

# German startup grabs pre-seed funding for container logistics platform

The solution developed from Northbound's partnership with DB Schenker and MVP Factory.

[Grace Sharkey](#)

Wednesday, July 10, 2024



Northbound's co-founders Andreas Canel and Rahul Yadav. (Photo: Northbound)

Global shipping solutions provider Northbound announced Wednesday it has closed on \$1.4 million (€1.3 million) in pre-seeding funding led by Apex Black with participation from id4 ventures, IBB Ventures, Schenker Ventures, MVP Factory and other angel investors.

The Berlin-based company plans to use the funds to continue building out its container logistics platform, first with a focus on address detention and demurrage (D&D) problems for its customers.

Northbound [addresses](#) these charges by feeding its optimization algorithm that updates the ideal container processing sequence based on changes in estimated times of arrival, asset capacity and potential D&D costs.

Andreas Canel, a master mariner with an unlimited captain's license and former Amazon Fulfillment Center manager, and Rahul Yadav, former supply chain developer for Audi, Porsche, Wayfair and others, developed the product after finding that, for some global shippers, "90% of [D&D] fees were due to mismanagement and lack of oversight in container processing," said Canel.

### **Related: [FMC breaks down questions on new detention, demurrage rule](#)**

"The root cause was a 'black hole' in their process, involving multiple parties (sea and land carriers, DC team, railway terminal team), gaps between software systems, and managing it all via Excel sheets without real-time visibility of milestones or accruing D&D charges," he explained.

The product was originally produced for backers DB Schenker and European digital consulting group MVP Factory.

"MVP Factory acted as a strong sparring partner from the beginning as we were surrounded by experienced professionals who had the knowledge of the ins and outs of business-building and deep ties into various start-up ecosystems. With DB Schenker, we got the opportunity to establish ourselves in the market and win strong new customers... It has been extremely helpful to have these two strong partners on our side," Andreas Canel, chief executive officer, told FreightWaves in an email.

Leveraging these relationships, the team was able to get an inside view of how these charges occur and an operator's view of how technology could help.

"[We] got unique insights into how they act as a middle-man in the game of D&D: being charged by ocean carriers and having to verify all these invoices while charging their clients for D&D accruals on the other side... A highly complex operation that we aim to simplify and automate with Northbound," he said.

With its pre-seed funding, the team looks forward to driving market entry and continuing to develop its product by collecting more invoice data from image recognition technology to apply to its language models.

"First, we will hire more engineers to develop and improve our product. We are focusing on more granular data visibility and deeper feature design to meet the needs of our customers... At the same time, we want to expand our market presence. This means raising our profile and attracting more customers. We aim to keep the team nimble and focused to remain efficient and agile but make targeted investments where necessary," said Canel.