



**Timber Exchange**

By the Industry for the Industry



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# When the forestry industry can't see the forest through the trees, Timber.Exchange clears the way by digitizing the global timber supply-chain.

Timber.Exchange is an independent digital platform and toolkit that automates the most time-consuming processes facing exporters, importers and forwarders in the forestry industry. The smart toolset includes trading and tendering goods, logistics booking, drafting and generating shipping documents and instructions, business and supply-chain analytics, compliance, shipment tracking which significantly improves, efficiency, transparency and accountability.

Development of the B2B supply-chain technology began in 2017 and around 40,000 man-hours were invested developing the platform's functionality. Timber.Exchange is a product of Timber Exchange Europe AB, a Swedish company with a mission to automate global trade. Although a relatively young company, it is actually an offshoot of a family business that has been trading timber between Scandinavia and North Africa for more than 45 years and was founded by the father of Timber Exchange Europe's CEO Amir Ras-had. Timber Exchange Europe AB employs more than 20 full-time staff with extensive and in-depth international experience in technology, forestry, trade finance, and business intelligence.

Given that Sawn timber is an essential commodity, however the forestry industry is astonishingly backward, operating with a high degree of inefficiency and a lack of visibility. Timber.Exchange, the end-to-end supply-chain automation platform, is a significant time-saving, visibility-enhancing solution that relies on Ocean Insights for container tracking.

The team includes notable figures from the Forestry and Business Intelligence community. Mikael Eliasson, a member of the executive team has an extensive track record in the forestry industry including sales director in Setra Group followed by leading both Swedish Wood and the European Confederation of Woodworking Industries which has represented more than 180.000 companies generating an annual turnover of 133 billion euros and employing 1 million workers in the EU. Mikael says he joined Timber Exchange because "I saw in Timber Exchange as powerful tool to push for the necessary digitization of the value chain by creating more efficiency, transparency and a higher level of security in the timber trade". Andréas Pettersson Koch, Director Business Value and Technical Sales had previously spent over a decade at Qlik and was among the early employees.

In the context of the complex nature of timber products due to seemingly endless product differentiation, the platform became dynamic and powerful enough to

suit other industries and commodities. That is why the company is rebranding to Center-source ([www.centersource.io](http://www.centersource.io)) and moving from industry-centric to industry-generic, offering white-label solutions and industry-specific platforms to companies outside forestry who also want to automate their supply chain.

## The case for digitization

The forestry industry is a traditionally minded business whose players are generally averse to change. A survey conducted in 2018 of 20 companies trading over 3 million cubic meters of sawn timber revealed that 80% were using Excel or shared folders to organize deal data and files; 100% were cooperating by phone and email; and 100% were relying on free tools to track shipments.

A second survey conducted in 2019 of 12 companies trading over 8 million cubic meters of sawn timber valued in excess of US\$1.4 bn revealed that 91% were not at all satisfied with the current solutions and saw opportunities for improvements.

"I was certain there would be a ready system on the market with smart tools that would allow automation of non value adding activities," says Amir Rashad, "but there wasn't, not even close. Even the market leader with a turnover of more than US\$1bn was only using Excel files. That's why we decided to build a digital toolset for sawmills, agents, importers, and forwarders so they could trade and collaborate much more efficiently." The resultant solution, a toolset with more than 80 smart tools, has exceeded market expectations.



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**Amir Rashad,**  
CEO, Timber Exchange

## Significant time savings

Timber.Exchange's success as a true supply-chain automation platform is undoubtedly due to the significant time-savings it enables for all parties involved throughout all process - from inquiry until final delivery. Export staff in the timber industry would commonly spend hours on time-consuming, inefficient processes, including six manual steps for each and every deal. By automating these processes, Timber.Exchange has been shown to save 2 hours 50 minutes per employee and day, or 56 hours and 30 minutes per employee and month.

Moreover, it is a plug & play solution with a set-up time of one hour. "The nearest competitor," Amir Rashad points out, "has a set-up time of over nine months." Sawmills, importers and forwarder can now trade seamlessly in a virtual supply-chain with access to smart tools and analytics that improve, transparency, efficiency, and accountability.

## Why the Ocean Insights tool was chosen

The ability to track timber shipments is a key factor of the enhanced transparency Timber.Exchange makes possible. Timber is either shipped by bulk carrier or containership, depending on the country of destination and the shipping route. Trade with China is 90% containers, for example, with Egypt 85% bulk. While developing Timber.Exchange, Amir Rashad checked out a few companies

offering container-tracking solutions. "The key criteria were the coverage and price of the tracking solution," says Amir Rashad. "We quickly noticed that Ocean Insights was the natural leader in this field. As we certainly didn't want to compromise on quality, we chose Ocean Insights and integrated their Container Track & Trace tool at a relatively early stage of our software solution development process. The great support we enjoyed from the Ocean Insights team and extensive free trials in the early stages were very much appreciated." The integration of the Ocean Insights tool went fairly quickly and was in no way complicated, Amir Rashad confirms. All customers now have to do to find out the location of a specific vessel and the progress of a timber shipment is to click on the map on the Timber.Exchange platform or receive notification of anticipated or unanticipated changes.

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One of Timber Exchange Europe's first customers was Novoyeniseiskiy Wood-Chemical Complex in Russia. They ship more than 500 containers each month and maintain a strong presence in the Chinese market. CEO Mr Martin Hermansson, said that the system also emphasizes the importance of the Ocean Insights' blank sailings' data: "For our end customers, usually large furniture producers in China with a world market from there, the tracking combined with performance dashboard ensures that we are able to continuously choose the best carrier and it allows our large industrial clients to gain insight into how to plan their production based on deviations of expected arrival and hence production planning for their specific end markets."

## The benefits of digitalization

Amir Rashad's standpoint is clear: "The digitalization of supply-chains requires specialists across all areas of which ocean freight tracking is critical. But only when specialists collaborate can real gains be made."

For example in the field of blank sailings, Martin Hermansson adds: "Proving that blank sailings actually exist shows people in our industry that you need combined tools from Ocean Insights and Timber Exchange." Improved transparency in the market for sawn timber is

bringing big gains for shippers and the products' recipients through more transparent advance updates than in the past.

[www.timber.exchange](http://www.timber.exchange)



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