

Fact Based Re-Engineering Shipping Company



Maintenance, Inventory Management and Outside Services

Case Study

Situation

Executive management felt that there were significant opportunities to improve performance in maintenance services. Demands on maintenance had grown in recent years. However, there were no specific performance measures that could management determine if there were operating efficiently and effectively. Additionally, vessel out of service time had grown at a rate that was unacceptable. The client also wanted to evaluate these opportunities to examine how competitive the services were based upon the cost of service process and the margins they could achieve with the current market structure.

Project Objective

- Define the costs associated with the maintenance process and the causal relationship to overhead support the development of an Activity-Based Cost model
- Identify improvement opportunities and develop an implementation plan to change service and support processes for maintenance. Build mid-level management support for change.
- Develop strategic pricing strategies for material handling services with the client team
- Evaluate opportunities for information technology support that will facilitate increased efficiency and effectiveness

What We Did

- Facilitate the development of process and activity models for maintenance and tankerman services
- Analyze the models to identify opportunities to improve organizational efficiency and effectiveness
- Develop cost of service models for the client to negotiate prices for services with outside customers
- Identify opportunities for cost savings
- Develop an implementation plan to adopt all new processes and organizational changes

Results

- Client requested that all results of the project be held in confidence