ENHANCING TERMINAL BUSINESS PERFORMANCE

New levels of profitability can be achieved with modern terminal management systems

Today's terminal operator is faced with a variety of challenges to remain profitable in an increasingly complex market environment. For operators, efficiently maximising the throughput of the terminal is critical in order to remain as key suppliers to their customers and to be financially successful.

Surprisingly, many terminals are still operating without an integrated terminal management system to plan and manage loading and unloading operations and – more importantly – to provide visibility and management of the terminal's inventory and commercial activity. Terminal management software is not new, but many terminal operators do not realise the value implementing modern terminal management software can provide for their operation and overall business.

Terminal management software has historically been targeted at managing the loading operations and efficiently moving trucks through the facility in an automated way. In addition to managing truck loading, modern terminal management software systems provide a single integrated platform to manage the entire terminal business process: bringing in customer orders, executing the loading operation, charging for services, managing inventory, and billing activity back to the customer.

These new systems are built not only to move products but to efficiently move information, which in turn optimises the order to cash cycle for the terminal and helps streamline the customer's supply chain logistics activities.

Using modern terminal management software platforms, such as Emerson's TerminalManager, terminal operators are reaching new levels of profitability and customer satisfaction by achieving greater connectivity to customer needs, optimising loading operations, and streamlining the entire order to cash commercial management cycle.

ENHANCING CUSTOMER SATISFACTION

As with most businesses, a terminal can only be successful if its customers are satisfied and willing to return to the same terminal for repeat business in the future. Terminals are 24/7 operations and often subject to a constant stream of communications and requests for information from customers.

Operators often struggle to manage these requests because they do not have accurate and available information to respond at the time that

it is needed, they lack efficient coordination between the operational and commercial staff at the terminal, or they have to pull the data out of multiple, disparate systems.

Terminal customers, aware of the internet's pervasiveness in everyday life and the continued advancement of IIoT technologies, now increasingly expect to be able to access this critical operational and financial data at any time without delay.

Modern, integrated terminal management systems can simplify the customer management process. Out-of-the-box web portals can extract transactional data from a completely integrated backend to provide complete self-service capability for customers. The terminal's customers can log onto the portal and place or modify orders, achieve complete visibility to outstanding orders in real time, and visualise easy-to-use KPIs associated with their account and activity at the terminal.

Operator benefits include reduced workload on the terminal staff; a reduction of overall incoming customer communications traffic via phone, fax or email; and ultimately improved customer satisfaction due to enhanced availability of accurate transactional information.

Fully automating the loading process is a core capability of any modern terminal management system.

In today's complex terminal market environment, this type of solution can be the edge that an operator needs to provide differentiation from the competition.

IMPROVING THE EFFICIENCY OF LOADING OPERATIONS

Realising the maximum throughput potential of any terminal site depends on efficiently managing the loading and unloading process. In non-automated terminals, managing truck traffic can be a labour-intensive activity requiring multiple staff members to control access to the site, check and validate driver credentials, validate the order versus the currently available inventory in the site, and then manually assign the truck a loading bay.

Fully automating the loading process is a core capability of any modern terminal management system. Customer order data is managed centrally and provides the permissive information to automatically validate trucks and driver information at arrival. Flexible integration to commonly used card readers and other biometric or RFID devices ensures that driver validation is automatic and performed quickly and efficiently based on the regulatory requirements of the local market.

Advanced features in modern terminal management software can manage truck traffic inside the gates in busy terminals, directing trucks to queue at the bay in question or even managing driver staging areas until automatic notification is given that the needed loading bay is available. After arriving at the specified location, the driver may be directed by the terminal management system (through the preset controller or other local HMI) to revalidate the critical order information and then execute the loading process.

Once the load or unload is completed, the transaction is automatically archived to the terminal management system for inventory accounting, and customers and the terminal operator can be automatically notified (either by email or by accessing the integrated web portal) that the loading activity has been completed. Terminal operators have achieved real gains in throughput by implementing terminal management systems such as TerminalManager to manage their loading operations, with 15% to 30% improvements of terminal throughput over the baseline.

MAXIMISING REVENUE POTENTIAL

Operators are providing an increasing array of services to store and manage product within the terminal. Most of the time these services and the rates charged for services depend on contractual relationships on a customer-by-customer basis. Many terminal operators are managing contracts and charges in a completely separate way from the core terminal management system, using either another standalone software platform or with homegrown spreadsheet tools. Dealing with disparate systems and information in this way leads to errors in the month-end close: gathering up the movements and services that have occurred from the operations environment, and then applying charges based on contractual terms for each customer can be an error-prone, time consuming process.

With modern terminal management software platforms, contracts and charges are handled within the same system, providing a single source for all customer related information. Additional efficiency is gained through automatic application and tracking of contractual charges on a customer-by-customer basis. As orders are executed, service charges are automatically applied to the customer's account. Terminal operators can easily apply more complex types of service charges, realising real gains of 2% to 3% of topline revenue on a yearly basis. Customer satisfaction is also enhanced by a significant reduction in transactional errors and lost data resulting in timely and automatic communication of invoices back to the customer.

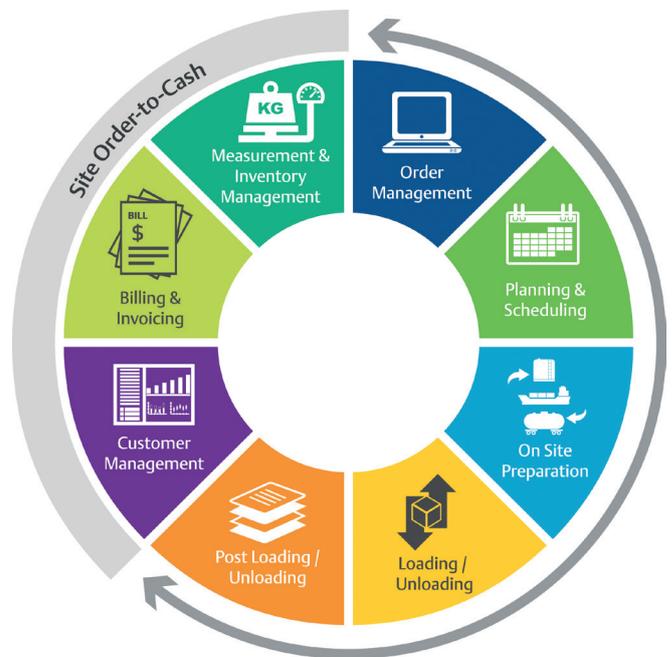## SHORTENING THE MONTH END CLOSING CYCLE

At the end of the month, reconciling the terminal's inventory so that customers can be invoiced on the measured, physical value of the products and services provided compared to the ordered (book) amount is perhaps the most time-consuming and error-prone process that terminal operators must manage.

This is further compounded in the area of losses and gains, which must be allocated back on a customer-by-customer basis depending on the contractual terms. Measurement errors are also commonplace and often found after the customer order has already been completed, necessitating a painful and time-consuming process of adjusting historical tickets to correct the error.

Modern, integrated terminal management systems significantly shorten the inventory management and reconciliation process. Further, these systems are easily integrated to real-time tank gauging systems such as Emerson's TankMaster. Inventory transactions and tank levels are captured automatically and available on a real-time basis in the terminal management system. As meter proving is performed throughout the month and errors are found, any measurement issues are easily corrected for any time period with integrated measurement management tools and any corrections are automatically reflected in the charges applied to the customer's account.

Instead of waiting until month-end to gather up transactional data and inventory measurements from multiple disparate systems, the operations staff can engage in an easy and proactive process of inventory management on a daily basis. At the month end, tying up loose ends, reconciling inventory for the month, automatically allocating loss/gain, and closing the books can be a simple process. The terminal management system can then automatically invoice the monthly activity back to the customers for payment. This significantly reduces the workload on the terminal operations staff, shortening the month-end closing process from 10 or more days to as few as two or three days.

Integrated commercial and operations management is key to optimizing the order to cash cycle

GROWING THE TERMINAL BUSINESS

To be successful in today's market, terminal operators must differentiate themselves from their competitors both by providing a superior level of service to their customers and by realising the maximum efficiency of their terminal assets. Today's modern, integrated terminal management systems give terminal operators the tools they need to reach new levels of business performance, customer satisfaction, and overall profitability, all in a single integrated platform for management of the entire terminal business process.

FOR MORE INFORMATION

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