

Enhancing rail fleet logistics efficiencies and safety procedures to facilitate rapid expansion at a recently-commissioned plant

How Maine Pointe helped our client to build the capacity and capability to safely achieve its growth aspirations

The results

As part of a broad logistics engagement Maine Pointe introduced tools and methodologies in the areas of Yard Optimization, Safety and Rail Fleet Efficiency which resulted in:

- 67% decrease in railcar yard dwell
- 50% reduction in the number of times cars are handled
- 43% increase in potential weekly takeaway capacity
- 31% reduction in total cycle time
- 18% decrease in empty transit miles
- A zero-risk culture for rail and loading safety
- Reduced risk of production losses in excess of \$1 million a day

This story is for Executives who:

1. Are opening a new plant or are at a plant where safety procedures haven't been codified and institutionalized.
2. Have concerns about the efficiency and cost of their railcar fleet.
3. Are concerned that inefficient yard operations may impact their ability to keep the plant running at full capacity.
4. Want to be assured that their rail safety documentation, training and certification process is specific and robust.

The challenge

The operating partner in a midstream joint venture was concerned about efficiency, costs and safety procedures at a plant commissioned in 2013. Managers wanted to be assured that the plant would meet the demands of a planned threefold increase in production in just 9 months.

Aware of Maine Pointe's expertise in the field of rail logistics, the operating partner engaged us to help them to optimize yard operations, increase velocity of railcar movement and introduce a zero risk rail and loading safety culture at the plant.



Creating a growth environment

In the absence of a formal Service Level Agreement with either the 3rd party switcher or the Class 1 rail carrier, there was no clear agreement on performance expectations. Consequently, the average cycle time was 39 days (20 days longer than best-demonstrated performance). A lack of forward-planning visibility had resulted in annual leasing charges which could have been avoided. In addition poor staging in the rail yard was resulting in cars being handled more than 6 times before being loaded and released. Rail safety procedures had been transferred wholesale from another plant this had led to 2 separate incidents, resulting in 4 months of lost production costing in excess of \$1 million per day.



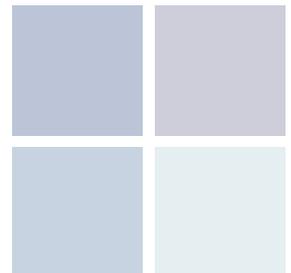
Maine Pointe implemented a multi-faceted solution that included:

- Formalizing relationships with the rail carrier and switching company
- Optimizing the staging process to reduce the number of times each car is handled
- Implementing a Yard Management System to reduce yard dwell
- Facilitating visibility about the total cost of the logistics operation
- Engaging a 3rd party Car Location Management System vendor to improve visibility of car movements
- Establishing a process for proactively diverting excess railcars to remote storage facilities before reaching the yard
- Conducting a detailed analysis of 12 critical elements for safely loading and moving railcars within the facility and developing a set of site-specific standard operating procedures
- Introducing formal classroom-based safety certification

In addition, Maine Pointe approached the Class 1 rail carrier in a spirit of partnership, helping to build a stronger, more collaborative, win-win relationship.

Lessons Learned for Other Executives

- Effective forecasting of your railcar needs can help you to avoid unnecessary capital outlay
- Engaging a professional and experienced implementation firm can help rapidly align shipper requirements with the operating and commercial objectives of your rail carrier
- Efficient management and operation of your railcar fleet requires specialized decision-making tools
- Inadequate safety procedures and a lack of formal training and certification can significantly curtail your output and even shut down production costing you millions of dollars



Want to reduce the risk of incident at your facility?

Want to find out how Maine Pointe can help you fully utilize your existing railcar fleet?

Want to know how to optimize capacity at your rail yard facility?

Talk it through in a no obligation phone call or meeting with one of our executive advisors.

Email: hello@mainepointe.com to arrange a call.

Maine Pointe is a results-driven, implementation focused consulting firm that is trusted by many chief executives around the world to deliver sustainable, significant value and compelling economic returns for their businesses. We achieve this through transforming the global supply chain into a competitive weapon and accelerating business value through performance improvements in both EBITDA and Cash.

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