

Software for evolving business

As its business began to change, Thoresen Thai Agencies found that its IT infrastructure was struggling to keep up, and embarked on a project to completely overhaul its company network. *Digital Ship* heard from Pongsak Kanchanakpan, Thoresen Thai Agencies, about his company's experiences installing a brand new software platform

Thoresen Thai Agencies Public Company Limited (TTA), a diversified maritime business group with interests in dry bulk shipping, off-shore services, and shipping services, has recently embarked on a wide-ranging project that will include a complete restructuring of its IT infrastructure.

As part of this process the company was looking to move to a new software system to manage its operations, particularly for its Dry Bulk Shipping Group, where it owns 43 Handysize and Handymax vessels and charters-in, on average, another 10 vessels per month.

"Company wide, we are doing a complete overhaul of our IT infrastructure and network from the bottom up," explained Pongsak Kanchanakpan, director group personnel / administration, Thoresen Thai Agencies.

"We have installed completely new hardware and software applications for the commercial, technical, and finance/accounting departments, they will all change. On the ERP side, we are concentrating on the Dry Bulk Shipping Group now, which is the major portion of the business."

As part of this focus on its shipping operations, TTA has decided to implement the IMOS solution by US maritime software company Veson, as well as a further management system by ABS Nautical Systems.

"On the commercial side, we are using

IMOS," said Mr Kanchanakpan. "ABS NS 5 is being deployed for ship technical management, and SAP BI is being used for financial accounting ERP."

"We are in the process of selecting a new Human Resource Information System for shore staff. The next step is to interface all software and then come up with data warehouses and business intelligence."

"Besides ERPs, we are building up the messaging and collaboration system based on MS SQL, Outlook, and Sharepoint for e-mail and intranet. Our second phase will concentrate on e-documents and e-work flow that include Employee Self Service (ESS) for the upcoming HR system."

TTA will also update its communications network as part of this process, though the company is treading a little more carefully with this side of the project, compared with its software approach.

"The upgrade of the satellite communications system is part of our complete overhaul of the IT infrastructure," said Mr Kanchanakpan.

"Although we take a very aggressive stance on our IT project, we take a prudent approach to the ship to shore communication. We believe that progress on the satellite communication will be evolutionary rather than revolutionary."

"We do not foresee a great leap forward in communications equipment to happen very soon, at least until new and more powerful satellites are being launched.

Once the quality and reliability of the satellite communications are well proven, we will, of course, push forward full steam ahead, especially with our new-built vessels."

This ambitious, multi-faceted redesign of the company's IT infrastructure was seen as a necessity by TTA, as its existing set-up struggled to keep pace with the evolution of the business in recent years.

"We had used another commercial software package, which did not provide continuous upgrades and development, and reached a point where it no longer served our needs," explained Mr Kanchanakpan.

"Although the commercial and accounting modules were on the same software package, there was no linkage between the two modules, which created many repetitious tasks. The team had to export commercial data into Excel files and re-key them in the other modules."

"In addition, the old software was unable to support any statistical reports required by the management. Most of the work had to be done manually. Many day-to-day operations work, such as voyage calculations, had to be done manually."

Reduced repetition

Frustrated by what was seen as an unnecessary amount of slow, error-prone manual information input, TTA looked for alternatives that could eliminate these problems.

"First, we wanted the commercial and the operations team to have a tool to assist in their work to fix vessels and post fixture work," said Mr Kanchanakpan.

"Then, the program should be able to interface with the financial ERP and be able to generate statistical reports for management decision process. We also wanted the reporting system from the vessel to be linked directly with the operations modules."

"Overall, we want to reduce the manual and repetitious work to a minimum. We want to streamline our work processes to be more efficient by reducing repetitious and manual work."

With this in mind, TTA has identified some key areas where it hopes to achieve improved automation.

"We are looking ahead at three major tasks," Mr Kanchanakpan explained. "First is the interface between IMOS and our financial ERP, that will do away with our existing manual keying in of data from the commercial side."

"Next is the synchronization of the vessels' port activities via IMOS Onboard, that will remove repetitious works for both onboard and head office. The vessel will be able to key in data only once, in one single system. At the same time, the head office does not have to re-key the data into IMOS. The vessel's positions can be directly linked to IMOS office. Then the information can be shared with the commercial and technical departments."



The team at Thoresen Thai Agencies has completely redesigned its IT infrastructure, and hopes to remove huge portions of repetitive manual work

"Thirdly, IMOS will assist in generating some of the required reports, and it will also enable us to produce ad hoc reports to our own requirements. This will help remove the repetitious work in manually creating reports via Excel files."

The company also wanted a system that would be flexible enough to keep up with its requirements in the future, as its operations and business process change and grow.

"We plan to operate more vessels and will need to track net long or short positions extensively and determine acceptable risk limits and the role of FFA's (forward freight agreements)," said Mr Kanchanakpan. "We want to manage our risk taking in a more in-depth manner."

"We have not traded FFA's, but are in the process of an in-depth study with a view to use them from time to time. If we trade FFA's, we will use IMOS Trading, then the operations people can process their work faster to serve our clients' needs better, and the vessels can feed their information accurately and in a timely manner."

Results

With these requirements in mind, TTA decided to implement the IMOS systems on its vessels, and examine if it would deliver improvements in performance in these areas. The first vessel to carry the system, 'Thor Spirit', launched IMOS Onboard on February 4th, 2008.

"All the modules have been installed

for shore-based offices, including our branch office in Singapore," Mr Kanchanakpan explained.

"Now we are in the process of installing onboard IT, which includes IMOS Onboard. The next step will be the interface with SAP B1 and data mapping with our data warehouse and business intelligence project."

Mr Kanchanakpan is feeling positive about the implementation, and, while it might still be premature to judge the overall performance of the system, he is excited about what he has seen so far, and the potential future benefits.

"It is still too early to say how much time and money we have saved or how much our profitability has increased in numeric terms," he said.

"However, the work will be simpler, more efficient. Our team can then concentrate more on productive work to serve our clients better, and the final returns will benefit the company."

"Since the interface between all software packages has not been completed, we cannot determine the increase in efficiency at this time. However, since our project works across all functions, the collaboration throughout the Dry Bulk Shipping Group has been visible."

"Once the project is completed, we do believe that the efficiency of collaboration between departments will be drastically increased. Presently, the commercial team has noticed the decrease in the level of repetitive work in their department."

Other particular functions of the business have also seen direct immediate improvements as a result of the IT infrastructure overhaul.

"Most IMOS analytical tools and reports are valuable to us, as they can generate various reports in different formats," said Mr Kanchanakpan.

"This feature helps us to improve our day-to-day business, especially in reducing most of the repetitious works. Access to accurate voyage data has become faster with IMOS, so our team can utilize this data to make educated decisions in a timely manner."

"The visual appearance of IMOS is also simpler and easy to use. It is, therefore, quite easy to train users and incorporate our new staff to be familiar with IMOS in no time at all. This, together with the fleet schedule and IMOS' other tools, help our staff to do their jobs better and more efficiently."

TTA is now coming within sight of the conclusion of this process, which will see the last of its operational improvements realised.

"Our grand plan for the IT improvement can be divided into 4 levels," said Mr Kanchanakpan.

"First is to lay down the foundation of network and infrastructure. Second, we want to build the ERP for commercial, technical, financial and human resources, and the seamless integration of each."

"Thirdly we want to build a business intelligence/data warehouse for the man-

agement dashboard to maintain our competitive edge, and, lastly, we want to optimise the system through the innovation and transformation process, to better serve our customers and clients."

"We are now still at level 2 and 3. Our primary objective is to increase our productivity without increasing headcount when we expand our fleet and our business. At present we are still very much being restricted with the satellite communications system, but the customer interface system can help expedite connectivity speed and service to our clients respectively, and can at the same time reduce our operating costs."

Looking forward, Mr Kanchanakpan says that TTA is happy with its decision to upgrade its IT system, and has been pleased with the support it has received from its IT vendors.

"We have a very, very aggressive plan, and Veson's services, process, and implementation timeframe fit us well," he said. "However, sometimes 'fast' did not seem fast enough!"

"We are looking more for a partner rather than a vendor that we can work together, grow together, and succeed together. We do hope that we are learning together along the way. We want our modifications to be beneficial not solely to us but to other clients and the dry bulk shipping industry as a whole."

"To answer from the users' view point, we are happy with the decision to select IMOS."

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www.strategicdataworks.co.uk

E: sales@strategicdataworks.co.uk

T: +44 (0)20 7421 4311

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