

How Is Blockchain Technology Revolutionizing Shipping Industry

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Keeping this setback in mind the industry introduced a new way to carry out business operations – blockchain technology.

One might ask, what exactly is this technology? Let's discuss the nature and benefits of this innovation in terms of logistics.

What is Blockchain Technology?

Blockchain was primarily used in carrying out secure financial transactions. This technology emerged from a mathematic branch called cryptography.

This system is quite similar to the Bitcoin system. It's a form of a decentralized sharing space, which takes authentication from the other networks to perform transaction. The sharing is done in form of ledgers that are encrypted blocks of a much larger public chain. Discrepancies and alteration to a block is impossible, a small change would mean that the entire chain needs alterations.

Blockchain and Logistics

The logistic industry saw the benefits and efficiencies this technology has to offer, and implemented it across the industry.



This led to the genesis of **Blockchain in Trucking Alliance (BiTA)**. This alliance has all the major carrier service onboard, around 85 percent of trucking-transactions are carried under the umbrella of this alliance.

Paperless information

Blockchain will transform the trading arena by improving information transfer and limiting the need of intermediaries.

It will bring all the players (buyer seller, shipper, carriers, etc.) together on one platform, share and store encrypted information, such as agreements, payments, and contract approvals.

Smarter Contracts

Blockchain has made creation of digital market a possibility. Now traders can sign and negotiate contract using this software. The agreed terms, such as lading terms and freight rate, will then be automatically applied to all the transaction carried out between the two parties.

The terms and conditions set in the contract will determine the progress of the transactions. The software will follow the steps and procedures laid down in the contract to complete the trade. This limits the need of a third-party or any documentation. The system automatically executes the process with participant's validation.

Rewards of Blockchain Technology To Logistics Industry

Real-time data

The exchange and approval of countless documents is limited. Information and transactions that required week of documentation and processing can be done in minutes. The documents shared on the system will automatically start the execution process, saving time and resource required.

Accuracy

Room for error is limited as the process is automated and secure.

Transparency of processes

With an access key, all parties can review the transaction and information shared by all the parties involved. Open-information limits chances of fraud or malicious transactions.

Highly secured

Information is shared in form of encryption, which means no one can manipulate or alter the system generated coding. This makes all the transactions secure.

Saves cost

System delays, documentation, approvals, and human-errors, doubles the cost in trading businesses. Blockchain technology eliminates all these setbacks, and provides a new and improved digital transaction system.

Access to the market

Anyone and everyone can enter the open market and carry out transaction. This increases competition and allows all participants to enjoy competitive rates.

Adopt new technology with help of ProcessWeaver. We provide latest multi-carrier shipping software that will lower your cost and improve business efficiencies. Call 888.932.8373 to request a demo.