

EXECUTIVE SUMMARY

Seaports and the economic activities which they generated are very important for the economic development of strategically located small island nations such as Sri Lanka, not so much because of their gateway functions but because of the other numerous benefits generated for the economy. Post-1977 policy reforms led development of the Colombo seaport have caused a boom in seaport activity, which in turn has generated new business activities. The growth in this industry increased rapidly after the 1977 policy reforms. Therefore this rapid growth of containerization gave rise to an insatiable demand for more space, with human and physical resources for container stripping, stuffing and clearance, a demand which could not be satisfied using the available limited resources and space in the Colombo seaport. The Ports Authority solved this problem by allowing the private sector to establish Internal Container Terminal (ICT's) outside the port premises.

Seacon Containers is a pioneer in local ICT (depot) operations and commenced its service operations in Sri Lanka 25 years ago. It is well located depot site, including 8 acres of paved yardage; with the capacity to store 3500 twenty foot equivalent units (TEUS) stacked 6 high, and geared to provide a 24 hour service 365 days of the year. The profitable growth by winning through continuous improvement and continuous growth by winning in the marketplace are two of the key strategic priorities that are focused by Seacon Containers. In the achievement of these goals, it is essential to identify Cost efficiency Initiatives and simultaneously improve Service Delivery as per customer requirement.

Accordingly, to increase overall significance of the results of this inherently complex topic, the Authors have undertaken the process improvement project to reduce the repair cycle time of damaged containers by 10% and fuel cost incurred in PTI Operation by 25% of Seacon Container (Pvt) Ltd. The cost savings is the most important parameter considered here.

The process related to Damaged Containers performed with Process improvement strategy while PTI operations process performed with cost efficiency strategy. The next move was to identify the appropriate channels and ways. Restructure the existing process with changes through industry accepted parameters along with cost recovery mechanism from the customer had been identified as such channels, since the task is purely performed as per customer requirement. Achieving profitable growth status may contingent upon multiple factors as elicited in the project and in the process of isolating these factors, possible threats

cum opportunities for Seacon Containers were highlighted. Accordingly, the above two objectives were addressed under two separate projects since both these projects directly affect the bottom line of the organization's profit and loss account.

In conducting this project the knowledge applied was from the MBA program at PIM and being able to practically implement theories that were discussed during the series of lectures helped the successful completion of the project. In this project, authors have used many tools and techniques learnt in the class e.g. Cause and effect Diagram, Benchmarking, Process mapping, Importance-Performance Analysis and Process Re-engineering-Systematic Redesign, etc. Authors also recognize the skills related to Conceptual Skills, Interpersonal Skills and Technical Skills which they believed is not only useful and valid in the project executed, but also in day today activities.

The authors embarked on this project as a two member team in November 2013, which involved working with many cross functional teams to ensure that the objectives were met, and by the end of March 2014 there is clear quantifiable improvement under both project objectives of reduction of Repair cycle time and fuel cost on PTI operation has been observed.

Despite many challenges in initiation and implementation, prevailing process issues and time constraints that authors believe, that they have been able to successfully achieve the end objective of driving a significant and remarkable value to Seacon's business in the long term.