

# Deployment scenario

## ARL e-Yield Suite

## ARL e-Yield for NVOCC

### Overview

The deployment scenario describes how an NVOCC applies ARL's e-Yield Suite to their business. The NVOCC has appointed a network of own agents in multiple service points and apply their own market pricing strategy. The NVOCC has agreements with shipping lines, which include an agreed purchase price reflecting the consolidated volumes committed by the NVOCC and their agents, a space guarantee on the shipping line's transport assets, and possibly dead-freight payment if the booking volumes are below agreed commitments.

### Geographical Scope and Liner Coverage

The NVOCC defines its own transport network via own and agents' representation and select specific shipping lines as provider of transport services. All customer interaction is branded by the NVOCC.

The NVOCC e-Yield front-office includes the network setup and defined by the NVOCC. If the individual shipping lines, who's transport services are offered can provide schedules electronically, e-Schedule is automatically updated with a schedule feed. If the NVOCC is arranging onwards or pre-carriage transport as part of own network, such connections are added to the core schedule of the lines.

The NVOCC front-office is imbedded in the NVOCC's web-site and possibly also in its agent's independent web-sites. If the agents themselves are e-Yield customers, and act as agents for other principals, the NVOCC schedules may be passed electronically to the agent, who may then supplement with schedules from other principles.

### Pricing

The NVOCC have their own pricing strategy towards their customers, irrespectively of the individual agreements with shipping lines. The NVOCC pricing strategy may include all-in rates, uniform rates across multiple shipping lines, NVOCC specific surcharge structure. The NVOCC may have 'rack' rates but also customer segment or individual customer rates.

e-Quote and its Surcharge add-on allow the NVOCC to structure and present their rates and surcharges accordingly. The front office present publicly available 'rack' rates and via the e-Quote Promotion add-on individual customers have access to individual or segment focused rates. If the agents charge local services on top of the corporate rates, these may be added to the Surcharge add-on.

#### e-Yield Deployment Scenarios:

- FCL Consolidators
  - Deep Sea Shipping Line
  - **NVO/ NVOCC**
  - Short Sea & Ro/Ro Operator
  - Feeder Operator
  - Air-Cargo Operator
  - Rail Operator
  - Independent Liner Agent
  - Barge Operator
  - LCL Consolidators
  - Truck Fleet Operator
  - Perishables Logistics Provider
  - -cargo- Low Cost Carrier, cLCC
- Note: a transport provider may seek hints from multiple scenarios.*

# ARL e-Yield for NVOCC

## Working with Intermediaries Forwarders/Consolidators

The NVOCC works with intermediary customers being forwarders/consolidators, who offer customer focused value added services to the end-customers as well as provide cargo volumes to the NVOCC in return for beneficial commercial terms.

Assuming that the forwarder/consolidator is also using e-Yield, the NVOCC's schedules may be passed electronically to the forwarder/consolidator platform, allowing the forwarder/consolidator to add his own value add offerings like customs clearance, document, courier, and storage services to his e-Yield Platform, and promote his services on his own web-site as a integral of the core NVOCC transport service own value adds. When bookings are done on the forwarder/consolidator's web-site, such bookings may be passed on to the NVOCC electronically.

## Space Guarantee and Dead Freight

The NVOCC is granted a space guarantee from the shipping lines in return for a volume commitment by the NVOCC. The NVOCC must manage that bookings are received in accordance with the volume commitment given to the lines, in order to avoid paying dead freight.

e-Book Allocation add-on propose the customer a choice of departures with free space closest to the departure and arrival dates requested by the customer. The allocation add-on will secure that bookings are spread equally on departures providing a consistent booking volume aligned with the volume commitment to the shipping lines. If the NVOCC may accept alternate products, f.ex. either 50 x 20' containers or 25 x 40' containers, this alternate allocation is automatically managed by the Allocation add-on.

ARL e-Yield Suite consists of the following individual solutions:

- e-Schedule, see more on [arl-shipping.com/es](http://arl-shipping.com/es)
- e-Quote, see more on [arl-shipping.com/eq](http://arl-shipping.com/eq)
- e-Book, see more on [arl-shipping.com/eb](http://arl-shipping.com/eb)
- e-Settle, see more on [arl-shipping.com/ep](http://arl-shipping.com/ep) (p=pay)

## Re-Book with Shipping Line

Upon the NVOCCs receipt of a booking, the NVOCC books with the shipping line. If the NVOCC has no advance space guarantee from the shipping line, the NVOCC may attempt to book with a number of lines giving preference to the shipping line with free space and best commercial terms.

e-Book's Back-Book add-on is set up to automatically pass a received booking onwards to a specific shipping line – either via an intermediary like INTTRA, GT Nexus or CargoSmart, or directly – using EDI or ebXML message formats. The line will confirm or reject the booking electronically to e-Yield and in the case of a rejection, Back-Book add-on may book with the second priority shipping line.

## Manage Shipping Line Commercial Agreements

The NVOCC negotiate commercial terms with its partner shipping lines. The bookings done by the NVOCC are in accordance with the commercial agreement.

e-Quote's Purchase add-on allows the NVOCC to describe the commercial agreement with the shipping line, and in case of electronic re-bookings with the shipping line using e-Book Back-Book add-on, to prioritize and select the shipping line for booking according to the most beneficial commercial agreement.

## NVOCC and Agent's Own ERP/Finance System

The NVOCC is using a local finance package for invoicing and general ledger, and the individual agents are using their own finance package.

e-Book sends an EDI or ebXML message to the ERP system, of the NVOCC and separate to the ERP system of the agent related to the booking corridor, ensuring a full electronic re-use of data provided by the customer, and generated by the e-Yield platform.

*The e-Yield Suite support the operations of an NVOCC in the schedule-quote-booking process allowing the NVOCC to work electronically with shipping lines, own agents and intermediary-style customers as well as own back-office execution and finance systems.*