[INSIGHT]

IT MATTERS

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Are We Ready for Fully Digital BoLs?

While the advantages of electronic bills of lading (eBoLs) are clear, several hurdles—complex implementation, legal concerns, and a reluctance to let go of established processes—hamper its adoption.

Complex implementation. Electronic bills of lading are technologically challenging because they must at once be highly secure and widely compatible. Secure encryption, digital signatures, and blockchain technology have all been put forward to prevent fraud and ensure document integrity.

Furthermore, the global shipping industry's IT systems are diverse. For the seamless data exchange required for eBoLs, standardized protocols need to be adopted. Another source of complexity is the need to comply with a variety of international regulations.

Legal concerns. For a bill of lading to be considered valid, it has to be in paper form. Therefore, even "paperless" BoLs generated and shared through Electronic Data Interchange (EDI) often must be combined with a print-out.

To overcome this hurdle, countries need to harmonize their legal frameworks to recognize electronic documents as legally equivalent to their paper counterparts. Only then could we expect smooth cross-border transactions. Unsurprisingly, this requires extensive legislative work and international cooperation.

Reluctance to change. After centuries of relying on the same format, the complexity of eBoL implementation is daunting. The industry hesitates to venture into the unknown waters of electronic BoLs, where unfamiliar technologies prevail.

But companies don't have to choose between these two basic ways of handling BoLs; there is a middle ground.

Mobile document scanning software allows transportation and logistics companies to combine the advantages of paper and electronic shipping documents. These solutions enable carriers' staff to scan and digitize any paper document with their smartphones or tablets.

The digital copies can then be sent to banks, insurers, buyers, customs, or any other party, ensuring that the information is transmitted quickly and reliably. Lost or damaged shipping papers become less of a problem because their digital versions are safely stored in the cloud. At the same time, physical copies offer familiar control and reliability.

Paper copies are still recognized and widely trusted. Continuing to use them in parallel during the transition to fully electronic BoL encourages conservative industry players to embrace digitization. In situations such as internet outages or EDI server issues, they can provide a valuable fallback.

Digital BoLs, on the other hand, improve visibility throughout the logistics network. Scanning and sending digital copies of a bill of lading offers increased efficiency and convenience for all parties involved. A key advantage is that they provide real-time information. This speeds up documentation, allows for instant sharing, and ultimately reduces the time goods spend in transit.

This digital approach also enhances document security, as electronic copies can be encrypted and securely stored, reducing the risk of loss, damage, or forgery. It also improves accessibility, as parties involved can access the documents anytime and anywhere. This facilitates transparent communication and faster coordination.

THE PATH FORWARD

The electronic bill of lading is an inevitable step forward in logistics and transportation, but it will be a long journey. In the meantime, the evolution of document processing through mobile scanning offers a promising avenue for businesses to optimize their logistics operations. ■