

Tracking toughens up



Tracking productivity used to be an essential tool in managing congested ports. So what is its relevance now, asks **Felicity Landon**

WITH CARGO VOLUMES reflecting the global economic nosedive and the pressure off many previously congested terminals, is it really necessary to track productivity at all?

"Interesting question!" says Dave Quennell, programme manager – logistics at Jade Software Corporation. "In my opinion, this is the best time to start doing it. Some may argue over the need to measure productivity during the current economic conditions but it is important for a port operator to track performance in any situation and ascertain that it is not overdoing and wasting its resources."

Jade says that during the downturn, many terminal operators are seeking to improve their IT systems and terminal capacity and seize the opportunity to lay off equipment (which had been overrunning during the high-pressure good times) for repairs and maintenance.

"But at the same time, it is important for terminal operators to maintain productivity to fulfil their contractual agreements and service levels with their customers," says Mr Quennell. "Port operators will therefore have to manage the balancing act by carefully monitoring their performance using the tools available in their terminal operating system (TOS) to improve efficiencies and remain effective at the same time."

The days of the traditional TOS being aimed at large terminals are well and truly gone, says Mr Quennell. "We are finding that the needs of smaller terminals which are often generalists are far in excess of that required by a simple 'containers only' terminal which relies on volume throughput rather than technology-based or other innovation to manage its operation."

Smaller operations have all of the issues of the larger ones, he points out, and also have to juggle other cargoes and respond to shipping company demands even more efficiently, purely because they are so small and therefore more vulnerable to market changes.

Those challenges are also extending to many larger operations: "For instance, with declining container volumes, a pure container terminal operator may decide to use its facilities to handle breakbulk/general cargo or cars."



BETTER RETURNS: DFDS found it could make £720,000 annualised savings after studying productivity at its Immingham terminal

Today's TOS must be all things to all operations, without the need for software "big system" upgrades, says Mr Quennell. And when it comes to tracking productivity: "A modern TOS collects, aggregates and stores a massive amount of information on the running of a container or general cargo terminal on a daily basis. Relying on manual processes to capture information and then transcribing these into a spreadsheet or some other database is both inefficient and highly error-prone. It makes good sense, therefore, to turn to your TOS to present that information in a manner that is of use to the terminal's operators."

According to Mr Quennell, the key point is getting access to all of the information captured by the TOS without causing operational flow-on effects from interrogating what can be hundreds of gigabytes of data.

Essentials include measuring productivity across the entire terminal – it is no use working in isolation where the terminal is not performing as a whole; and recording non-productive moves that impact overall performance.

Jade, which has just released the latest version of its Jade Master Terminal (JMT) TOS, is pursuing rapid development of its software, he says. "We are enhancing our terminal resource management tool which will enable managers to measure the productivity of a terminal's resources – manpower, equipment, etc. – at micro level against the costs incurred in achieving that productivity."

In interesting tracking productivity case study from DFDS illustrates the real savings focused workforce management can bring. A six-month productivity

Dave Quennell
Jade



“It is important for a port operator to track performance in any situation”

project at DFDS's Nordic Terminal in Immingham delivered some stunning results – leading to potential annualised savings of £720,000.

While the terminal management was aware of some of the issues that needed tackling, the project pinned them down. More flexibility was needed – employees were "stuck" in specific cargo operational divisions and seldom crossed the border. There was too much "passive" time when employees were literally waiting for the next job to begin.

"We had our own ideas about improving productivity and what we wanted to achieve, but bringing in consultants who were experts in analysis gave the project real impetus," says Alistair Campbell, Nordic Terminal operations director.

"I see the consultants as a catalyst for change. Let's face it – you can get bogged down in doing your job and the danger is that you simply accept the way

Alistair Campbell
DFDS



“We have put the flexibility back into the business... we do now have crossing of borders”



MULTI-TASKING: DFDS has re-trained highly skilled staff to allow them to service more than cargo

things have always been done as the ‘norm’. The consultants provided us with a structure and the tools so we now have an improved way of planning and measuring our performance.”

Consultant Cannizaro found that too many people were not being kept busy.

“The nature of the industry is that sometimes you can’t help that; there are peaks and troughs in activity,” says Mr Campbell. “We have a very good, dedicated workforce but we had, for example, highly skilled people working the ro-ro ships – but that was all they did, and there isn’t a ro-ro ship alongside all the time.”

The Nordic Terminal system was based on three stevedoring “divisions” – handling automotive, conventional and ro-ro work – and broadly the teams stayed in their areas.

“What we have done is put the flexibility back into the business,” says Mr Campbell. “We do now have crossing of borders.”

That has required some training, of course – there is a big difference between handling a brand new

BMW and a trailer load of steel. But the result is more variety and longer-term security for the workforce, he says.

“We have our own terminal management system and we are developing it further to become a more visual productivity-driving tool. From the project point of view, the consultants have left us with a very powerful planning tool which we continue to develop and are using every day.

“Even one of our most cynical people has agreed that we couldn’t now cope without it.”

The entire experience was a huge success... except that two days after the consultants left, Lehman Brothers went down and the economic crisis kicked in.

Most of the expected savings were in the automotive part of the business, where volumes have been hit hard.

The terminal was forced to make 84 redundancies, leaving a workforce of 450, says Mr Campbell. “At the moment we can’t necessarily realise the entire £720,000 savings figure.”

But he insists this was still a job well done and well worth doing.

“We can handle the same volumes, or lower volumes, with comparatively fewer people, less equipment and less fuel,” he says. “Obviously if we can turn vessels round quickly, they save on port time. And to continue to focus on best practice and processes will leave us in a good position when we come out at the other end of this recession. Maintaining best practice will realise cost savings now, but also allow us to keep our skills and focus – I strongly believe that.”

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Meeting the downturn challenge of retaining skills

A key theme among ports is the desire to keep their skills and expertise wherever possible through the downturn, says John Bradshaw, business development manager at Rostima.

“We have seen clients trying to find other ways to reduce costs to maintain operational efficiency. They want to find this balance of maintaining skills in-house. Obviously there is a price to be paid in terms of maintaining those skills, but it is so important for when they come out of the recession. I

wouldn’t say it is panic, but it is about taking more informed management decisions.”

Rostima’s enterprise workforce management software allows ports to analyse the skills sets of individual workers and monitor and make best use of those skills, says Mr Bradshaw.

“People are not necessarily sure how many people they would actually need to carry out the workloads, because these could vary on a day-to-day or week-to-week basis. We help them to take a more pragmatic approach, enabling them

to make business-critical decisions on whether they need to hire, so they have the ability to cater for present business or tender for future contracts.”

He describes the software as “an enabler” to help companies look at their own situations. “A manager trying to manage a very large port may not be aware of the actual operations that the individual is actually participating in, or the operational conditions.

“We take data fed from the TOS, then create a roster based around

workforce times and contract constraints, to delegate the best person available for an individual task at a certain time.”

A less predictable side-benefit can be the elimination of “personality problems”. “Because the software is black and white, you begin to drive out some of the personalities – i.e. ‘I will only give overtime to my friend’,” says senior consultant Leon Youngman. “The system becomes much more transparent and everyone gets a fair and equitable amount of overtime.”