

Teesport Manages 30% Growth, Realigns Supply Chain Operations for Walmart & Tesco with N4

Terminal Overview



Based in Middlesbrough and operated by PD Ports, Teesport is a major deep-water complex and one of the largest container terminals in the North of England. It also serves as the area's statutory harbor authority, requiring it to manage river traffic, ensure safe navigation and maintain required channel depth for both Teesport and Hartlepool.

Teesport's location in Northern UK presents unique challenges with vast opportunities to re-shape the future of trade in the region. Historically, terminals in Southern UK received larger volumes of port traffic than Northern ports, as shipping lines generally wanted to send their ships closer to major metropolitan areas (London) to avoid

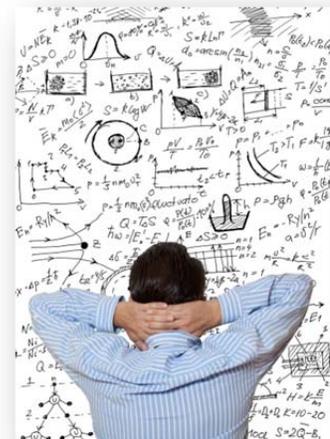
longer distances and higher costs/ . With cargo and ship dues as its main source of revenue, Teesport recognized the need implement innovative change sits business operations to attract more containerized traffic to the North and fulfill ambitions to become the Northern Gateway terminal of England.

To achieve this, Teesport needed to change its value proposition for customers in a unique way. As part of a land-owning port authority, Teesport could offer something that no other terminals in the UK could: it could grant its customers permission to build distribution centers within the port complex walls. Doing so offered shippers, and in particular retailers, cost-saving incentives such as on-site container storage and reductions in road costs. With buy-in from both Walmart and Tesco, two of the largest retailers in the UK, cargo volumes began to increase, and in parallel, more shipping lines began to call at the terminal. As a result, Teesport had a direct hand in improving the efficiency of the flow of goods in the North, as well as reshaping distribution channels in the UK.

Challenges

While much of the shipping industry experienced a slump as a result of the 2008/2009 global economic downturn, Teesport experienced **growth** due in large part to its retailer warehouse strategy and new business direction. While this "Astor Effect" undeniably attracted more cargo to Teesport, a new challenge emerged in its wake: how was Teesport to maintain efficiency and productivity with growing container volumes?

In order to up the ante on terminal efficiency and optimization, Teesport knew that it needed to integrate its four different operations—LOLO, RORO, Intermodal, and Port-Centric—into a single platform. Additionally, Teesport needed to establish clearer lines of communication amongst its trading partners, thus allowing it to work more in sync with other terminals, as well as with carriers and distributors.



At the time, Teesport's legacy terminal operating system (TOS) lacked the modern features and optimization tools required to support its new operating environment. They also needed a technology platform that would support facility expansion, new equipment types and increases in volumes. In 2011, a major influx of investment enabled Teesport to enhance the terminal infrastructure with more land, more equipment and improved technology. As a result, Teesport turned to Navis and its industry-leading N4 TOS to fuel the future of the facility's terminal operations.

Execution

With shareholder support on its side, Teesport accelerated full speed ahead, investing in the N4 TOS implementation and assembling a team of 12 to oversee and execute the high-stakes project.

Throughout the implementation project, Navis worked hand-in hand with Teesport to ensure that N4 not only brought together the four operational areas of the terminal on a single platform, but also integrated operational data into a community port system. Doing so aided in the port's movement away from paper-based transactions and gave its vast network of trading partners increased supply chain visibility.

Change Management

Additionally, Teesport understood the necessity of not only having an industry-leading TOS in place, but also ensuring that its employees acclimated quickly to the new technology and equipment they would need to use day-in and day-out. Teesport achieved this through a combination of on-site trainings with Navis, simulation exercises for the new terminal equipment, external consulting, as well as change management best practices to ensure a smooth transition and standardized adoption throughout the organization.

Results



Teesport successfully completed its TOS implementation in July 2012, making it one of the first terminals in the world to use N4 across four different operational areas. Soon thereafter, Teesport began to experience the benefits of N4. By 2013, Teesport saw improvements in productivity. By 2014, Teesport was able to manage and optimize a 30%

growth in container volume, due in large part to the use of N4.



Teesport's strategic business changes, as well as its investments in industry-leading technology and equipment, continue to deliver vast benefits to its customers, community, and the UK at large.

First and foremost, Teesport has provided its customers with a more holistic view of their supply chains and the ability to better-manage and affect critical costs. By utilizing distribution centers within the port, Teesport has been able to save its customers 8 million GBP in road costs alone.

Teesport is also doing its part to deliver environmental benefits to communities surrounding major cargo transportation routes as well. It has helped to reduce road congestion between the North and South UK, as there are now fewer trucks on the road with more ships calling at Teesport.

Lastly, the efforts at the terminal have made a lasting impression on the supply chain within the UK, ultimately improving the efficiency and flow of goods into Northern UK as a result.

The Future



Moving forward, Teesport has its sights set on continued expansion and growth. By the end of 2015, it hopes to reach 550,000 TEUs, making it the third largest container operator on the East Coast of England. Eventually, it aspires to reach 650,000 TEUs.

With the additional cargo volumes on the horizon, Teesport remains committed to evaluating innovative technologies—such as business intelligence and automation solutions—that will enable it to remain agile against varying market conditions, as well as an attractive cargo destination for shippers and carriers throughout the world.

About Navis

In a time where vessels are getting larger and industry demands are increasing, terminals are facing tremendous pressure to be more efficient and productive than ever before. Navis understands that as operational processes become more complex, efficiency, collaboration and productivity are essential. As a trusted technology partner, Navis offers the tools and personnel necessary to meet the requirements of a new, and ever-evolving, global supply chain.

The Navis N4 terminal operating system is a platform that can integrate partner technologies, enabling terminals to optimize productivity and enhance the service deliver to their customers. The [Navis Professional Services team](#) helps customers maximize the effectiveness of their technology investments by aligning operational optimization and new business processes with a terminal's most important goals. Whether embarking on a new implementation or exploring ways to get more from existing systems, the Navis Professional Services team offers proven best practices that help terminals worldwide gain significant competitive advantages.

www.navis.com