



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.

CNBC
Satellite imagery shows mega container ship blocking Egypt's Suez Canal
Imagery captured on Tuesday by a Planet Labs satellite shows the stranded ship, called the Ever Given, in the canal.

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

Mar 24, 2021 • 0 Comments • Share



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

Result

Cost's savings & Prioritization

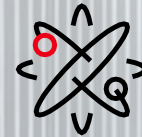


- The customer can **avoid a short falls** in production which could have caused severe operational & strategic implications with potential impacts on the financial wellbeing
- Already sold cargo will be **delivered in time**, avoiding contractual fees along with a lost in customer trust
- Due to **the 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**



Global execution capabilities

+

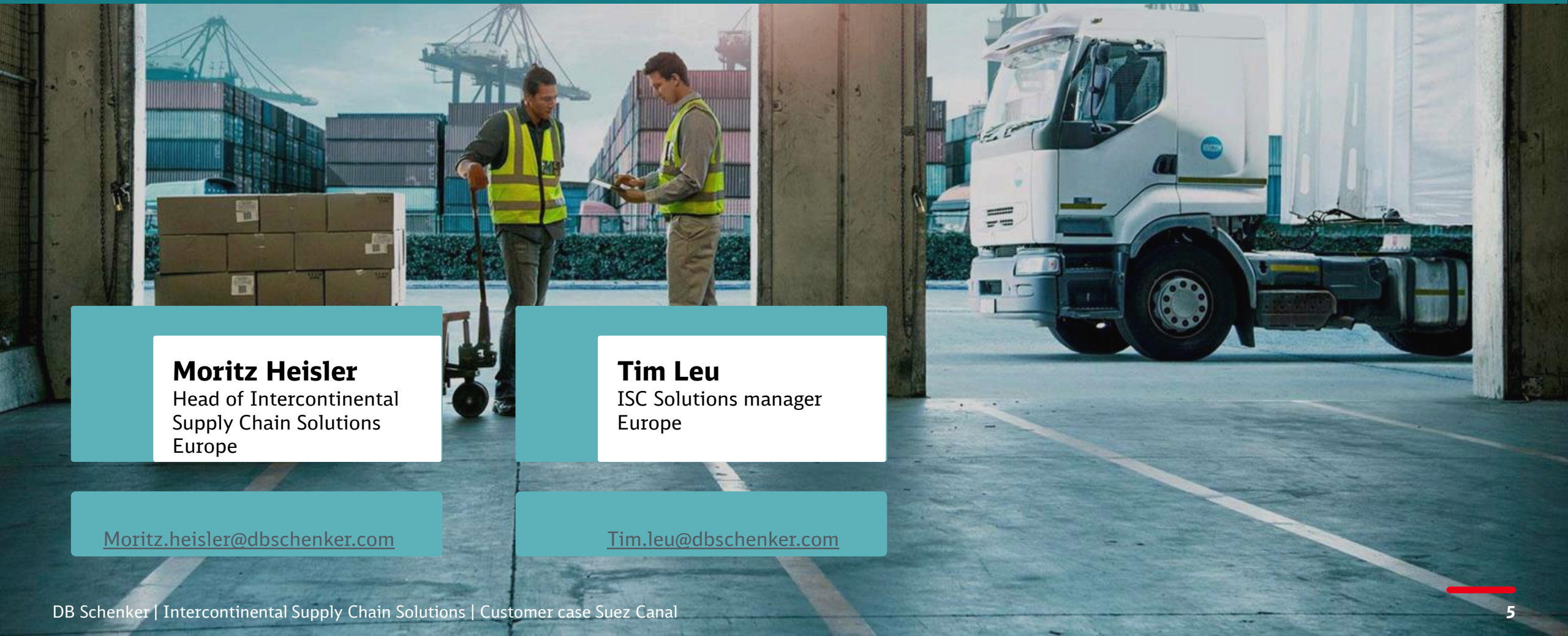


Technology ecosystem

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Increased supply chain resilience

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



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