



Minutes of the meeting

CTQI Workshop with guests

29th June 2007

List of participants:

Name:

Lawrence Henesey
Lawrence Ni
Michele Acciaro
Harry Mohns
Nicolette van der Jagt
Yves Wild
Wilhelm Loskot
Bernhard Staender
Angelika Rauschnabel
Kieran Ring
Wolf von der Mosel
Heinrich Goller
Gustaaf de Monie
Mark Trundle
Steve Longbotham
Jens Körting
Frank Kho
Andreas Janetzko
Wilmer Aguilar

Company:

Blekinge Institute of Technology
China Merchant Holdings
Erasmus University Rotterdam
Eurogate
European Shippers Council
Germanischer Lloyd Certification GmbH
Germanischer Lloyd Certification GmbH
Germanischer Lloyd Certification GmbH
Germanischer Lloyd Certification GmbH
Global Institute of Logistics
Hamburg Port Authority
CTA Container Terminal Altenwerder
International Port Consulting BVBA
Kingfisher B&Q
MTC Marine Terminals Corporation
PEMA Port Equipment Manufacturers' Association / Hyster
PSA HNN
UPS Supply Chain Solutions
Yantian International Container Terminals Limited (YICT)

After the introduction of the participants Kieran Ring summarized the reasons that led to the formation of the Hamburg Committee for the development of the CTQI standard. The intention to invite shippers and their representatives on day two was to get the feedback of this group of stakeholders concerning the need for improving the efficiency of the logistic chains.

Gustaaf de Monie presented briefly the result of day one of the meeting and explained the different KPIs that the CTQI standard shall measure.

Yves Wild presented the basic concept of the CTQI standard which is based on a very simple quality management system plus the evaluation of the KPIs and other aspects by using so called "Master Tables". The details of the standard of course are still under discussion. He proposed a system where the three main topics

- Performance (evaluation of measured KPIs)
- Equipment (evaluation of hardware, organization and training)
- Hinterland (evaluation of hinterland connectivity)

are investigated separately. How the evaluation is carried out in detail, and e.g. which figures are good or bad when evaluating the performance KPIs, still has to be discussed.

The following discussion concentrated on the following main topics:



- 1) It was agreed that it is absolutely necessary that all stakeholders that are involved in the logistic chain need training and education about the interactions within the chain. By exchanging information the awareness on the problems that own actions may cause shall be raised. The Hamburg committee offers container terminal operators to communicate their situation to stakeholders, e.g. the shippers.

Container terminals are often in the position that they need to fix problems that have been caused by others like delayed ships, delayed trains, congested roads, missing documents etc.

- 2) Nicolette van der Jagt stated that the most important KPI for shippers is punctuality. This is more important than fast transit times. In order to ensure this punctuality the shippers meanwhile also include “buffers” in their logistic chains. Unfortunately these “buffers” are usually increasing the “dwell time” of the containers at the terminals, thus causing further capacity problems of the terminals.

This was a good example for the need of the communication between the shippers and the terminals in order to avoid such vicious circles.

- 3) It was proposed that the CTQI standard could only be start of a series of standards that should cover the whole transport chain e.g. for distribution centers, train operators, trucking companies, shipping lines etc.

- 4) Marc Trundle reported from problems with the handling of feeder vessels when King Fisher tried to build up feeder services to the UK. Main line vessels were preferred by terminals. Heinrich Goller explained that feeder vessels are also important in order to empty the store. In some cases feeder vessels are even preferred in order to free storage space / container yard. This applies especially for liner associated feeders (dedicated feeders) which usually handle large volumes of containers. Common or non-dedicated feeders in contrary only collect or dispatch small amounts of containers and are therefore not always handled first. Such feeders are more regarded like a truck which has not a fixed schedule.

Gustaaf de Monie pointed out that the ship service quality index also evaluates the handling of feeder vessels. Due to the high number of feeders they influence this index even more than the main line vessels. At CTA in Hamburg eight main line vessels are handled per week and approx. 90 – 100 feeder vessels.

- 5) The shippers in general tend to avoid transshipments because these are regarded as main causes for delays. However, on the other hand, ship sizes are getting bigger and bigger, causing even more transshipments due to the hub systems that are need for filling such big ships.

- 6) The main reasons for an unreliable supply chain were named as follows:

- Problems with data exchange / information / paper work / bureaucracy
- Uneven demand / excess peak demand
- Commercial reasons e. g. merchant's haulage
- Last minute decision on the on-transport
- Capacity limitations



- Too tight schedules (e.g. a vessel in the Europe – Far East trade has only 8 hours spare time on a 56 days round voyage)

In order to better distribute the use of resources for trucks, ships and storage different systems were discussed. This included the appointment systems for trucks, increased storage fees, variable handling charges etc.

- 7) Marc Trundle agreed that a document stating basic KPIs of terminals (the CTQI certificate) will have a value for the shippers as it will offer the basis for discussions with the terminals. The meaning would be that more transparency is offered.

Nicolette van der Jagt proposed that the shippers will issued a letter of support for the CTQI standard during their Global Shipper's Forum in September 2007. Such a letter would be highly appreciated by the audience.

- 8) The need for better data exchange systems was discussed intensively. Wil Aquilar reported of efforts to introduce such a system, but that the acceptance in the end was poor.

The further work steps shall be:

- Well prior to the next meeting a first draft of the CTQI shall be available to the Hamburg Committee members on the web page of Germanischer Lloyd Certification. This draft of course will still include many blank pages.
- The next meeting will be a full two day meeting on
6th/7th September 2007.

The first day will be together with the shipper group. It would be appreciated if more shippers would join this group. This will be tried by Nicollete van der Jagt. In the afternoon of the first day a visit of the CTA Container Terminal Altenwerder will be arranged.

The second day will be reserved for the terminal group only.

The main topics will be:

- Presentation of first draft of CTQI standard
- Definition of evaluation ranges for the performance KPIs
- Definition of KPIs / Master Tables for Equipment / Organization / Training
- Definition of KPIs / Master Tables for hinterland connectivity
- How to involve the carriers (shipping lines and 3PLs) into the development of the CTQI standard?

Hamburg, the 23rd July 2007