

# Transcript of BHP Steel interview

**Interviewer:** Nicola Williams, Transit Computer Systems  
**Interviewee:** Tracy Shaw, BHP Steel  
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## **Can you describe the BHP Steel operation that Transit is being used to schedule?**

At the moment we're using Transit to schedule 70% of the products from Westernport. These products are "ex-works" which are the steel coils that get transported from the works either to the service centres, who further process the steel or direct to end-customers. Transit is therefore scheduling the transport leg between the processing stages. Once we've implemented the "pick-up and deliver" module within Transit we'll be able to add the next scheduling step which is the transport between the service centres and end-customers and separating despatches from multiple warehouses within Westernport and external sites.

## **What was the reason BHP Steel decided they wanted a R & S system?**

The reason we decided we wanted to pilot some scheduling software was that the market offers that we have, have been slowly changing over the past few years. The customers used to place an order and then we'd make the steel, but that lead time between the placement of the order and the fulfillment of the order has been getting shorter and shorter. Now a customer rings up and within so many days we've got to get the product to them. So we have many more customers wanting a shorter lead time and we also have many more customers.

A few years ago we only had less customers and the majority of their orders would be a full truck load or half a truck load. Now more often than not there are two or three orders to a truck, and the orders per truck load are increasing and the order size is decreasing. The scheduling task is therefore becoming more and more complex and so we need to be able to optimise our fleet a lot better. It used to be quite easy to look at all the orders and work out what truck each order should go on, whereas it's not now. We therefore thought that although at the moment the schedulers can still manage to schedule manually it was getting more and more complex and taking more and more time. So we thought we would start looking at scheduling software and implement it so that they can get used to it now so that as it becomes more and more complex they've already got the software in place and are more experienced in using it.

## **What are you trying to achieve with the R & S system?**

We were trying to achieve two main things: one was to reduce the scheduling time to free up the schedulers to do other things and to schedule in a shorter time meant that we could schedule later in the day so that it was closer to when the trucks were going to be loading so that it reduces that cycle even more; and two to better optimise the fleet so that we achieve more optimal vehicle utilisation.

## **What process did you follow to select your preferred R & S system to trial?**

The first step was for a group of us to come up with the list of what we wanted in the software. We wanted software that could give us the two things we were trying to achieve mentioned before and also the amount we were willing to spend on a pilot. We also looked at how customised we wanted the system to be or whether it would be off the shelf, and the other attributes we wanted in the software such as ease of implementation, user-friendliness for the schedulers, what sort of reports we could get out of it, the speed that it would schedule and obviously how well it optimises, what sort of support you have, if you want some changes or if there are problems with the software, what sort of support have you got there.

So we firstly came up with a list of what we wanted in the software, a list of "nice to haves" and an amount that we were willing to spend. Once we had that list we found about ten different scheduling software providers and went around and spoke to them all and had a look at what they had. We then we narrowed it down to three or four and had a closer look at those ones, we then narrowed it down to two and after close analysis decided to use Transit!

**Why did you choose Transit for the pilot?**

Part of it was location, because you are located in Melbourne and a big one was that you are an Australian company - not only is it nice to support Australian companies but we thought the support, and being able to have changes made if we wanted them later on down the track, would be easier than from an overseas provider. Also the optimisation of the last couple of systems we looked at were quite similar but in implementation and user-friendliness Transit seemed to be the better option. Price was also a big part of the decision, not only the one-off price but the ongoing costs as well, that is the cost of putting it in to other states, and the ongoing maintenance costs.

**How has the use of Transit so far met your expectations?**

So far it's reduced the scheduling time considerably. We have got some collating that we do before it goes into Transit that has helped reduce the time as well and after we have got a schedule in Transit we generate some other reports that we have designed ourselves for the warehouses and fleet controllers. So with those three components: how we import into Transit, run Transit and the output from Transit, those three things have reduced the scheduling time from about 8-10 hours per day to about 4 hours per day. We expect this to reduce even further, after we implement the "pick-up and deliver" module, to around 1.5 to 2 hours. The reason it's still going to take longer than simply pushing a button and running a schedule is because we still have a few legacy systems that require some manual intervention that we need to keep for the next few years.

**How long have you been using the Transit schedules operationally?**

We started running live a week or two before Easter this year with the dynamo module for approximately 70% of the products out of Westernport. We schedule daily.

**What's your overall impression of our company to date?**

The service has been pretty good. There's been a few areas where the timing has probably not been as quick as we'd like but I think you've found our operation is a lot more complex than you first envisaged. However, whenever we've rung up there's always been someone who's tried to help us whenever they can. The only comment I'd really have is that some of the timings that were set weren't met. But we do have the product working operationally now and the support is quite good - if we do have a problem while we're running a daily schedule we can ring up and someone will call us back promptly and sort it out.