Maritime Law
Association of Australia and New Zealand

Sea Change – Navigating the Future
17-18 September 2019

Challenges and Digital Transformation
Brodie Stevens
<table>
<thead>
<tr>
<th>Bulk</th>
<th>Liner</th>
<th>Logistics</th>
<th>Coastal</th>
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<tbody>
<tr>
<td>Logs</td>
<td>Trans-Tasman (2)</td>
<td>Quadrant Pacific</td>
<td>Aotearoa Chief</td>
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<tr>
<td>Fertiliser</td>
<td>North Asia (4)</td>
<td>Agency</td>
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<tr>
<td>Coal</td>
<td>South East Asia (4)</td>
<td>Cubic Transport</td>
<td>Spirit of Canterbury</td>
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<tr>
<td>Cement</td>
<td>West Coast USA (2)</td>
<td>Independent Stevedoring</td>
<td>Moana Chief</td>
</tr>
</tbody>
</table>
Geographically focused, in a world of very big competitors
Key Challenges

Margin/Competition

ROIC

Skills

Technology
What got us here, won’t get us there
Strengths

- Strong Market Position
- Great Customer Relationship
- Committed Shareholders
Our Mantra

Saving Our Customers’ Time
Our Approach

To Go Digital
What does “Digital” means?
Our Approach

Adapting an organisation’s strategy and structure to capture opportunities enabled by technology.
Our Approach

Digital technology is no longer a cordoned off domain of IT. EVERYONE in the value chain has a part to play.
Our Blueprint

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</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Not Big Bang</td>
<td>Not Bounded to Systems</td>
<td>Not about Job Elimination</td>
</tr>
</tbody>
</table>

“Saving Our Customers’ Time”
1. Not Big Bang

Not like this.... (Waterfall)
1. Not Big Bang

Like this!

1

2

3

4

5

(Agile)
1. Not Big Bang - The Digital Scrum
2. Not Bounded to Systems

- Mindset
- Behaviour
- Process
3. Not about Job Elimination example Customer Service

**TODAY**
The customer-facing CS team cover a lot of transactional tasks.

**FUTURE**
Customer-facing team can can focus on relationships, problem solving and new customer acquisition.

- Transactional tasks
- Relationship tasks
- New activities

**3rd-Party Shared Service**
Automate and support front-line team (free up time)

**Own Shared Service Center**
Co-Located with Digital Development Centre
Looking into the Future

Spotify didn’t kill off the music industry. They did it to themselves by forcing people to buy full albums.

Uber didn’t kill off the taxis. They did it to themselves by price controls and single-use vehicles.

??? didn’t kill off the shipping industry. They did it to themselves by restricting customers to specific ships and containers only.
From a Shipping Business
Transforming into a Platform Business
<table>
<thead>
<tr>
<th>Statistic</th>
<th>Details</th>
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<tbody>
<tr>
<td>Owned &amp; operated vessels</td>
<td>159</td>
</tr>
<tr>
<td>Countries serviced</td>
<td>105</td>
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<tr>
<td>Employees worldwide</td>
<td>2,498</td>
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<tr>
<td>Commodities</td>
<td>233</td>
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<tr>
<td>Port calls</td>
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<tr>
<td>Countries serviced</td>
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<td>Offices in</td>
<td>18</td>
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<td>31 million mt per annum</td>
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<td>Operating divisions</td>
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147 years of growth

John Swire & Sons was established in 1816 and then established The China Navigation Company (CNCo) in 1872 to operate ships on the Yangtze River. Today the Swire family remains intimately involved in managing CNCo’s growth and opportunities.