



# CASE STUDY

2025

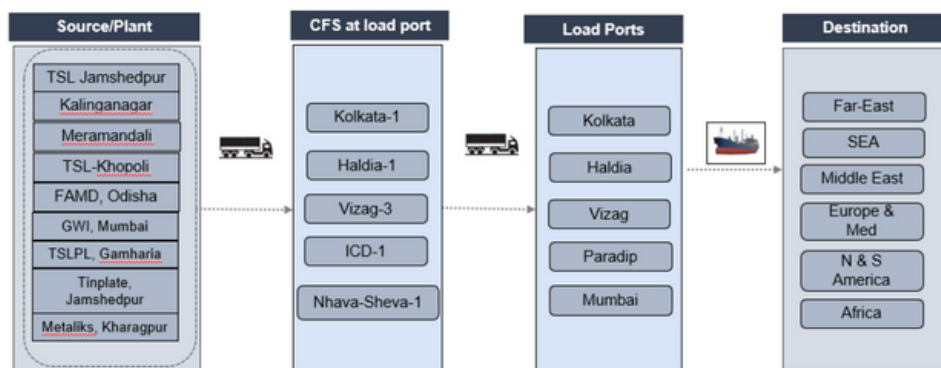
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# Case Title

Resilient Ocean Freight  
Contracting and Container  
Visibility for Tata Steel

## Background

Tata Steel exports a wide range of products in containers – Steel, Tubes, Wires, Ferro alloys, Tinsplate – to customers across Europe & MED, US & LATAM, Middle East, Far East, and Southeast Asia.



Ocean freight is a critical cost driver in these exports. However, the freight market is volatile, opaque, and influenced by global disruptions (pandemics, Red Sea crisis, trade imbalances, port congestion).

The company currently faces challenges in ocean freight discovery, contracting, and container visibility, leading to both financial leakage and customer dissatisfaction.

## Current Challenges

### 1. Freight Contracting & Discovery

- **Volatile Market:** Freight rates for India–Europe/US have surged unpredictably due to the geopolitical tensions, India–Far East, is currently stable and competitive due to equipment imbalance.
- **Short-Term Fixes:** Freight is mostly contracted for a month duration with shipping lines and freight forwarders, leaving Tata Steel exposed to volatility. Shipping lines are currently reluctant to offer long-term rates.
- **Limited Index Linkage:** Contracts are not benchmarked with market indices currently. Available market indices, such as Drewry, primarily reflect China-origin trades and 40 Ft containers, making them less relevant for our region and 20 Ft (which form 95% of our EXIM trade) container movements. Hence, Tata Steel cannot prove market parity or predict freight.
- **Customer Negotiation Issues:**
  - o Sales teams cannot commit to long-term landed cost to customers because of low freight visibility for 6-12 months ahead.
  - o Competitors with secured long-term freight contracts get preference.

### 2. Container Visibility

- **Fragmented Data:** Visibility is spread across shipping line portals, forwarder emails, and customs EDI. There is no single source of truth.
- **Delayed Information:** Sales and customers get ETA updates late, impacting planning at destination.
- **Exception Management:** Rollovers, transshipment delays, detention/demurrage disputes often go unnoticed until invoices come.
- **Customer Escalations:** Lack of proactive updates damages trust and service credibility.

### 3. Supply Chain Inefficiencies

- **Empty Container Repositioning:** Especially acute in eastern India (e.g., ICD Kalinganagar, Durgapur). Costs are passed to Tata Steel.

## Problem Statement

How can Tata Steel redesign its contracting and visibility framework for ocean freight and container operations so that it achieves cost competitiveness and ensures supply chain reliability?

## Deliverables

Participants must present:

### 1. Ocean Freight Contracting -

- o A detailed freight discovery and contracting strategy.
- o Templates for index-linked freight contracts.
- o Risk-sharing mechanisms with lines/forwarders.

### 2. Integrated Digital Visibility Solution via data integration, dashboards.

### 3. Customer Sales Enablement -

- o How freight contracting + visibility can empower Tata Steel Sales teams to negotiate better customer contracts.

### 4. Implementation Roadmap -

- o Step-by-step approach for Tata Steel to adopt the new model.
- o Tech, process, people, and partner requirements.

## Expected Outcomes

- A resilient, transparent, and competitive freight contracting framework.
- A digital-first container visibility solution.