

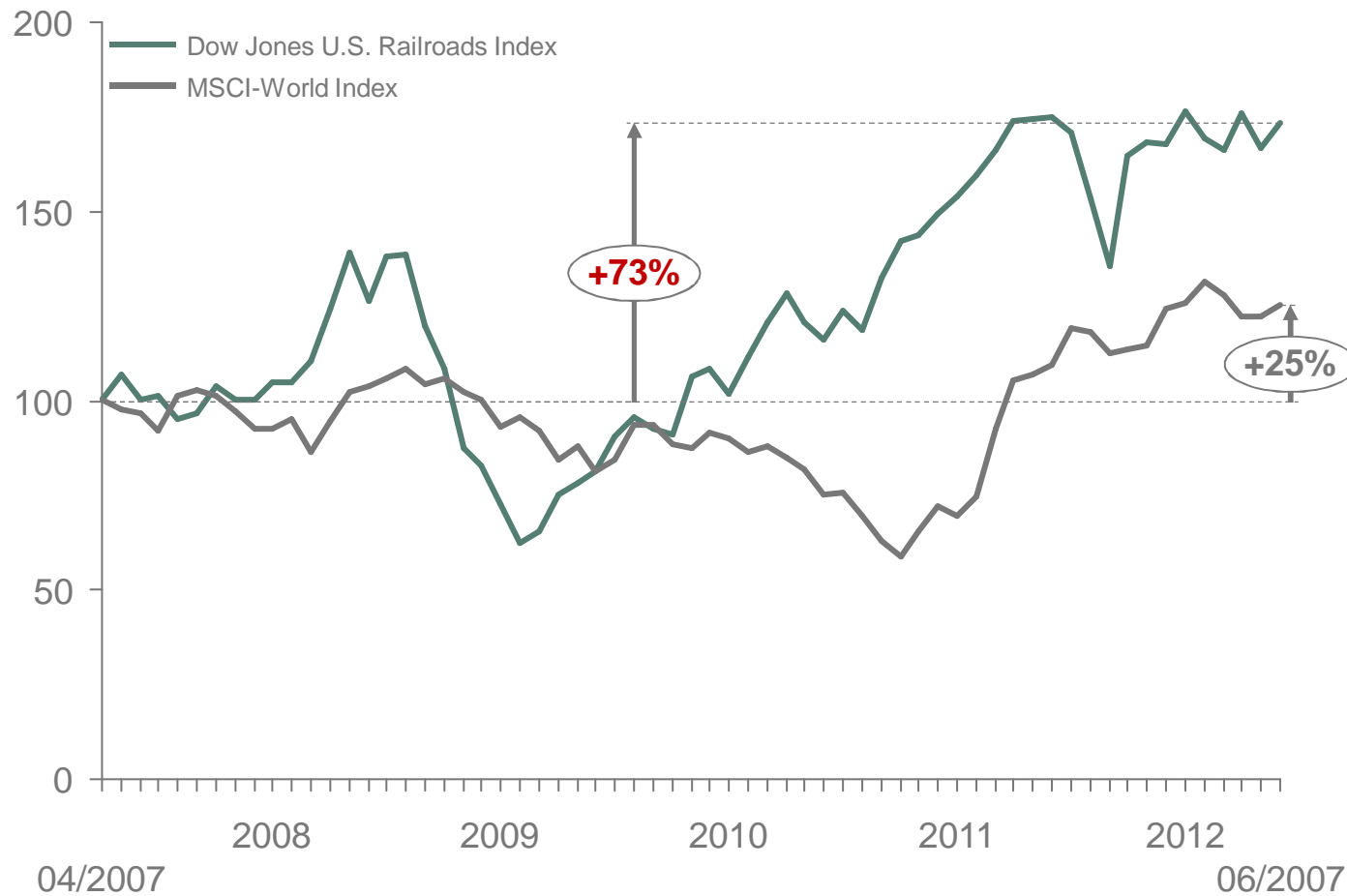
# Approaches to optimise productivity and costs of freight railway companies

Regional conference  
„Intermodal Transport and Development Projects“

27th September 2012, Zagreb

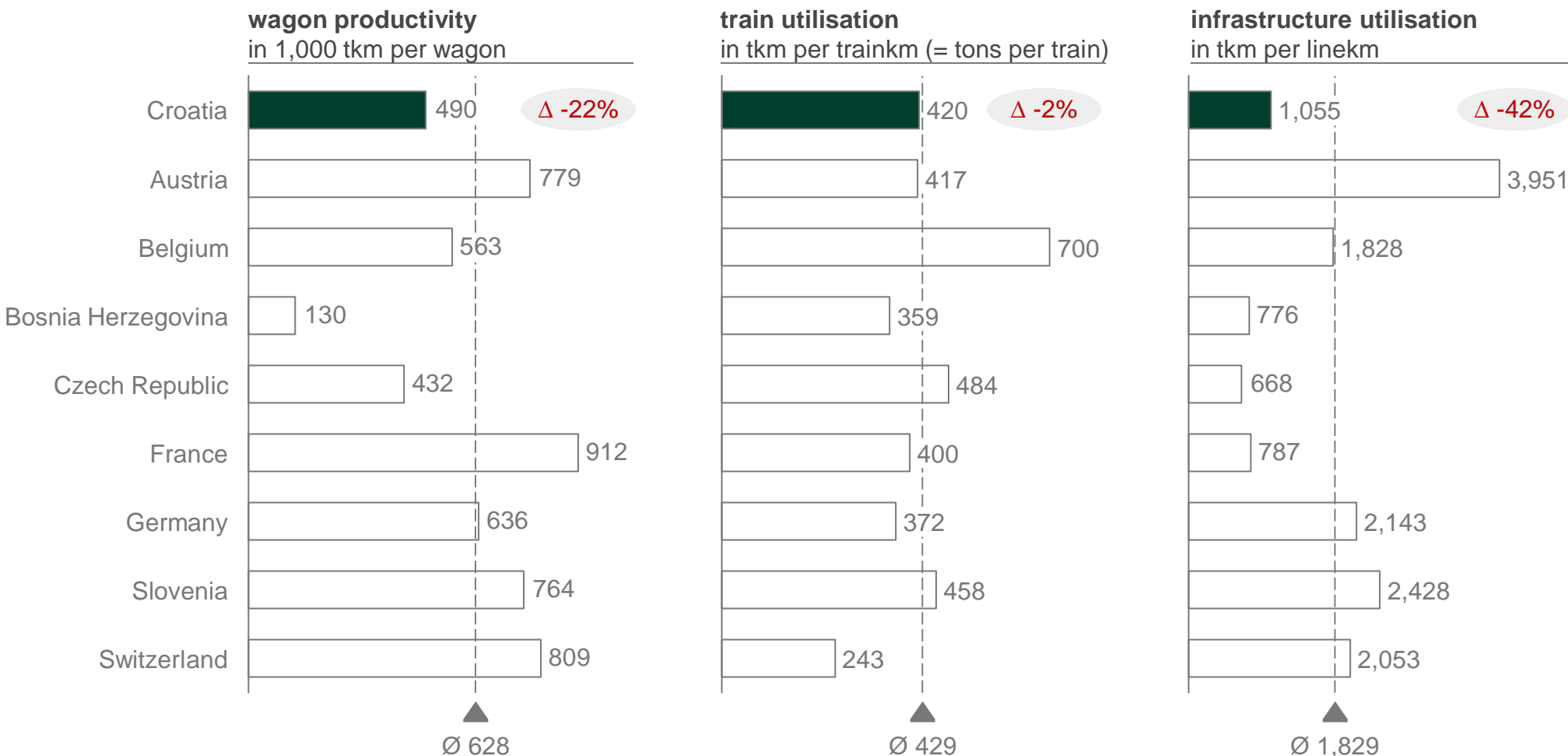
# Looking abroad, freight by rail can be a profitable business – the crucial success factor is high utilisation and ensuring Economies of Scale

## STOCK INDICES



# Considering official UIC-statistics, the productivity gap of Croatian freight by rail ranges from 2 to 42 per cent

## PRODUCTIVITY FIGURES



# About 80 per cent of costs of freight railway companies are directly linked to operation – different approaches for less costs and higher productivity

## COST STRUCTURE

cost structure of freight railway companies in percentage

Others	5
Marketing/ Sales	5
Administration	9
Shunting	10
Train drivers	10
Energy	10
Track access charges	20
Rolling stock	30

approaches to optimise costs and productivity

- marshalling yard characteristics
- processes and planning
- technical requirements
- compensation scheme
- working time regulation
- timetable parameters
- driving characteristics/ consumption
- price per kwh
- line characteristics (topography)
- no influence*
- capital costs (funding)
- vehicle reserve
- maintenance cost

▶ example from **Marshalling yards Benchmarking**

▶ example from **UIC-Benchmarking**

▶ example from **UIC-Benchmarking**

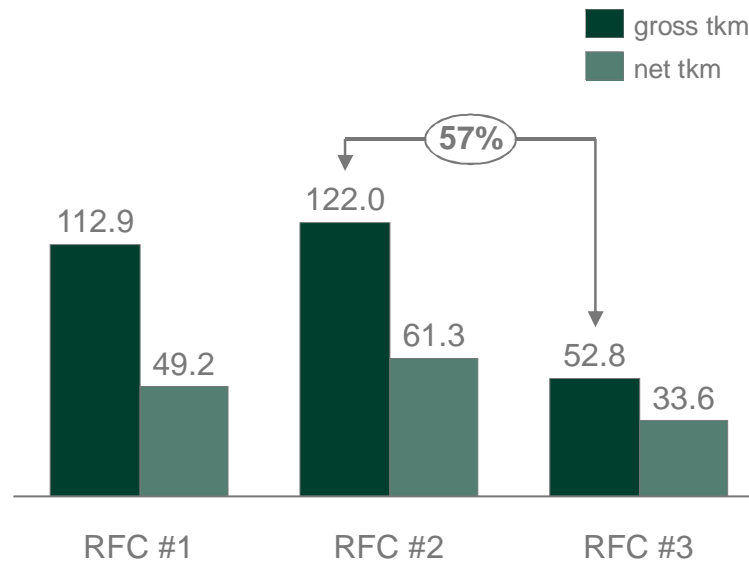
# The UIC benchmarking shows huge differences in vehicle and labour productivity – discussion between partners showed the reasons

## BENCHMARKING EXAMPLE (2/2)

### Project approach

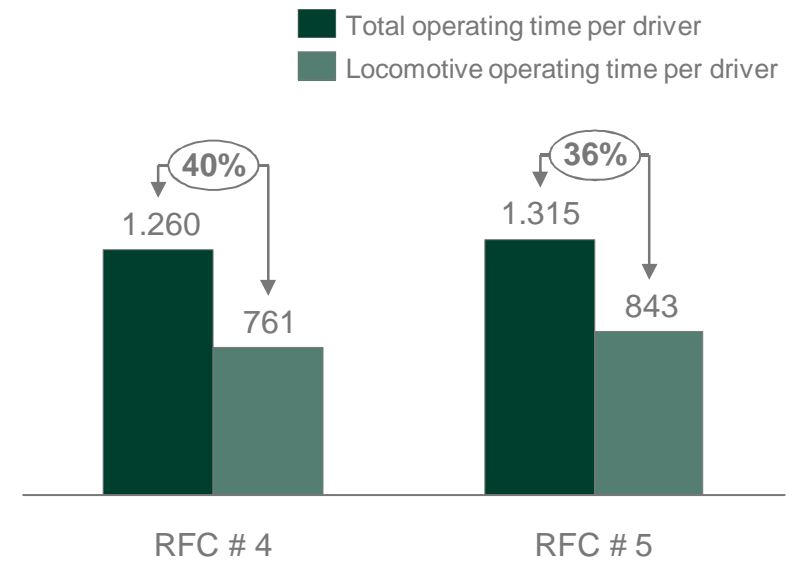
- Participants in the first step of this study are B-Cargo, DB Cargo, DB Schenker, Rail Cargo Austria (RCA) and SBB Cargo
- Main objective is to compare the productivity of key resources and train systems to identify areas for improvement
- Comparison of productivity figures regarding rolling stock and personnel

**locomotive productivity**  
in Mio. tkm p.a.



- Reasons for differences are:
  - different composition of loads (e.g. coal or container)
  - higher degree of empty shuttle trains
  - topology (need for multi-heading)

**train driver productivity**  
in hours p.a.



- Reasons for differences are:
  - walking time
  - preparation and closing time
  - waiting times

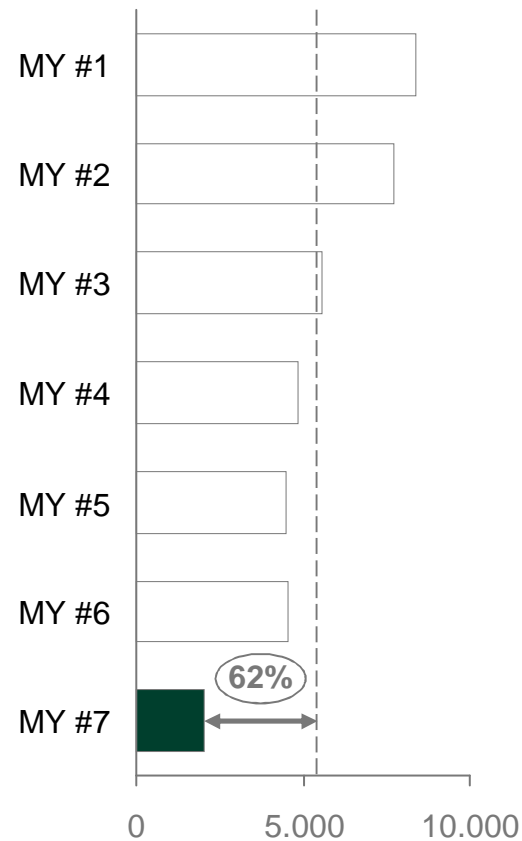
# A benchmarking project for marshalling yards included a detailed analysis of the specific processes

## BENCHMARKING EXAMPLE (2/2)

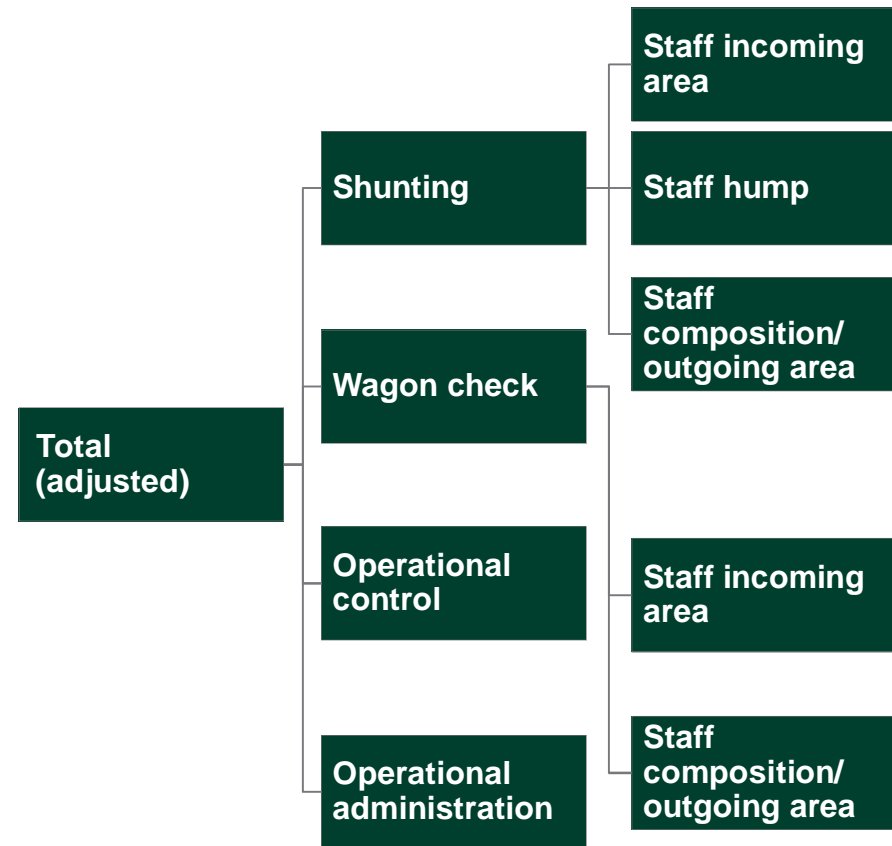
### Project approach

- Seven European marshalling yards were compared in a holistic benchmarking
- DB Schenker (Germany) [3]
- Green Cargo (Sweden)
- SBB (Switzerland)
- ÖBB (Austria) [2]
- On-site audit and processes analysis

### Staff efficiency, adjusted in incoming wagons per FTE



### Elements of processes analysis



## CONCLUSION

**To gain higher productivity in freight by rail business,  
only 20% is about lower unit costs but,  
80% is about higher utilisation...**

**.... so think about your marketing & sales!**

## Your contact person



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***Further information on  
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# We are specialised on the Transportation and Logistics sectors with a focus on Public Transport

## PROFILE

- Founded in 2010 as a spin-off of the market leading (public) transport consultancy in Germany
- Five partners with more than 60 years of experience in consultancy
- Highly experienced and senior team
- In-depth market knowledge and comprehensive methodological expertise
- Strongly committed to quality and innovation
- Holistic approach ranging from strategy development to operational process reengineering
- Partner of top and senior management of our clients



# Our approach enables us to comprehensively and efficiently support the market players

## APPROACH

