

Avanquest Solutions pulls Supply Chain tighter for Northern Marine



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The Customer:

Northern Marine Management Limited (NMM) is a wholly owned subsidiary of Stena AB Gothenburg. The company has been based in Clydebank, Scotland, since its formation in 1983 to provide ship management services to the Stena Sphere Shipping divisions.

Northern Marine Management Limited provides global ship management services for ship owners and operators. Technical management, crew management purchasing, vessel commercial management, accounts and new build consultancy are examples of services provided.

The Clydebank office employs over 100 staff. Globally, Northern Marine Management employs more than 5,000 sea staff. On-shore employees are located all over the world and Northern Marine Management maintain operational offices in Glasgow, Aberdeen, Gothenburg, Houston, Mumbai, Manila, Hamburg and Singapore.

In line with Stena Sphere operational policy, Northern Marine Management adheres to the highest Quality Assurance standards throughout the organisation.

The Challenge:

NMM has to provide a consistent service to Vessel Managers for the requisition, delivery and payment for all the items needed to support the fleet.

Whether alongside, or at sea, Ship Managers regularly need to order spares and sundries from wherever they are in the world. Requests to the shore based Purchasing Officer from vessels are received by mail. There is a set process to follow - the goods have to be tendered to three suppliers and the preferred supplier selected and approved by a shore based Ship Manager before any contract is placed. Orders were manually approved and then faxed to the supplier. Received goods are checked for quality and quantity and the delivery coordinated to ensure that the items ordered are made available at a convenient port.

In 2004, due to this high dependency on Fax for the ordering process, NMM invested in an enterprise electronic fax solution - Captaris RightFax - from Avanquest Solutions. RightFax vastly improved the process and enabled users at any location to send and receive faxes from their PC, without the need for fax hardware

NMM receive 40,000 - 50,000 invoices a year from global suppliers. Invoices are all received at the company's Glasgow office, but purchase invoices have to be authorised for payment by the Ship Manager and if necessary by a Director, irrespective of where they are.

Invoices were manually indexed and attached to a sheet, which accompanied the invoice throughout its journey for payment - a journey often lasting several weeks, taking it through continents, seas and time lines! NMM also has to provide regular reporting of all costs to vessel owners, which required the collation of relevant invoices. "These processes were causing huge paper flows throughout the organisation - the world!" said Dominic Fernandez, Senior Finance Manager "so we needed to find an alternative way of dealing with it."

"Building on the success of the fax project, an electronic solution to deal with this new challenge - the huge paper mountain - was the only way forward" said Dominic Fernandez. It was essential that documents could be accessed from remote locations via the web so the paper files could be made redundant. Streamlining the procurement function and accounts payable was the first priority.

The Solution:

Following a competitive tendering process, Avanquest was chosen to supply NMM with a web enabled electronic document and workflow solution and integrate this with RightFax for the purchasing process.



Avanquest analysed the business processes and created complex workflow processes using Hyland OnBase enterprise content management software. This has been implemented and developed to manage the entire tendering, procurement and payment processes.

To contain costs, the hard copy invoices are sent to the Mumbai office for scanning into TIFF format and indexing into OnBase. Each document is given a unique supplier code and vessel ID.

An OnBase web server has been installed at the Glasgow office. The repository can be accessed via a Citrix application in 'real time', allowing users instant access for look-up from anywhere in the world. Documents are held in RTF (Rich Text Format) so amendments and notes are easily added. "It is like having an electronic post-it note" said Dominic.

The Benefits:

"We have been able to accelerate our procurement and payment process by reducing the volume of paper we send around the world" said Dominic Fernandez. Operations have been streamlined and costs reduced. There are currently 90 users, but these will increase as the project is further rolled out.

Implementing OnBase is also helping to ensure that NMM meet the Sarbanes Oxley criteria for compliance with USA Financial Rules and Regulations as NMM's parent company Stena AB is required to comply as a result of raising finance in the US markets.

Future plans include the integration of OnBase with a new finance package in 2008, enhancing workflows and integration with Microsoft Infopath for highly efficient Purchase Requisitions to be made from vessels at sea.