

Date: Jan 15, 2002
(Lloyd's list)

Heidenreich coup bags LevelSeas and Chinsay

Heidenreich Marine has demonstrated that size matters in e-business, but playing David is just as important as being Goliath.

The Connecticut-based shipping company has announced two IT cooperation agreements in as many days, first with e-chartering heavyweight LevelSeas and then newcomer Chinsay.

Heidmar only launched its products in 2001, rolling out its Q88.com and QBulk.com questionnaire software after three years' in-house development.

Chinsay will offer the Q88 questionnaire to its users, in return for which, Heidmar will subscribe to Recap Manager, which the Stockholm-based company launched in December 2001.

LevelSeas, meanwhile, has signed up to integrate the Q88 and QBulk software into the LevelSeas system.

"It will simply transfer LevelSeas users to our site when they need questionnaires and then bring the document back to LevelSeas," explained vice-president Fritz Heidenreich.

LevelSeas will use the questionnaires exclusively but Heidmar has retained the right to continue marketing the service to third parties.

The announcement came at a time of renewed interest in online chartering functionality.

The surviving contenders are divided roughly between those who seek to provide small, user-friendly tools to brokers and shipping exchanges, which enable online fixing.

LevelSeas is generally thought of as being the heaviest hitter but its decision to contract with bantamweight Heidmar has raised some eyebrows.

"This is functionality that LevelSeas needed for their site and it made sense for them to link to us rather than develop it themselves," explained Mr. Heidenreich.

"They are fully capable of doing it themselves but why reinvent the wheel?" he added.

But asked whether he thought Heidmar's approach was preferable to that of an online exchange, Mr. Heidenreich agreed that the simpler the tools, the more likely they were to be used.

"It's going to be very difficult for anyone to launch a system that does everything. Tools like ours don't take a lot of money to develop and can be easily integrated."

Chinsay certainly fits that template with its mantra-like belief in a set of simple software products.

Observers agree that the kudos for these deals lies with Heidmar, which has bought itself massive exposure for its product through the tie-up to LevelSeas.

Until now, the exchange has been quick to leverage its backers and members' ship and cargo interests, claiming "game over" in the online chartering war, but many remain unconvinced.

Some question whether LevelSeas company has become top-heavy with technology and lost focus on delivering a package that is of a workable scale for the shipping industry.

Its principal rival, AXSMarine, has offered questionnaire functionality since the third quarter of 2001 and has developed its online fixing system for a fraction of LevelSeas' cost.

Others question the motives behind the agreement.

"With 33 maritime industry investors, 21 months of development, 40 programmers and a huge technology investment, LevelSeas has reached out for help from a two-man technology team," observed one broker wryly.