

Carving a name in the digital market

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An internet-technology outfit run by a former Heidmar executive plans to break down digital boundaries.

In Greenwich, Connecticut — the affluent New York satellite that is home to legions of shipping's brightest stars — there is an oversize statue of a bull residing in the courtyard of 165 Mason Street.

During the dot.com bubble and the decade leading up to the market meltdown, the beast was a testament to the entrepreneurial spirit of the building's inhabitants, who have since packed their bags in search of greener pastures.

But today, the office's current tenants are reaping the rewards of those broken dreams.

"There was a hedge fund here before us, so a lot of what you see, the big-screen TVs and the computer monitors, they were part of the deal," said former Heidmar executive turned Heidenreich Innovations and Q88.com president Fritz Heidenreich when asked about his Internet-technology company's migration to Mason Street.

Heidenreich's Q88.com web-based vessel-questionnaire system carved a name in the digital marketplace by streamlining tasks that some owners and brokers continue to perform by hand.

In the first quarter of 2011, the venture plans to roll out a web-based officer-matrix module for tanker owners — a personnel database to help them track and maintain compliance with the manning requirements dictated by clients.

The project, which is looking to capitalise on an initiative led by the Oil Companies International Marine Forum (OCIMF), is already in its testing phase with 75 shipowners including tanker giant Teekay Corp.

"OCIMF has a website where, on 10 January, if you want to do business with the oil majors, you will have to post your officer matrix to their website," he said. "If you have a fleet of 100 vessels, that means you have 1,800 officers with 15 pieces of data — there are thousands of pieces of data you need to track but it's not a question about the requirement, we are just trying to make it easier."

While there is no lack of competition in shipping technology, only a fraction of businesses are able to turn a profit, according to insiders, who freely admit that success is easy to understand but hard to quantify.

"Every six months, we charge owners \$265 for each of the tankers they list," Heidenreich explained. "The site has almost 6,400 tankers at this point."

If the website is earning \$3.4m a year from owners alone, this is likely to impress many web gurus, as the cost of running Q88.com's domain is considered low by industry standards.

“The cost is in the manpower and the amount of time — our overhead is limited to development and staff costs,” he added.

While Q88.com and sister site Baltic99.com — the dry-bulk version of Q88.com — are not capital-intensive business models, Heidenreich says this is not the case at Electronic Shipping Solutions (ESS), the electronic-documentation company led by Alexander Goulandris.

Heidenreich joined the company’s board as an advisory member just two months ago and has already developed a profound appreciation of its labour-intensive vision: doing away with the paper bill of lading.

“It is so complicated to crack it. It is a massive feat,” Heidenreich said. “They [ESS] have worked on it for five or six years. They are right on the brink of making this happen. I think they have passed a hump, they are going to make it.”

While ESS is racing to launch the electronic bill of lading, Heidenreich is keeping busy with a crusade of his own.

While Heidenreich says he would love to simplify the world of e-mails and document management, he has not abandoned his interest in the operations realm, a throwback perhaps to the days of working a telex machine for his father and Heidmar founder, Per Heidenreich.

“Chartering will never go electronic, it’s all done over phone and Yahoo, but in operations the only thing that has made the industry more efficient is that we have e-mail — that has not been tackled and would be very interesting.”

When asked if Heidenreich Innovations would consider asking investors for help, the Q88.com boss replied: “We have had lots of crazy ideas over the years. If we decided to pull the trigger on something big then we would go out there.”

By Aaron Kelley Greenwich