Software developer focuses on industry-wide standards

Shipping needs more automation, not increased consolidation, in pursuit of greater efficiency, says Q88 founder Fritz Heidenreich

Paul Berrill London

Q88, the online shipping software provider that grew out of an in-house system for tanker pools operator Heidmar, is looking to develop industry standards with like-minded developers that can help improve efficiency.

Founder of the Stamford-based firm, which has grown from its origins with web-based tanker questionnaires and steadily expanded into dry bulk, chemical and voyage management systems, Fritz Heidenreich thinks the time is ripe to co-operate.

"It is not necessarily more consolidation that the shipping industry needs but more automation," he told TradeWinds in an interview.

"I am hoping we can form some kind of user group to create industry standards. Chartering departments are overwhelmed by the number of e-mails they receive — we need some standards to work with the industry and software vendors."

Heidenreich says standards to make online applications and systems compatible with each other should be transparent and available free to everybody — in a similar way to Google Apps. "The most successful [technology] companies are those with the most user-friendly products," he said.

He is aware that it is a big task but has talked to other software vendors and believes a user group would just have to tackle one area at a time. He cites the standardization of port logs as a possible starting point in order to do away with the time-consuming work of masters filling out multiple reports for all the different players involved in a shipping chain.

"We need to start with something simple. We are not going to build Rome in a day," Heidenreich said.

The idea of developing industry-wide online trading standards for shipping applications has been around since the dotcom era but has risen its head again as owners, operators and charterers seek to combine systems they use regularly to cut down the massive duplication often involved. Some software developers support the idea but others do not see a commercial advantage.

Q88 has evolved from its early days putting tanker questionnaire online for Heidmar pool partners to its emergence as a standalone firm in 2008, two years after Heidmar was acquired by Morgan Stanley. The tanker site is now used by about 75% of the industry and the firm has developed dry bulk, chemical parcel and voyage management systems (VMS).

In 2013, Q88 revamped its dry bulk system and it is now used by 50 companies operating some 1,500 bulkers. Customers include commodities trading giant Cargill and global shipping group CMA CGM.

"We rely on the premise that the user knows what they are doing," Heidenreich said. Q88 has signed up a couple more users to the VMS and up to a dozen other companies are seriously considering it. Q88 is also looking at developing a system for offshore shipping.

"Like dry bulk, offshore is going through a difficult time — but Heidenreich says that means access to timely and accurate information is even more important.

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Brave Royal reboots supramax bulker buying plan

Pinaki Routray New Delhi

Chittagong-based dry bulk operator Brave Royal Ship Management has renewed its efforts to acquire supramaxes after failing in its last attempt.

Company officials confirm it is scouting for fresh purchases after it failed to buy the 50,800-dwt Jin Hui and Jin An (both built 2000) from Oslo-listed Jinhui Shipping & Transportation.

The Bangladeshi owner is seeking to raise its presence in the coal trade. Officials tell TradeWinds that domestic coal imports are expected to rise to as much as 20 million tonnes annually over the next five years from the present level of three million tonnes, and that the company is looking to take a share of that business by targeting long-term contracts with state-owned utilities and domestic traders.

Brave Royal is expected to buy Japanese-built ships of between 10 and 15 years of age.

In the past year, the company has spent nearly $32m on three bulkers. The 46,000-dwt Shahrar Jahan (built 2002) was snapped up for $31.7m, the 50,000-dwt Surer Jahan (built 2001) for $10.7m and it paid $10m for the 52,000-dwt Bikar (renamed Maa Saleha Begum, built 2001).

This year, Brave Royal sold the 44,000-dwt Borah (built 1994) and last year disposed of the 37,000-dwt Khadiza Jahan (built 1968) and 41,300-dwt Maa Saleha Begum (built 1987).

Dhaka-based brokers say Bangladeshi owners are looking to take advantage of low bulker prices to modernise their fleets at a time when the burgeoning domestic coal trade is tipped to provide steady employment opportunities.

"Bangladesh: Owner is looking to take advantage of low bulker values to expand its fleet."

Photo: SCAnPIX