

Accenture helps a government ports authority in Australia transform its operations and increase productivity

High performance. Delivered.

Business background

The client, a government ports authority, manages one of the largest container ports in Australia. This port handles about one-third of Australia's container trade, and 95 percent of the state's container trade. It generates approximately 10,000 jobs and an estimated AU\$1.5 billion in business activity each year. Each container ship visiting this port creates more than AU\$1 million worth of economic activity and full-time employment for eight people.

Business challenge

In 2008, in response to congestion and poor supply chain performance at this port the area's Minister for Ports and Waterways engaged the services of the Independent Pricing and Regulatory Tribunal (IPART) to present a report on the current landside arrangements and inefficiencies. The IPART report provided 18 recommendations on how to improve the entire supply chain on the landside—including road and rail. The IPART report concluded that:



- Congestion and lack of coordination was reducing efficiency
- Port-related supply chain performance needed improvement
- Strong peak demand for Vehicle Booking System (VBS) slots resulted in delays
- Lack of transparency and perceived fairness existed
- Absence of performance requirements and disciplining effect of incentives/penalties
- Supporting this Sydney government ports authority in its new role as implementer of the IPART recommendations and addressing the operational challenges the company faced with taking on this new role. This has included defining a new governance model, roles and responsibilities, processes and supporting technologies.
- Assisting the client with the engagement of a diverse and extensive range of industry and government stakeholders

How Accenture helped

Accenture worked with the client to make the recommended operational improvements, which involved implementing an Operational Performance Management (OPM) framework, at the port. This involved collaborating with a diverse range of stakeholders. Accenture was directly involved in the following activities:

- Defining the program plan and resources to commence the program in 2009
- Defining the program scope and approach, including the agreement to implement change via a series of industry trials
- Defining a new performance management framework, service level agreements and penalties/incentives aimed at altering industry processes and behaviors
- Conducting extensive data modeling to recommend the pricing structure to be used to determine a peak congestion price and performance penalties
- Leading the execution of three industry trials to validate the proposed performance measures and pricing mechanisms
- Developing a paper articulating the new business vision, objectives and principles, industry solution overview, approach to pricing and the implementation of a performance management framework

High performance delivered

Since Accenture's involvement in 2009, the Operational Performance Management (OPM) framework has been implemented as of February 2011. This means stevedores and truck carriers will be penalized for performance that fails to meet the OPM standards and will be held liable to pay a financial penalty to the other party. Truck carriers and stevedores must adhere to all applicable ports regulations and mandatory standards.

The OPM standards that will be measured for truck carriers include:

- Early arrivals (payable once a Truck Marshalling Area is in operation)
- Late arrivals
- No shows
- Cancellation of bookings

The standards that will be measured for stevedores will be:

- Minimum slots offered per hour
- Truck turnaround time
- Truck non service
- Time zone cancellations

The stated goal of this first phase of this initiative is to create transparency, consistency and efficiency in the stevedore-truck interface, which will allow the port supply chain to build to a fully 24/7 operation.

This first phase, supported by a manual operational performance system, has resulted in faster truck turnaround times and a flattening of truck movements so that there are fewer truck movements in the peak period of weekday mornings. In addition, there is a corresponding increase in truck movements in the weekends and the off-peak periods during the week.

The first phase already has reduced the average truck turnaround time from 50 minutes to around 30 minutes.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 244,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.