

## **DIVERSIFY OR DIE**

A dramatic heading for my subjective views about the future of your friendly shipping agent.

## **DIVERSIFY OR DIE**

The heading is a good introduction to a little ice-breaking story.

The car story.....

### **o/h Barwil**

Ladies and gentlemen, I represent Barwil Agencies a global provider of Port & Marine Services

### **o/h Wilh. Wilhelmsen**

### **o/h Vision and business concept**

### **o/h Barwil affiliates/brands**

Barwil's core product is services related to ship agency activities.

The bulk of Barwil's fees/income is generated from activities related to our core ship agency services that we in a Barwil jargong has renamed Port & Marine Services.

### **o/h Barwil PMS revenues**

### **o/h Barwil's Port & Marine Service organisation**

### **o/h Global standards & global systems**

### **o/h Barwil port calls**

What is the size of the market and how much of same is available to commercial agents?

### **o/h size of fleet & number of port calls**

The market is in other words big.

The market today isn't dominated by any player but we have a variety of companies fishing in the same pond.

The ship agents live in a dynamic and changing market place.

There is a tremendous variety in the level of services that our customers will demand from the agent.

Some regard the agent as a necessary evil to ensure that the vessel get in/out of ports at the lowest possible fee.

Others look at the agent as a strategic partner who performs a critical task in the overall transportation or logistics network.

There is in my opinion still room for all types of agents though we see through globalisation

that the customer base is dominated by fewer and bigger customers through mergers, acquisitions and strategic alliances.

9/11 and the implementation of ISPS as of July 1<sup>st</sup>. 2004 has put increasing demand on the pro-activeness and the quality of services that is being expected and demanded from the agent.

The fee structure doesn't reflect the same.

Port & Marine service is and will remain a commodity and will to a large extent be driven by price, quality will be taken for granted.

As stated, Global, Regional, local agents, commodity agents etc. will co-exists also in the future but there will be a consolidation and reduction in the number of players.

The theme for my topic is diversify or die.  
I would rather like to rename it:

### **ADD VALUE OR DIE**

Diversification isn't the answer. Stick to you core business but find ways and means of adding value to your customer base.

Port and Marine Services is a commodity and like all commodities it's price driven.

To survive the agent need volumes of scale and/or to add value to the customers logistic Chain.

Optimization and specialisation will be key words for survival

### **o/h agent categories**

What are the criteria in the agency selection process:

### **o/h agency criteria**

Where is the agent going?

Who will prosper and who will die?

Systems, information and knowledge will be king.

The "old" traditional port agent will slowly but surely die.  
Recommendation, sell while your port-folio has a value.

Commodity agents have a good opportunity if they can add value through Control and co-ordination of the logistic chain through systems, information and knowledge. Organisation/supervision of terminals, agents activities, bargaining. Surveys and shipper and receivers will be needed.

Regional agents and Global agents will survive based on their ability to increase efficiency, offer uniform service delivery and have system integration abilities.

HUB agents and HUB specialists have opportunities based on systems and their ability to offer value and synergies.