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Uber of the Seas SEAMLESS FLOWS

Kim Wikström

THE BALTIC SEA SURVIVAL GAME



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IF THE FLOW STOPS THE COUNTRY STOPS

THIS IS THE **FUTURE**





ships' utilization Rate is **35%**

SHIPS SPEND ABOUT 40% of their time At ports

16-19 ACTORS INVOLVED IN DELIVERING A FREIGHT CONSIGMENT



Our vision

Create the highest-performing, environmentally friendliest short sea logistics system in the world through an open electronic marketplace that lets both industry and ship operators dynamically and interactively optimize their logistics processes

Enabling innovations (1/2)

Open electronic marketplace for booking and optimizing shipments

- Cross-industry coordination of cargo shipments leading to lower freight rates
- A transparent communicating, optimizing and shipping slot-trading platform
- Real-time route planning decreases fuel costs and emissions
- Up-to-date and transparent communication among actors involved

Cargo handling system based on containers

- Maximizes use of space and minimizes loading times
- Different cargo owners' shipments can be carried at the same time
- Time is saved with automatic loading and unloading
- Efficient production and logistics planning



Enabling innovations (2/2)

Alliance-based shipbuilding and – operating

- Model based on alliance between all key ship system suppliers including shipyard and operator
- Performance-driven shipbuilding and operation business model ensuring a highly competitive ship by keeping world-leading technology providers engaged throughout the lifecycle of vessels
- Ship designed and built based on actual logistics market and cargo flow needs

New Public-Private Partnership (PPP) financing model

 New financing models that integrate institutional investors with a long term investment perspective in order to reduce the cost of capital and put the focus on competitiveness



FROM BULKER TO SLOTS

Maximizes utilization of space and minimizes loading and unloading time

- Different cargo owners' shipments can be carried at the same time
- Time is saved with automatic loading and unloading
- Efficient production and logistics planning

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Shortcut: Electronic **MARKETPLACE**



Organizational innovation: Åbo Akademi Alternative alliance model University Contract with alliance on % of industry's cargo volume for Freight fees from industry Industry operating phase Special purpose company Ltd Operator "Fronting" alliance member = Operator "Fronting" alliance member = Yard Basis for earning: based on contribution to ship's profitability Each alliance member bears CAPEX in own balance sheet until ship is through Cargo hold fcn provider · Cargo hold utilization maximization (Cargo fcn provider, delivered Yard exits once ship is delivered Operator) Navigation fcn provider · Revenue based maintenance (Cargo fcn provider, Operator, Propulsion fcn provider) Smart sailing (Navigation fcn provder, Operator) **Propulsion function provider** Yard Contract between alliance and Time Charter to NOO NOO for ship delivery Cash flows Non-operating NOO pays alliance members for ship \rightarrow Ship has owner (NOO) been 100% transferred to NOO's balance sheet @ Contract delivery Lower CAPEX \rightarrow Lower Time Charter during Operations Design and Build = "Pain and gain sharing" Operations = "Pain and gain sharing"



UTILIZATION RATE60 - 70 %

we decrease freight costs by **25-30 %**

WE DECREASE CO₂ EMISSIONS BY **20-30%** PER FREIGHT UNIT DELIVERED

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Uber of the Seas journey

- Our steps towards implementation



* Financier: Finnish Metals and Engineering Competence Cluster (FIMECC)

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Thank you Kim.wikstrom@abo.fi

This presentation is based on a research project supported by the Finnish Materials and Engineering Competence Cluster, (FIMECC), Finnish Funding Agency for Innovation (Tekes) and the Global Projects Center at Stanford University by the US National Science Foundation