



A customer case – Suez Canal blockage & digital Supply Chain Management

Or how an Electronic customer could profit from active Supply Chain Management & a global transportation Network

The Situation

One vessel blocking 12% of global trade

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- The 20.000 TEU containership “Ever Given” ran aground in the Suez Canal on Tuesday 23rd of march. Blocking the vital shipping artery from both sides.
- This resulted in a queue of vessels (more than 160) waiting to transit the canal and continue their journey. While from both sides more vessels continued en route to the already congested area
- As the situation remained uncertain, cargo owners had to react to new circumstances quickly in order to minimize the impact on their supply chains.

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NYKU420

EVERGREEN

CH The Chronicle Herald @chronicleherald

News / Questions being asked after box ship runs aground blocking Suez Canal

UPDATE: Efforts to free the 20,388 teu containership Ever Given, which ran aground in the Suez ...

Asia-North Europe

Bernhard Schulte Shipmanagement

Evergreen Line GAC

Ocean Alliance Suez

Worse things happen at sea

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Suez Canal Blockage & Purchase Order Management

Or how an Electronic customer could profit from active Supply Chain Management & a global transportation Network



Challenge

Suez Canal Blockage



- In the first days of the incident the **situation** & duration of a possible solution were **unclear**.
- Carrier had not decided how to react. However, more and more vessels queued in front of the canal and the route via cape of good hope would add additional 8-10 days to customer transit times
 - The customer had to **fulfill agreed “on-time” delivery's** & fixed delivery dates for some products to avoid high **contractual penalties**
 - The customer was planning to use goods which were **“in-transit”** to keep his **production fully running**

Solution

Digital Supply Chain Management



- The client is using DB Schenker’s **digital Purchase Order Management** solution which enables one to **track** cargo with ease from Shipment and Container level down to SKU/item level **in real time**.
- Most of the cargo were still en route to the congested area, which offered different possibilities & options
- After **consultancy** with **DB Schenker logistic experts** the customer decided to **prioritize Containers** which were vital for his production line and those which contained already contracted goods.
- DB Schenker arranged the un-loading of the identified containers and a transfer to the airports of Mumbai and Dubai from where the cargo was **transported via airfreight** to its final destinations - in time

Live visibility and a strong partner prevent supply chain short falls SCHENKER

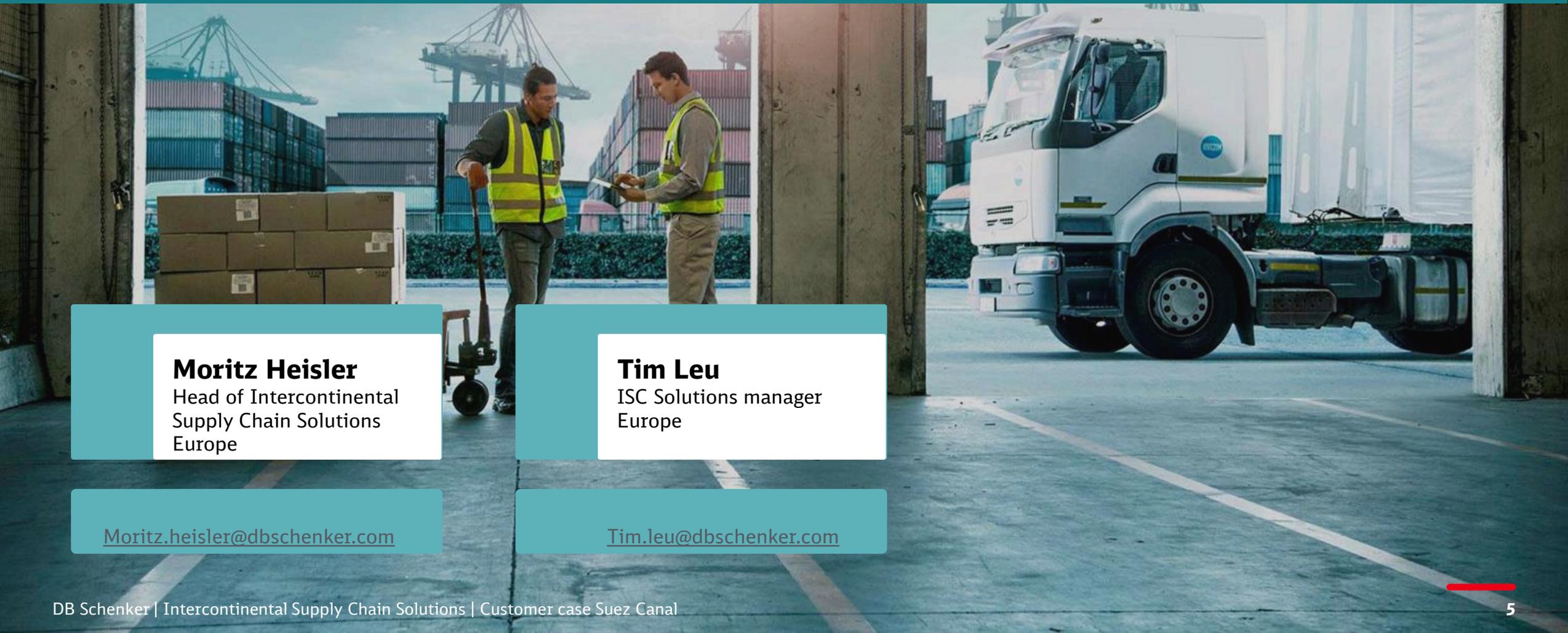
Result

Cost's savings & Prioritization 

- The customer can **avoid a short falls** in production which could have caused severe operational & strategic implications with potential impacts on the financial wellbeing
- Already sold cargo will be **delivered in time**, avoiding contractual fees along with a lost in customer trust
- Due to **the end-to-end visibility and management** possibilities the customer is currently monitoring the situation closely and re-engineering the production and transportation flows if required. For example: extend Buyers Consolidation timelines and shifting volumes to rail transport
- High value & production vital cargo is prioritized and transported via **DB Schenker's Airfreight network**



Let us help to move your supply chain to the next level



Moritz Heisler

Head of Intercontinental
Supply Chain Solutions
Europe

Moritz.heisler@dbschenker.com

Tim Leu

ISC Solutions manager
Europe

Tim.leu@dbschenker.com