

Daily Maersk

Cutting supply chain costs

With a promise of daily cut-offs and absolute reliability on the Asia-North Europe trade lane, Daily Maersk allows customers to take considerable costs out of their supply chain. Today, a major portion of customers' supply chain costs is measured in the number of 'buffer' days added to a shipment's forecast arrival. This is inefficient and costly.

An issue often raised by our customers is that every time a shipping provider is either faster or slower than expected, it creates problems in the supply chain. When the products arrive early, customers may face capacity problems in the warehouse. If products are late, they face a performance problem.

Before Daily Maersk, a typical voyage from Shanghai to Rotterdam lasted 28-32 days. Add to that approximately 3.5 days inventory buffer for weekly departures, then add a further buffer for lack of service reliability plus the time from cut-off to load and the time from discharge to cargo is available for pick up: as you can see, the overall transportation time can quickly increase. Daily Maersk offers a total transportation time of 34 days for the same journey: every time, and starting every day.

With daily cut-offs and a precise, consistent network flow, Daily Maersk can reduce customers' inventory buffer at both origin and destination significantly. One large retail customer told us that the boxes in their security stock on average cost USD 15 a day in capital costs.

Another customer estimated that going from 70% to 85% reliability would increase revenue by an estimated USD 200 million. So you can just begin to imagine the revenue potential in introducing Daily Maersk with absolute reliability.