



**PRODUCTIVITY GAINS
THROUGH
COLLABORATION**



Definition of Collaboration

- Dictionary definition is:
- v. col·lab·o·rate,
- To work together, especially in a joint intellectual effort.



Collaboration

- Today we will explore 2 types of collaboration successes
 - 1 – Supply Chain partners
 - 2 – Fierce Supply Chain competitors

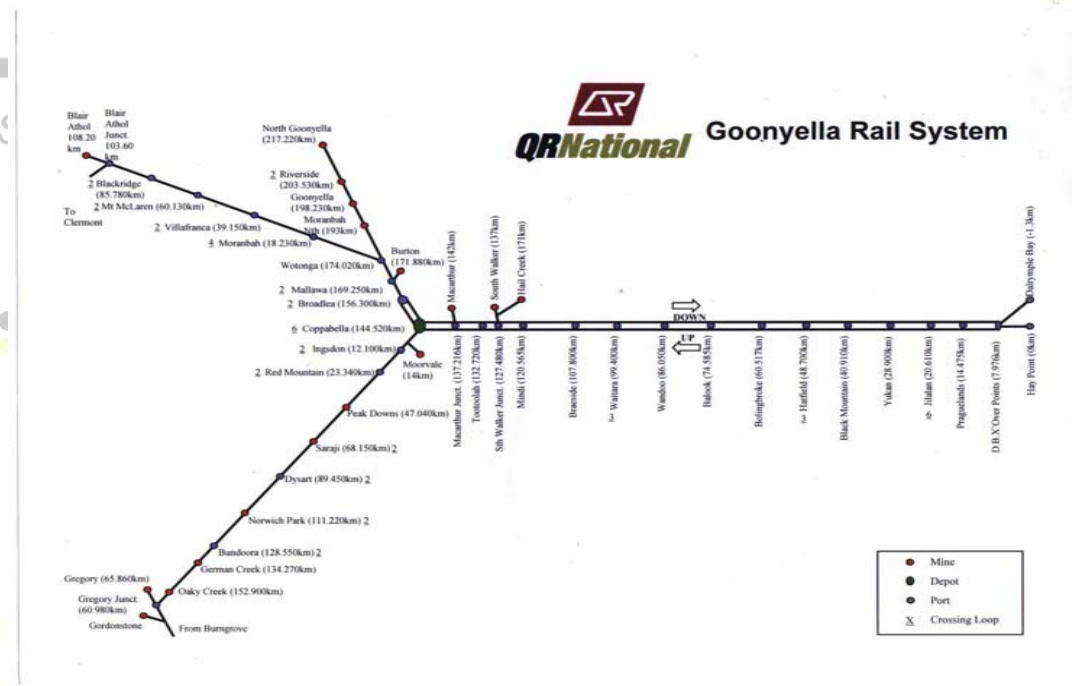


Case #1

Goonyella Coal Chain



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Overview



Overview

- 13 Organisations
 - Includes all stakeholders: mines, rail and ports
- 19 Mines producing
- 120 different types/grades of coal
- Rail Infrastructure to transport product from mine to port
- 2 Shipping Terminals



Situation

- Current production 90 million tonnes p.a.
- Demand is driving increased production and new mines *Business Solutions*
- Ports are expanding infrastructure to handle increased throughput
- Increased vessel activity to move product to overseas port: currently around 1000 vessels p.a.

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Operation

- Customer order received by Port or Mine
- Port produces a Berthing Plan
- Mine assembles cargo
- Rail provides the transport link in line with the berthing plan.
- Port transfers cargo from rail to vessel
- Vessel conveys product overseas
- Overseas port receives cargo
- **8 Different operations !**

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Roles and Responsibilities

- Customer – provide detail of the order
- Mine – assemble the cargo in accordance with the order and berthing plan
- Rail – transport the cargo accordance with the order and berthing plan
- Port – transfer the product to the vessel in accordance with the order and berthing plan
- Vessel – convey the cargo to overseas destination in accordance with the order and berthing plan



Resources

- Customer
 - manufacturing or power generating equipment, people
- Mine
 - Draglines, excavators, trucks, wash plants, conveyors, stockpiles, rail loadout facilities, people
- Rail
 - Locomotives, wagons, railway track, servicing facilities, people

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Resources

- Port
 - Unloading pits, conveyors, stacker/reclaimers, wharfs, stockpiles, people
- Vessel
 - Cargo hatches, Navigation equipment, People



Critical Elements

- Mine
 - on time assembly of cargo
- Rail
 - on time delivery of cargo
- Port
 - on time loading of vessel
- Vessel
 - on time arrival at port

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How Many Variables?



1,000's



Challenges

- Meet Customer demand
- Maintain a regular flow of product from mine to vessel
- Maximise utilisation of resources across the total supply chain system
- Apply system control measures to manage operational costs of all parties
- Communicate effectively across the supply chain
- Meaningful measurement of supply chain performance
- Doing all of the above in the face of competition and profit controls

Collaboration Project

- Map the Coal Chain
- Get all Coal Chain “Influencers” together
 - Not necessarily managers
 - Primarily operators
- Educating the “Influencers” on what the total picture is, not their silo
- Educating the “Influencers” in Coal Chain opportunity
- Exploring the opportunities and making them work
- Redraw the Coal Chain map



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Outcomes

- *Customer demand*
 - Increased through put by 2 million tonnes
- *Flow of product*
 - Flatter product flow
- *Maximise utilisation of resources*
 - Increased volume for no extra resources
- *Manage operational costs*
 - Costs reduced
 - Costs contained

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Outcomes

- *Communication*
 - Training of supply chain issues
- *Measurement of supply chain performance*
 - Not measurement of silo performance
- *Competition and profit controls*
 - More volume no additional cost = profit



Primary enablers:

- Total visibility of Coal Chain
- Common understanding of the total problem
- Education & Training
- Honest & Open communication



Case #2

Chain of Responsibility Understanding & Implementation

Case #2

Chain of Responsibility

- Retail & Steel
- Common issue – Common solution
- Why spend money twice
- Planning Phase
 - What areas are common
 - What areas can be pooled
 - What information can be shared
 - What services can be shared



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Case #2

Chain of Responsibility

- Work on cooperative Code of Practice for each sector
 - Common issues covered & public
 - Business specific issues private & confidential
- Allows individual business application of issues
 - Companies develop own implementation
 - Companies keep own “flavour”



Benefits

- Project is current
- Significant savings achieved during development of Code of Practice
- Significant savings achieved during implementation of action plans
- Will save money on sharing of relevant common information.



Benefits of Collaboration

- Collaboration is NOT Collusion
- Collaboration is about:
- Common Goals
- Common Vision
- Common Understanding





QUESTIONS

