American Association of Port Authorities
Session 15 – Negotiating Strategies
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Integrated Shipping Services

Global reach  
Local touch
This will be what **WE** make of it! – let’s agree to the following shall we?

For today, there are **no** dumb questions….remember, you paid to be here, get your money’s worth!

We can agree to disagree but, we should learn all we can from the exchange of ideas

Participation is encouraged, change that…**Expected**!

Now for a brief ZIM commercial…then the Negotiating portion
ZIM is an International Shipping Company started in 1945. Based in Haifa, Israel we are wholly owned by the Israel Corporation.

Today we have over 90 vessels sailing in over 60 weekly services to over 180 ports on 5 continents. We provide various solutions sets for our customers ranging from multi-modal logistical solutions to port-to-port shipments.

In the Western Hemisphere, our headquarters is located in Norfolk, Virginia. We are broken down into 10 full service District offices.
The South Atlantic District office is headquartered in Savannah, Georgia. We have geographic responsibility for all movements and sales in North Carolina, South Carolina, Georgia, Florida, and East Tennessee.

We have P&L and physical responsibility for all marine operations, equipment control, logistics, maintenance and repair, customer service, documentation, accounting, sales and marketing within the District.

We have direct vessel calls in Charleston, Savannah, Port Everglades, and Tampa.

We average about 6000 gates moves while calling 6 marine terminals with 9 vessel calls every week.
Western Hemisphere Services
Rotation:
Shekou → Hong Kong → Yantian → Ningbo → Shanghai → Pusan → Balboa → Panama Canal → Kingston → Savannah → New York → Halifax → Tarragona → Piraeus → Haifa → Livorno → Genoa → Tarragona → Halifax → New York → Savannah → Kingston → Panama Canal → Los Angeles → Oakland.
**Rotation:**

Kaohsiung → Shekou → Hong Kong → Panama Canal → Kingston → New York → Norfolk → Savannah → Panama Canal → Kaohsiung.
Rotation:
Singapore → Laem Chabang → Shekou → Hong Kong → Kaohsiung → Vancouver → Seattle → Pusan → Kaohsiung → Hong Kong → Shekou → Singapore.
Rotation:
Ningbo → Shanghai → Qingdao → Pusan → Seattle → Vancouver → Tokyo → Nagoya - Aichi → Kobe → Ningbo.
Atlantic Express Service (ATX)

**Rotation:**

Rotterdam → Hamburg → Le Havre → Southampton → New York → Norfolk → Charleston → Rotterdam
**Rotation:**

Cagliari → Livorno → Genoa → Barcelona → Valencia → Port Everglades → Houston → Cagliari.
Rotation:
Kingston Hub

Caribbean Express Feeder (CFE)

Colombia & Costa Rica Line (CCE)

Amazon Express Line (AZX)

Florida Caribbean Express (FCX)

Gulf Express Service (UEX)

Lesser Antilles Guyana (LAG)

Venezuela Service (VSE)

Trinidad – Barbados Express (TBE)

Netherland Antilles Express (NAX)

Suriname Netherland Antilles

Mexico Haiti Express (MXX)

Camex Feeder (CME)

Haiti Feeder (PAP)

Montego Bay – Cayman Express (MCX)
Win-Win Negotiations

An overview of one Carrier’s perspective

PORT/TERMINAL – Carrier Negotiations
Our Philosophy

🌟 We aim to create and **foster** long-term partnerships wherein both parties derive long term mutual benefit.

🌟 Important Note: This philosophy is applicable to *both* the vendor and customer side of our business.
Port/Terminal – Carrier Negotiating Considerations

- Mutual desire
- Partner acceptance
- Business understanding
- Good Business Fit
- Corporate and Financial stability
- Win-Win Strategy Elements
Do we want to do business with the organization and do they want to do business with us?

Fit for strategic plan (theirs / ours)?

What interests do we share?

Can we work together to grow the market, customer base?
Partner Acceptance

- Do we have a cultural and values fit?
- Language issues? Legal jurisdiction?
- How will our negotiation effect each others competition (other port / carriers / market)?
- Negotiating styles similar or, at least, not toxic?
- Willingness to work through difficult issues (A true partnership is defined more by what goes wrong than what goes right)
Do we understand each others business and model?
Where can we find synergy?
How can we innovate to reduce costs?
How does the facility utilize tariffs?
Good Business Fit

- Location (Access to MARKET) and demand
- Port Access – Vessel, Rail, Truck, and Feeder network
- Terminal Capabilities to handled expected vessels (including berthing windows), volumes, EDI, reefer, DG, and OOG
- Facility condition and plans for expansion
- Security
- Access to quality vendors for vessels, equipment, and terminal services
- Is this a good value proposition (terms)? Incentives?
- How does this terminal measure against our existing benchmarks?
- Affect on current partnerships, the future?
Does ‘Corporate’ ownership cause a competitive issue? Opportunity?

Is their organization financially stable given the large capital expense? Do they have the ability to fund expansions and upgrades?

Is the management team stable? Will we be negotiating and working through the issues with the same people?

Do we want to structure the deal for a longer term commitment or with exit clauses given the above?
Win-Win Strategy Elements

- Do your homework - Understand your partners business and business process
- Recognize what you have that your partner needs and/or wants?
- Be able to clearly define what you need, what is important, and what it is worth?
- Work to create trust and an environment of ‘give and take’
- Look for the common ground and find the WIN
- Know when to walk away