

Defect reduction & accuracy improvement in Bills of lading for a shipping company

Case Study



The Company

A well known reputed shipping company based in western India and sending cargo to all over the world by sea.

The Problem

The company wanted to improve the accuracy in preparation of bills of lading and improve customer satisfaction. Most of the customers had reported that the bills are having many errors leading to multiple problems. Company approached TQMI to facilitate the improvement.

The Approach

- The Top management had understanding that in the company's back office operations the current accuracy percentage of 92% should be improved to enhance customer satisfaction.
- Accurate bills of lading are critical for the correct delivery of consignments and 99% was considered to be desirable accuracy for bills.
- The initial measurement showed that the error free bills were to the extent of 91.22% and this affected the Turn around time and productivity as well.
- After brainstorming and Process walk-through, one country was selected for study of the problem in detail.
- Initial process capability was very poor.
- Suspected causes were supervisor guidance, tenure of the associate, shift, shipping knowledge.
- Tenure was not validated in the test of significance. But supervisor presence and the shift were valid causes.
- However, it was found that associates with less than 2 months tenure did make more errors when they had no knowledge about shipping.
- Following solutions were selected and implemented:
 - a) Creation of a robust checklist
 - b) input verification
 - c) supervisor to take over some checking
 - d) Eliminate late night shift.

The Result :

Significant improvement in Accuracy was seen in first pass improvement to the extent of 97% and in the second pass it improved to 99.7%

Complete elimination of night shift and implementation of other solutions for Europe operations resulted in a saving of 66,000 USD per annum.

At a Glance

Customer

- Shipping company

Problem

- Customer dissatisfaction
- Wrong shipments
- Loss of revenue

Solution

- Implemented six sigma
- Process Analysis
- Application of Chi Square test
- Timely implementation of solutions

Outcome

- Significant cost saving
- Sense of achievement
- Customer satisfaction improved