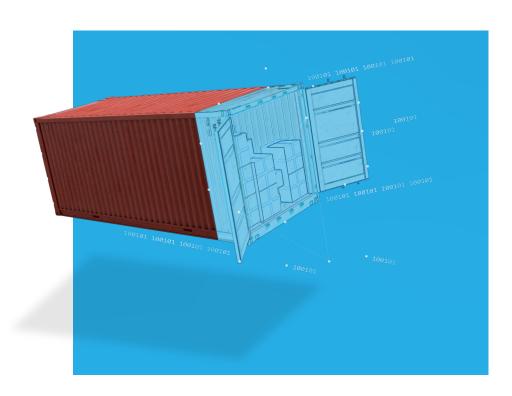
Source: Cancer Research UK

Measuring effectively against your stated objectives

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The enterprise may be adept at measuring a whole host of "-ities" – reliability, scalability, flexibility, extensibility, security – stemming from a digital investment... This is good, but it's only part of the value story. How can leaders measure intangibles like increased employee engagement, better collaboration between divisions, or improved customer perceptions?

Digital Transformation Investments:
The Art and Science of Measuring the Value
Deloitte



Unlike many other investments, establishing a benchmark to measure those returns can be difficult. Just as no two shipping companies are exactly the same, neither are their processes – meaning that metrics by which a company can understand the effectiveness of its transformation are usually in short supply.

As a result, the only truly effective barometer of success tends to be the objectives and KPIs discussed above. Even then, tracking against those can be difficult, particularly when those goals or performance indicators may be entirely new. Nonetheless, it's essential to do so – not just as a measure of success, but to inform future activities too. Key questions to answer include:

Do we have the capability to measure effectively?

Implement the right tools. Measurement can be a complex pursuit, one that requires deep insight into the inner workings of different processes and divisions. While it might be relatively easy to measure something like a reduction in manual interventions, customer satisfaction might be more nuanced. Introduce systems that can help you.

How frequently should we monitor our progress?

Hold a mirror up to your goals. Some digitalisation projects can deliver success literally overnight. Other objectives can take months – and even years – to realise. Despite that, it remains important to monitor and measure regularly, ensuring that your activities are on track no matter how long your ultimate aims take to achieve.

What are we learning, and how do we use it?

Understand the value of course correction.

Measurement isn't just useful as a way of proving the success of a digitalisation programme – it also plays a critical role in helping you identify areas where things aren't going as planned. If you find that things are moving slower than expected, be prepared to modify your approach.

"One of the most effective vehicles of change in an organisation can be employees themselves.

Companies are leveraging their digital "champions" through both informal and formal roles to facilitate skills transfer and engage the rest of the organisation."

How Do You Measure Success in Digital? McKinsey Digital, 2021

The view from the top

Interview with Michiel Marelis,
Operations Director at Chemship



CHEMSHIP

Our seven imperatives cover a lot of ground – but to what extent do they match up with the reality that shipping operations teams experience when it comes to digitalisation today? To find out, we spoke to Michiel Marelis, Operations Director at Chemship, and asked him for his thoughts on the company's own digital transformation journey.



Michiel Marelis, Operations Director at Chemship

11

One of the biggest challenges when it comes to digitalisation is the fact that it can be anything and everything. There are many promising opportunities to chase down, making it difficult to work out where to specialise. For me, an ex-seafarer without a specialist IT background, made it even harder to know where to begin.

What I came to realise is that it's more about what you can take away than what you can add. One of the big issues from an ops standpoint right now is that the amount of documentation is continuing to increase. More and more of that is beginning to fall under the captain's remit, which distracts them from other tasks like managing the crew's safety and the ship's efficient running.

To me, that's how you prioritise. You find those areas where digitalisation can take away jobs that are getting in the way of other, more valuable tasks.

very well. Now, clients are asking for deep insight into trade lanes, into who is shipping what, and they want diagrams and analytics to go with it. It's about data and insight, not just the personal touch.

It's not all about changing roles though. We're also seeing greater fusion between the people who know the industry, and those who know the technology.

At Chemship, I think we have a really good match between ex-seafarers and in-house teams, the latter of which have a deep understanding of contracts and the systems we use to build them. That's a powerful combination.

Taking account of the human factor

Much as digitalisation might focus on technology, there's a huge human element at play here too. Demands and requirements for different jobs are changing very quickly. Take brokers, for instance. Previously, that was a very relationship-centric role, one in which if you were sociable and capable of building a good rapport, you'd probably do

Overcoming reluctance through effective change management

Not everyone wants to change. If you've been doing something the same way for 20 years, doing it differently is really just extra effort, and that can take some convincing. I've always approached this from the perspective of showing rather than telling – if you can get people bought into the benefits, then it's usually a lot better than just trying to enforce change from a distance.

The other thing to bear in mind is context. You have to let people know that the way that they were doing something before wasn't wrong, it's just the fact the world has moved on. As a service provider, it's our responsibility to keep pace with the rest of the industry, and that means choosing the right tools. That's where the right level of executive sponsorship can be critical.

One strategy I've adopted is getting people bought in from day one. If that means asking vendors back for a second presentation with the end users in the room, that's the right thing to do. It lets them ask the difficult questions there and then, rather than three months into using the product. I think that also shows we're all in it together, rather than it being a mandated change from on high.

Really, it comes down to empowerment; you need to give people agency, make them feel part of the process.

A little while ago, for instance, we introduced a new dashboard that all of our people can view. As well as showing emissions, it shows our daily performance and tracks the profitability of each voyage. It's a great way to keep everyone engaged

On taking a pragmatic approach

No matter how things change, we're still a shipping company. We still move things from A to B. The processes that underpin that might evolve, but the fundamental task remains the same. That's why I think it's important to think of digitalisation as a tool – something that helps you do what you're already doing, better.

Thoughts on DA-Desk

Really, that's how I think about DA-Desk. The initial reason that we introduced it was as a cost-saving measure. We wanted to know that we weren't missing out on discounts, or paying fees unnecessarily.

In that sense, DA-Desk verified that our current approach was the right one because it turned out that we were already very lean in that respect.

What we quickly found, though, was that there were other advantages to having so much information available digitally. Just recently, DA-Desk helped me make the case for bringing water generators onboard, because I was able to demonstrate how much it was costing us to spend time waiting for fresh water to arrive at port.

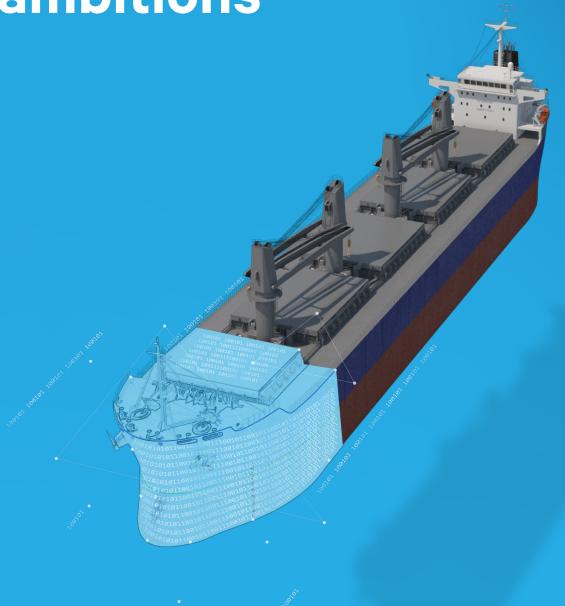
Previously, the only way to do that would have been to wade through boxes of information in our archives. Now, we have that information available at the click of a button. So, while we still need fresh water on board our vessels, DA-Desk has helped us identify a cheaper and more effective way of getting it there. "

Michiel Marelis, Operations Director at Chemship





Helping you realise your digitalisation ambitions



Streamline, simplify and save with DA-Desk

DA-Desk is an end-to-end service and digital platform to alleviate the challenges of the complicated, manual and detailed business of the disbursement accounting process associated with port calls. Integrating directly with your existing Voyage Management System (VMS), DA-Desk can improve and elevate your DA processes with the tools and resources you need to work faster and smarter.

With DA-Desk, every disbursement account you receive is checked automatically against more than 1,800 validation criteria. Whether it's basic status information like vessel and port identifiers or complex analysis of existing agreements and payment stipulations, DA-Desk provides reassurance that everything's as it should be.

With DA-Desk, you can:



Save time and improve efficiency by streamlining and automating manual disbursement accounting tasks.



Gain real-time access to port data through seamless end-toend integration with your existing Voyage Management System.



Save money and time per port call with FDA checks, supplier discounts, payment savings and digitisation savings.



Automate and streamline due diligence, mitigate the risk of fraud and provide evidence of regulatory compliance.



Simplify your reporting with instant access to DA reports.

Here's what some of our customers have to say about that approach.



David Gooding, Director Compliance, Risk and Business Process G2 Ocean

"Empathise and understand. The user experience should be at the heart of your project, with input and insight gathered well before solution selection and deployment begins. When considering whether to build or buy, consider in-house skills and resources, cost and time to market. It may be significantly easier and more cost-effective in the long run to select an established platform from a third-party provider."



Robert Gaina, Director of Commercial Operations, Ardmore

"Ardmore is backed up by a DA-Desk team ashore who deal with all the intricacies of disbursement accounting, invoices, and agents - all over the world. DA-Desk's team of professionals provide a sterling service to owners and operators."



Marc Radulovic, Senior Operations Manager, Eagle Bulk Shipping Inc.

"When people hear that there's going to be a change in platforms or a change in services everyone gets a little anxious and worried that it's going to affect their day-to-day. But the switch [to DA-Desk] was actually quite easy for our users... it went extremely well."

With more than 20 years spent serving the maritime industry, DA-Desk has developed industry-leading technology solutions and works with customers throughout their digitalisation journeys.

When you choose to work with DA-Desk, you'll get:



A team that works with you to understand your operational process, build out your business case and map out the financial and operational benefits.



A dedicated onboarding team, to set up contracts, agencies, payment accounts, automation flows, and training so everything goes smoothly from day one.



24/7 customer service from our global team, LiveChat, and a dedicated Key Account Manager.



Formal annual reviews that provide a comprehensive overview of savings and efficiencies across every port in which you operate.



A user-centric platform created to solve the specific user challenges of managing the DA process in maritime environments.

Our customers







DA-Desk®

350+ Customers 200,000 Port calls per year

2001 Established 373
Global team members

\$12bn
Payments made
per year

Book your free demo now and find out how DA-Desk can help you transform your DA processes.

www.da-desk.com

DA-Desk®

Save time, remove paperwork and enhance compliance on your disbursement accounts

If you process DA's in shipping, we can help.

How to get in touch.



www.da-desk.com



Request a demo