Port Executive Management Seminar
Port Pricing and Concession Strategies
December 1 - 3, 2014
Mérida, Yucatán, México
Competitive Strategy

Overall Competitiveness

• Know your competition
• How do you measure up?
• Conduct a competitive analysis
• Understand your competitive position: Allows for more effective marketing and negotiating

The Tariff and Other Considerations

• Tariff:
  - Dockage; Pilotage; Wharfage; Freetime
  - Flexibility: Rates for specific cargoes (bananas)
  - Lower demurrage rates for lower wharfage (reduce dwell time)
• Capacity
• Infrastructure and Intermodal connectivity
• Stevedoring: Manning and equipment can inoculate tariff advantages
Ports as Negotiators: Longshoremen

With no direct role in labor negotiations Ports can provide information

- Major port projects planned and status
- Customer base affecting labor demand
- Berth assignments and priorities
- Port leases with member companies
- Regulations now or in the pipeline that may result in jurisdictional issues
- Any contemplated privatization
- Any contemplated automation

The stakes are very high
Employee Negotiations

Employee Contracts DO Impact Port Competitiveness

- Need to be sustainable / Healthcare and benefits
- Fiscal Responsibility / Equity and fairness
Local Negotiations

Local Contracts DO Impact Port Competitiveness

- FTZ & WTC – EDC-VC and Cal Lutheran
- Oxnard High School District
- Building Permits
- Revenue Sharing
- Measure M
Joint Use Agreement

- Land Access - Flexibility
- Increased Berthing Capacity
Customer Negotiations

Business Retention and Growth

- Maintaining the Competitive Edge
- Optimized Pricing
- Rebates – Long Term contracts
- Minimum Annual Guarantees
- Optimized Service
- Balancing different customer needs
- Creating win-win partnerships
A Successful Negotiation

Key to Success

• Mutual Give and Take
• Win-Win
• Longevity
• Achieve aura of Partnership

“Coming together is a Beginning; Keeping together is Progress Working together is Success!”

H Ford

“Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time.”

Thomas Edison
We’re Open for Your Business

We Make Cargo Move