

Learning shipping rules

BY GUY M. TOMBS

Wilmington, North Carolina. I look out onto the Atlantic Ocean under a hazy sky, from a remarkable sub-tropical city with a vibrant seaport. Family bathers are enjoying the beach, a flock of pelicans just flew by my 5th storey window heading south, and a powered paraglider out over the water flew north 300 feet above the waves.

In many lines of human endeavour we seek to create order out of chaos by setting rules. Shipping and supply-chain logistics provide endless examples of our attempts at rigour. In this trade there are a lot of rules. The rules overlap and do not always dovetail. They must be respected. How can an entry-level employee build sound judgement about an array of shipping scenarios from minimal experience? You will learn that many rules are unwritten. Rules regularly change.

Having been immersed in the industry for over forty years, I have long found that working in shipping offers remarkable problem-solving tests day in day out. They all demand fast, balanced, and affordable solutions. Any country, culture and language can come into play. Logistics involves every city, village, and community around the globe. It goes well when the local knowledge is accurate. This means locals must be involved – communicating good delivery information globally.

I had a flat mate when I went to university in the U.K. who was working on a PhD in nuclear physics. When he had a particularly difficult math problem to solve in the evenings, he said he always took a walk – and then could come back with a solution. Long ago a Montréal charter broker told me that when he was close to fixing a ship charter, he would try to take a pause, go on a walk at lunch, with all the details in mind, to be sure he had not forgotten something. Yes, I am making a link between shipping and nuclear physics!

One of the first things I discovered when I began in freight forwarding was that a lot of the shipping documents that we received contained commercial-confidential information. An entry-level employee needs to quickly learn (the first week!) what is commercial-confidential and what is not, and who in the office can reliably teach this key distinction. That first week on the job may often be more focused on understanding and correctly filling in ocean bills of lading and booking confirmations from available supporting documents, rather than focused on the sensitivity of some of that information.

Rules, written and unwritten, are in life learned from experience. They are often not learned from training at all. Formal training is too often based on many 'if all goes well' assumptions. This is: what you do on a sunny day, when all the ducks are in line, and everyone does what they agreed to do. Life lessons don't work like that: life learning comes from 'whoopses', sometimes big ones. Plan A goes to Plan B and then Plan C, perhaps just because of weather, or a sudden closure of a routing. It can be useful to develop 'life-lines' – to those persons in the industry who have certain subject matter expertise: to quickly go to, when a question arises in their specialty area, and so to pre-empt the whoops.



I believe each office needs a good reference library, which is kept up to date. This of course will be augmented by saving key favourite websites on your PCs. Now many references are no longer published as books, but instead are reliably kept up to date on the internet only. Keepsake files of past shipments that taught you and your colleagues a lot are good to hold onto. However, all these different aids are fine only so long as you have a way to internalize them. You must 'inhale these lessons' so to speak – and make them more a matter of instinct and part of your own problem-solving techniques. This picture of the mind at work is not a stretch. Whether your thought processes about work are Cartesian (say, working issues as if on X and Y coordinates on graph paper), or artistic and painterly, or by a series of vertical checklists – or employing another modus operandi, such as brainstorming – it is all up to you. You must have a practical, defensible approach to problem-solve based on your mindset. It is important that you make a real attempt at rigour with tests for truth that you can articulate. I like to think in terms of 'going back to first principles' and I often write down all my thoughts on a subject in bullet-point form on a blank sheet of lined paper.

Rules can be regulations or laws – but often they are simply 'best practices' or priorities which are treated as rules. Each stakeholder in the shipment or transaction has a different sense of which rules must take priority and when and how. A good mastery of the rules in different sectors of the market, together with a certain sales flair, over time can lead to success in those sectors. Misunderstanding or not knowing the rules in play leads to failure and a loss of the trust of customers.

For a young person entering the market, the natural thought may be: "I get it – now show me the rules I am to follow." But even in specialized training, there may be no simple set of rules to be learned. Where a partial list of rules has been compiled, it is often 'subject to interpretation', meaning the rules may be vague, at

times even intentionally so. There are the questions of: how are the rules applied, how are they enforced, and who enforces them?

Each player in the industry has its own concept of rules: to name several groups, shippers, receivers, maritime lawyers, marine underwriters, vessel operators, ship captains, port authorities, stevedores, terminals, airports, air cargo carriers, truckers, railways, shipping agents, warehouse operators, cost accountants everywhere, not to forget 3PLs, 4PLs and 5PLs, and the many Government officials acting for different departments. For a novice in the industry it is important to soon learn, amongst these multiple parties, who works for whom – and so better fit the pieces of the puzzle together. If we didn't have rules, logistics would be a mess. With the huge array of rules and rules enforcement, there is a sincere attempt at alignment amongst the many stakeholders, to try to achieve efficiencies benefiting all parties. But the schematic of inter-weaving rules can sometimes look like a Jackson Pollock abstract expressionist painting!

We like to think of Canada and the USA proudly as rules-based societies. That is so. I have said above that early on in careers in this business

we try to internalize the rules as we learn them. Once internalized, we are closer to establishing judgement, our own sense of fair play. When we have developed more sound judgement than we began with, then a channel to intuition opens up. We can now find our way in the dark a bit better and envision likely outcomes of the actions of various parties than we would have when we were just starting our careers. What is prized and ultimately sought from all this hard work is to see through to the heart of the matter. On certain occasions we will work up exceptional solutions to challenging supply-chain problems and especially impress our customers.

Yes, I did receive my Wilmington Port pass with photo ID, supported by various documents, including my TWIC card. The process was fast. The truckers who sat in the air-conditioned Port ID office were all friendly. I was the only agent waiting. The automated card reader at the gate worked and read my now linked TWIC card. The red bar lifted and I entered the port in my car. It was a sunny day, and all went well.

Guy M. Tombs is the President of Guy Tombs Limited, international freight forwarders and shipbrokers, founded in 1921

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