


## CASE STUDY

### Top tier iron ore producer



A global mining company standardises, optimises and offshores travel and accommodation processes with Leonardo Consulting

### Overview

This global mining company has multiple iron ore mining sites in Western Australia. Many employees fly from Perth and many other parts of Australia to the mine sites on a regular basis, work there for a specific number of days and then fly back to their home locations. They are usually referred to as Fly-in-fly-out (or FIFO) employees. The flights could be chartered or commercial. In commercial flight booking process the flight tickets are booked for all regular FIFO employees for the coming months based on their roster. This is usually a complex process because it involves tens of thousands of transactions for booking flight tickets for the employees. Add on top of that the complexities involved due to frequent changes to travel plans, system constraints and data inconsistencies.



# Customer Background

They are a leading producer of iron ore in the world. The company is listed in some of the major stock exchanges of the world. They have operations spread across many different countries.

# The Challenges

The travel and accommodation team in the service centre, Perth, Western Australia needs to ensure that all the fly-in-fly-out employees have their tickets and accommodations booked reasonably earlier than the travel date. The tickets are to be booked based on approved traveller preferences, which means tens of thousands of transactions per month.

Traditionally the administrators at the mine sites used to arrange for the bookings but now the function is centralised at the service centre based in Perth. As the sites have been executing the process differently, there were many variations in the way things were getting done. With so many process variations it was difficult to monitor, control and improve. The performance measures were also not consistent. Any major system change was out of scope for this standardisation, optimisation and offshoring project.

# Project Outline

The overall objective was to standardise the booking process for commercial rostered flights, optimise and then transition the process to a more cost effective location while establishing appropriate governance structures and measurement methods. The data quality was a major enabler in execution of the process. So any improvement in data quality was also within scope for this project.

Leonardo Consulting's task was to discover and model all the process variations in regular FIFO rostered booking process and then to co-create the future state process while establishing the governance structures and process measures.

The work started by preparing a high level process model to set the context and then doing focussed analysis of the process within the project scope. Stakeholders were selected for individual interviews to understand the process and followed by group workshops to establish a common understanding of the current state. The current state process models were supported by detailed performance data analysis to bring clarity on the total effort and volume of transactions. This was helpful to clarify the size of the process which was a critical input for future state design.



A theoretical future state process was developed by conducting multiple group workshops. The process was also supported by process measures that were developed using Leonardo ProMeasure™ methodology that identifies specific measures for different stakeholders involved covering various process perspectives like input, output, guides and enablers. A critical part of the analysis was to look for blocks of activities within the process that can be bundled together and transitioned to an offshore location. This was done by critically analysing and identifying relatively independent process components. The knowledge and skills required for each activity was another consideration for deciding on the offshoring components.

With the geographically distributed team there was a need for a robust governance structure for managing operations in the onshore-offshore delivery model.

Leonardo Consulting was actively involved in the project from understanding the current state process to designing the future state process flow, developing process measures and governance structures through to the complete transition of the process to an offshore location and provided continued support in fine tuning the process and the measures during the process transition to offshore.

## Benefits Delivered

The project delivered the following benefits for the service centre:

- Standardised the commercial flight booking process for regular rostered FIFO employees
- Developed and supported in rolling out consistent process measures using ProMeasure™ methodology for the standardised process
- Supported in continuous analysis and fine-tuning of the process flow and measures throughout the transition of the process from onshore to offshore location
- Headcount reduction by 30% due to process standardisation & productivity improvement and resource cost optimisation due to offshoring the standardised process.
- Developed the process architecture, a hierarchical representation of all the processes within scope for the service centre that was the basis for ongoing process management

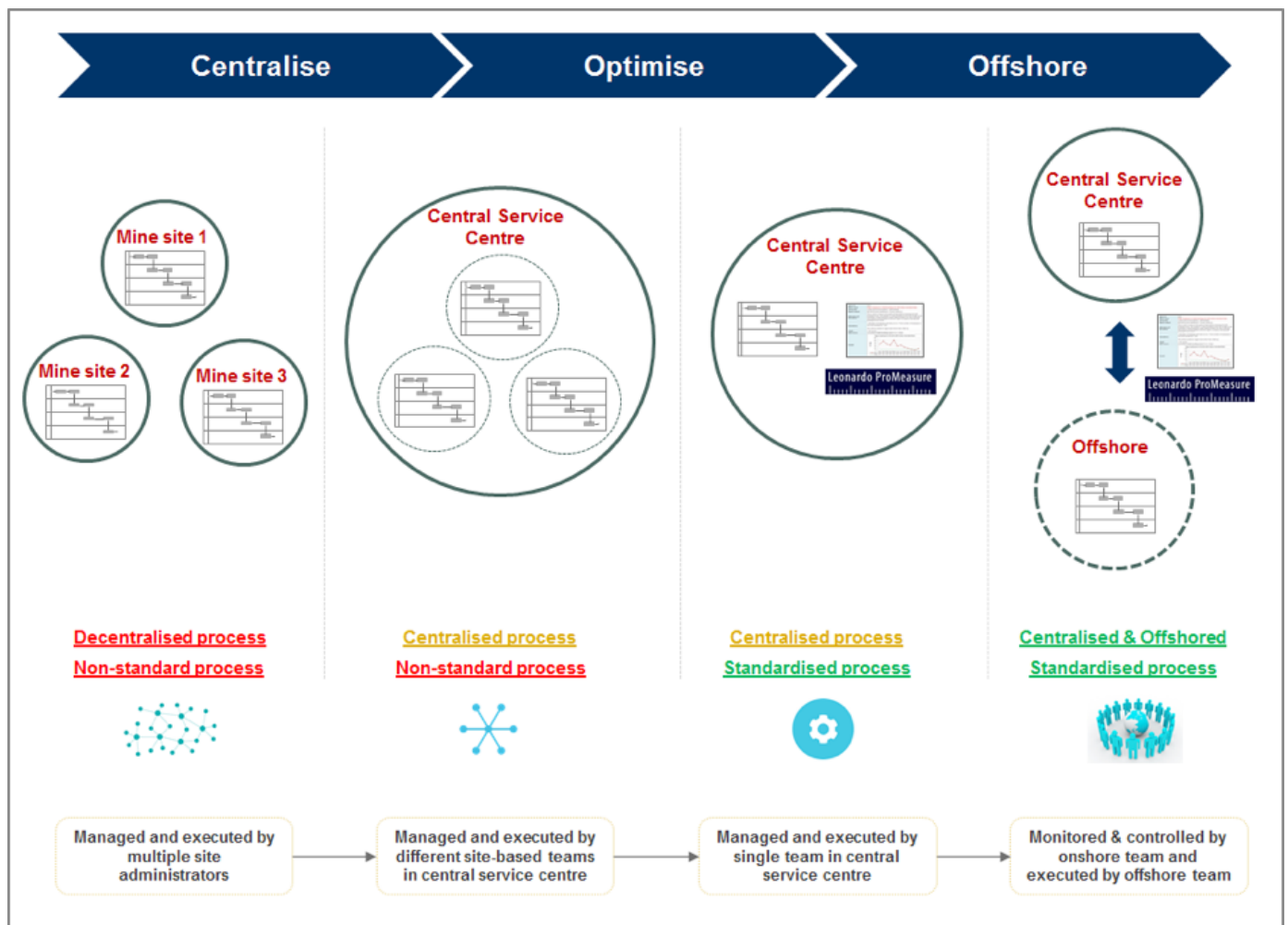
## Summary

Leonardo Consulting used process-based management techniques for discovering, analysing and designing a standard process while documenting the necessary artefacts for continuous process management. Standard and proven methodologies were used for designing the process and



developing the measures. The development of process architecture was a critical outcome of the process that became the corner stone of ongoing process based management activities. Leonardo continues to support the client in analysis and redesign of various processes in the service centre to look for opportunities to standardise, optimise and/or offshore.

## Project Approach



## Contacts

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*Client references for this project are available on request.*