

What if you could...

...increase your ship utilization rate by 18%

With Proudfoot, you can.

An international dry bulk shipping company grew its fleet from 4 to 33 ships over 12 years. Sustaining this growth while maintaining operational excellence was a challenge. The organization had a reactive or fire-fighting mindset embedded in its culture. There was no succession planning and mentoring structure to identify future leaders and improve management skillsets needed for growth.

Additionally, several factors were negatively impacting voyage profitability, including:

- Unplanned customer pick-ups
- Unexpected port charges
- Weather delays
- Post-mortem profitability analyses that captured budget variances too late to be actionable

Targeting Key Performance Indicators and tracking them in near-real time would allow the company to:

- Enhance the responsiveness of business-to-customer demands
- Increase the number of voyages each ship could make during the year
- Increase the profitability of voyages

The teams set about addressing all of these concerns and realizing the required benefits – improved earnings and increased sales.



A TRANSFORMATIONAL APPROACH

We needed to uncover performance improvements and implement both commercial and operational techniques that would decrease costs and increase voyage profitability. Mentoring and coaching management, training new skillsets, and installing a Management Operating System (MOS) were also in the charter:

- 1 Increase sailing days per ship and voyages per year per ship, and accelerate voyage delivery schedules** to drive higher revenue and lower operating costs
- 2 Increase vessel utilization and load planning**
- 3 Improve the efficiency of the management team** and deployed a behavioral model with standardized in-port management practices
- 4 Increase stow utilization** and the vessels' Overall Equipment Effectiveness (OEE)
- 5 Provide a clear view of voyage profitability**, using root cause analysis to resolve variances in daily and weekly reviews
- 6 Ensure ownership of all key processes** using a responsibility matrix to eliminate redundancies and improve responsiveness to customer requests and profit impact events. Improved coordination with agents and vendors
- 7 Create a Management Operating System (MOS) infrastructure** to facilitate change and drive benefit realization and improved budgeting of fuel costs and handling costs in purchasing

REMARKABLE RESULTS

Over-achieved expectations: Transforming the behavioral model and radically improving the managerial skillsets enabled the client to support dramatic volume growth across all routes.

\$6.1m Overall benefits to earnings delivered

\$4.5m Increased sales

18% Increase in ship utilization

Proudfoot