



RENOIR CONSULTING

CASE STUDY

Aboitiz Group, Philippines

The Aboitiz Group is the single largest and most efficient integrated transportation company in the Philippines: Aboitiz One is a domestic and international sea & land delivery and logistics company. WG&A Inc is the largest passenger, transport and cargo shipping company in the country. Renoir Implementation Services, a division of the Renoir Group, was asked to look at performance improvement through Business Process Re-engineering across the business. The result was a series of engagements over two years delivering substantial financial and behavioural results. In addition, Renoir carried out assessments at three additional Aboitiz companies: Union Bank, Vasayan Electric Company and Aboitiz Jebsens.

OVERVIEW

In 2001 the company faced competition from increasingly aggressive domestic and international competitors. At the same time, costs were spiralling upwards due to the devaluation of the Philippine Peso against the dollar, which is used for fuel and capital equipment, two major expense groups.

THE ASSESSMENT

Renoir starting working with Aboitiz, at WG&A, in May 2001, conducting a no-obligation preliminary survey of the entire WG&A business. During this period, data was gathered in a variety of areas to understand how employees think, behave and perform in the workplace.

The preliminary survey revealed that there were clear benefits in moving forward, that the business was committed to making the changes required and that a chemistry existed between WG&A staff and Renoir to ensure a successful and prolonged working relationship.

FOCUS PROCESS™ & IMPLEMENTATION

Renoir adapted a hands-on approach, working with WG&A staff to implement the recommendations by gaining buy-in and ownership to ensure that full financial and operational benefits were realised. Renoir took the organisation through an intensive learning process at a much faster pace than the

management team thought possible. Working towards a set agenda, the programmes were structured so that the management team were involved in all improvement initiatives. It was a very focused process where Renoir drove, motivated and coached the team to learn, to analyse problems and opportunities, and to deliver tangible results for the business that are sustained, long after Renoir are gone.

The approach to implementation was focused around three key concerns:

1. Methods & Processes
2. Systems
3. Training

Once buy in and support for the needed changes were in place, they were implemented with the guidance and coaching of the Renoir team. Behaviour changed as managers and team leaders managed in new ways. As results came in, adjustments were made to the systems and processes and positive behaviour was reinforced.

Sophisticated monitoring systems were put in place to ensure that the root causes of problems were understood and eliminated. A programme was only considered complete when the management team was autonomously running their areas at the desired level of performance. The perpetuation of results became possible when the behaviour of the organisation

changed to accept the enhanced levels of performance as the new base level from which to improve.

Following the 4 WG&A projects, the Aboitiz management group also asked Renoir to carry out a programme at Aboitiz One, their delivery & logistics company.

Annualised Results

Projects	Financial Benefits
WG&A Fuel Project	\$5,000,000 Cost Savings
WG&A Admin Project	\$800,000 Cost Savings
WG&A Freight Sales 1	\$10,000,000 Increased Revenue
WG&A Freight Sales 2	\$14,000,000 Increased Revenue
Aboitiz One – Aboitiz Air Project	\$200,000 Cost Savings \$2,000,000 Increased Revenue

THE CAPACITY TO SEE
THE POWER TO CHANGE