### The Box Summary

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**1-Sentence-Summary:** <u>The Box</u> teaches how the drive and imagination of one entrepreneur impacted the world economy and changed the face of global trade with container shipping.

Read in: 4 minutes

#### Favorite quote from the author:



The next time you sit down with a cup of coffee, <u>check your phone</u> for new messages, and start to work on your laptop, consider that they all likely made a similar journey at one time before reaching you. There's a good chance that they spent some time inside of a shipping container.

You've seen them before – whether you've consciously registered it, or not. You are familiar with these colorful containers that you see on trains, trucks, and ships. It's even become something of a trend to repurpose and retrofit them to become modern living spaces.

In Marc Levison's book, <u>The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger</u>, you'll see how the slow and costly process of shipping was transformed into an industry with an impact reaching far beyond the world of only moving goods.

Here are 3 lessons this book has me thinking more about:

- 1. Container shipping began with one man from the trucking business.
- 2. The Vietnam War was the real breakthrough in container shipping.
- 3. The global economy transformed when this shipping system became cheap and more interconnected.

## Lesson 1: Malcolm McLean, a self-made trucking mogul battling rigid regulations began container shipping.

I imagined that the concept of container shipping was conceived by someone connected to the maritime realm. It was actually invented by an outsider in the trucking business named Malcolm McLean.

It was just after World War II when just about everything was subject to strict regulation. Prices were fixed, including the cost of shipping. This was killing competition. The Interstate Commerce Commission, or the ICC, only allowed for companies to haul approved goods on approved routes and at approved rates. It was all about order with little regard for efficiency.

This is when McLean came up with the revolutionary idea of putting the truck trailers on shipping vessels, rather than driving them along increasingly congested coastal highway routes. But since that idea would go against trucking mandates, he did the logical thing. He left the trucking business and went into shipping. He began seeking outside expertise to help <u>transform the industry</u>.

McLean thought since trucks with tires take up too much space, maybe an aluminum box would be the way to go. He found an aluminum box manufacturer, called Brown Industries.

His next task was to transform cranes into loading machines. Of course the railroads were not crazy about this idea so they protested. Their protests were overruled by the ICC and the first container transport was ready to launch. On April 26, 1958, the first containers launched from Newark New Jersey to Houston, Texas.

McLean's genius wasn't to invent the container, but to bring a crazy new idea into the shipping industry.

# Lesson 2: Major breakthroughs in Container shipping resulted from logistical mayhem while amassing troops during the Vietnam War.

When you think about containers does the Vietnam War come to mind? I'm pretty sure it doesn't. But I discovered that containers actually played a pretty significant role in the conflict.

When the U.S. began amassing troops in Vietnam during the winter of 1965, it was a logistical shit show. The entire country was served by only one deepwater port, a single railroad line, and a disjointed highway system.

When president Johnson first ordered troops into Vietnam, there were no organized supply chains in place. Ships needed to remain out at bay and it required ferries to unload and transport the supplies to port. This was an extremely time-consuming process.

The army consulted shipping executives to help solve these issues. McLean <u>was obsessed</u> with bringing container ships to Vietnam. He must've made a convincing case – in March of 1967 he signed a contract for Vietnam.

Sea-Land provided seven ships. They would use their own trucks to transport to deliver within a 30-mile radius of the piers. This eventually helped turn Cam Ranh Bay into a modern shipping port, complete with computer technology to track each container. This also helped foster containerization usage between Japan, the world's fastest growing economy at the time, and the United States.

# Lesson 3: The impact of containerization affected industries outside shipping, like manufacturing and wholesaling.

Even though it took some time to develop, containerization transformed the global economy. It wasn't until about 1977 when industries like manufacturing and wholesaling began seeing the effects.

Since shipping containers don't require warehousing and are difficult to rob, insurance rates decrease and fewer damages are reported. The largest impact on the global economy is the dramatic price drops that were realized.

Maersk, based in <u>Denmark</u>, built its first container ship in 1973. By 1981, they were one of the largest container shippers in the world. The company's size afforded both flexibility and reliable service. The best part was all this came at unprecedented low cost.

The other big change was the deregulation. It was a domino effect – when president Ford took away much of ICC's authority over trucks in 1975, it resulted in deregulation of railroads in 1980. With seamless transitions between the different forms of transport, containers could now move easily between trains, trucks and ships.

Transportation only rose more in significance as prices continued to drop, and it was all thanks to the container. This innovation made shipping cheaper and more efficient, while its impact on the global economy created a more interconnected world.

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#### The Box Review

I enjoyed this book more than I thought I would. It's one of those ideas that is so easy to take for granted, or not think about at all. These big containers impacts everyone in the world. *The Box* proves that life-impacting innovation does not always have to be super complex technology.

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## Who would I recommend The Box summary to?

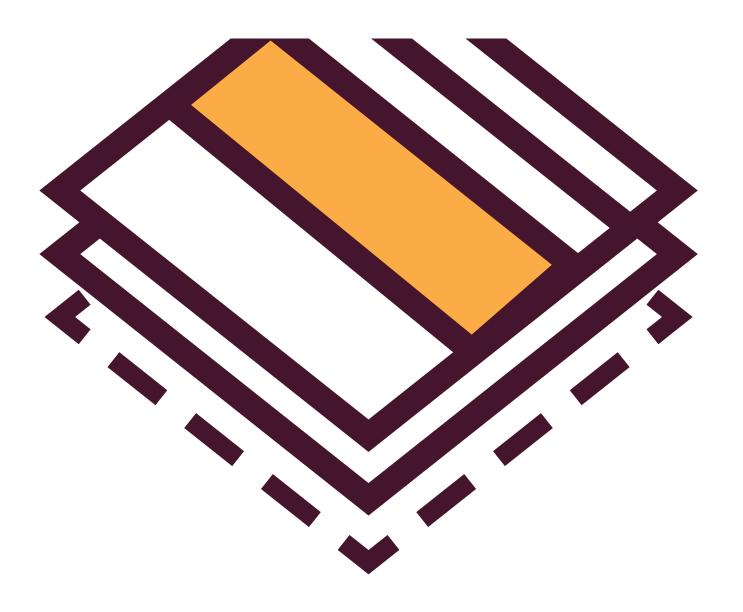
The 33-year-old logistics manager, the 41-year-old port agent and anyone who is considering an alternative home, that's been around the world a few times.

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