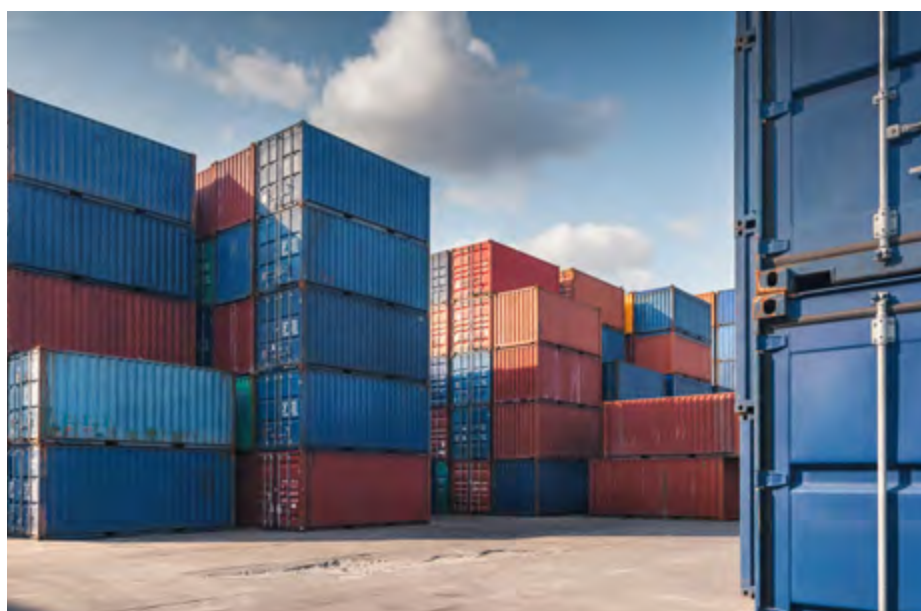


# Better handling customs processes with edbic

**Hans-Peter Zint, Managing Director of Cuxport, and Dominic K uchler, Head of IT of the cargo port, talk about the challenges of successfully managing Brexit at an EU cargo port in compliance with a changing legal landscape.**

*It has long since been clear that Brexit would be a turning point. The short-term challenges and the extreme change it would bring for the retail sector were both anticipated. But anyone listening to the people who actually had to master the logistics and technology issues of Brexit will realise just how far-reaching the consequences of this political decision were and still are. Hans-Peter Zint, Managing Director of the cargo port Cuxport, and his Head of IT, Dominic K uchler, had conscientiously prepared for Brexit – but things still turned out differently.*



**compacer: Mr Zint, Brexit has hit trade hard in many ways – both in the UK and the EU. What does this mean for a port operator like Cuxport? How must one imagine 1 January 2021, when Brexit became effective in the middle of the coronavirus pandemic?**

**Hans-Peter Zint:** 1 January 2021 really turned our business and our processes upside down. To set the stage: Cuxport has only existed since 1997 and has been operating as a transshipment port for European short-haul freight traffic since then. As such, more than 90 percent of our business is within the EU and thus, the issue of customs declarations previously did not arise in our operations. Until Brexit. This is partly due to the fact that our main

customer is the shipping company DFDS A/S, which offers a regularly scheduled cargo service, six departures a week, to Immingham in the UK. As you can imagine, we had to completely reorganise our processes as of 1 January 2021. All of a sudden, about 90 percent of the cargo handled at Cuxport had to go through a customs process.

**compacer: That was certainly a challenge. Given the long-running Brexit negotiations, however, you had ample opportunity to prepare during the run-up, didn't you? So, how did you prepare for Brexit?**

**Dominic K uchler:** In fact, we started preparing as early as 2017. At the time, we were using three systems for operational handling that were to

be renewed, standardised and expanded to include a customs module. We expanded this approach and wanted to use it as a basis for the post-Brexit era. Towards the end of 2019, however, it became clear that this would not lead to the desired results. We needed to make a hard cut. Our consulting partner, HPC Hamburg Port Consulting, then brought edbic to our attention. The idea was to introduce edbic as a central platform that would process the various data from our systems in such a way that we could hand them over to a separate customs clearance system.

**compacer: Would you share some details about the requirements?**

**Dominic K uchler:** Together with HPC, we developed an automation concept. The biggest challenge in all of this was time pressure. We had to find a solution for the customs process within only six months – while still facing a huge data heterogeneity. It was clear to us that, in order to automate the customs process, we needed to somehow bring together all relevant data and information from the terminal, the shipping company and the customs authority.



**compacer: What scale are we talking about here?**

**Hans-Peter Zint:** Cuxport handles about 30,000 containers, 30,000 road trailers, 300,000 cars and 300,000 tons of general cargo per year. This entails huge amounts of data and information as well as documents and processes. Fortunately, a “soft Brexit” had been agreed, meaning there were no trade volume quotas and no import tariffs. Nevertheless, we had to implement a customs management and so we were operating under quite a bit of pressure. Fortunately, the exchange of goods was very limited in the first two weeks of January 2021, as the respective trading partners had stocked up abundantly in the weeks before Brexit’s own “D-day”. This also gave us an opportunity to further optimise processes and eliminate teething problems during the first weeks after Brexit.

**compacer: How did you go about it?**

**Hans-Peter Zint:** We had to adapt and redesign literally all business processes in addition to creating an all-new customs process. We devel-

oped this in collaboration with customs, their customs IT service provider DAKOSY as well as with HPC and, of course, compacer.

**Dominic Küchler:** In this, we paid a great deal of attention to the interfaces, because the be-all and end-all for the customs authority are clear processes with full traceability. As a first step, we brought together all the relevant data from the various systems and used this operational data pool to feed a second, special data pool that we can use to process all customs-related issues.

**Hans-Peter Zint:** This is an extremely critical issue, because as soon as the goods leave our terminal, whether by sea or land, we would be liable for any shipment that has not been released by customs. This may not sound difficult, but it was a major challenge for two reasons: On the one hand, all the usual procedures were suspended due to the pandemic and on the other hand, we previously had to clear a maximum of 10 percent of all goods through customs.

**Dominic Küchler:** edbic was given the task of collecting all the data,

acting as a data hub and integrating the data into the respective systems; one of the targets being the DAKOSY customs system, of course. It is the only way to update, control and store messages. In short, edbic has since been taking care of making all relevant data available to the customs authority. Only then do all players know which goods are involved and, for example, which customs reference is behind them. In terms of data, this was less of a problem, but from a logistical point of view, it was actually quite difficult. Mapping the business logic was a real challenge.

**compacer: What do you mean?**

**Hans-Peter Zint:** You can imagine that there are many special and individual cases in the processes of a seaport. Mapping this into a standardized process was challenging. In addition, these processes always come with a certain time pressure. You know, there is only a narrow time window available for loading and unloading freight, especially on European ferry routes. Now, if there’s a road trailer coming in that cannot clearly





and accurately declare its goods, this creates an immense bottleneck.

**Dominic K uchler:** These situations in particular were a great challenge. We knew that, in the end, we would only really get to know the overall process during live operation. Before go-live, we had already mapped 90 percent of the cases to the automated process – capturing and forwarding data via edbic – but there was still this multifaceted, exciting rest that we had to figure out and automate in the first three months after Brexit.

**Hans-Peter Zint:** It wasn't always easy on the human level either, that is, in the interaction of the shipowner's employees, customs officers, the people actually handling the cargo and us. On the IT side, we had great learning effects, adjustments and trainings, but beyond that, there were still some emergencies that we had to handle manually. Then, by the end of March, we had devel-

oped a certain routine, which can be attributed to a large part to Dominic K uchler and his wonderful team, who intensively accompanied and supported all those involved.

**compacer: So, how do you assess the situation in retrospect and where do you stand now?**

**Hans-Peter Zint:** Brexit was ultimately a driver for the automation and digitalisation of the entire customs process at Cuxport. Even though we had a tough time juggling several lockdowns, Brexit and the automation of all these important steps – today, we are much more efficient than before, we know so much more and we can also share this knowledge with our customers, the shipowners. That's great!

**Dominic K uchler:** Indeed, this change has had a positive side effect for shipowners. They now have real-time information about their cargo and its respective customs

clearance status. For the first time, the customs process is fully integrated into the overall procedure and traceable down to the smallest detail – even for shipowners. We have received a lot of positive feedback for this.

**Hans-Peter Zint:** This motivates us to think about using edbic as a central data hub for other port operations in the future, for example for monitoring. This would give us timely indications of bottlenecks and enable us to take precautionary measures.

**compacer: Mr Zint, Mr K uchler, thank you for the interesting insights into the operations and processes of a cargo port and, not least, into the challenges posed by Brexit.**