

***“Freeing resources allows us to negotiate better prices and we are better equipped to scale up if needed.”***

Andrea Pittaluga, Compliance Manager at DFDS



## **DFDS expects to automate 66% of all PO lines**



DFDS is implementing PO automation for all standard items to save time on manual work and optimize internal workflows. It is a challenging task to prepare the master data for this exercise, but DFDS has succeeded in streamlining the data and setting up the necessary rules for contracted items.

PO Automation entails transmitting standard requisitions from vessels to suppliers automatically if they meet the specified conditions such as a fixed price and authorized delivery location, rather than performing this task manually.

***“Looking into our data, I estimate that roughly 66% of all procurement order lines under the Danish Flag can be automated as they are standard items.”***

Monika Lubarczyk, Systems and Process Analyst at DFDS.

Procurement System Analyst Martin Kovacic adds, “This automation is a noteworthy advancement that facilitates a more comprehensive examination of remaining requisitions and follow up.”

Before embarking on PO automation, DFDS advises conducting a comprehensive investigation of all relevant scenarios and processes, familiarizing oneself with the existing SERTICA processes, making prices accessible for standard items, devoting time to selecting suppliers, acquiring feedback from purchasers, and dedicating resources to setting up standard items.

Monika adds, “PO automation is particularly well-suited for vessels sailing on the same route and with a fixed schedule as they typically work with a vast array of standard items. We know where the ferries are sailing and what they need.”



Martin and Andrea discussing PO automation and supplier management

## Linking IHM to Procurement

PO automation enables DFDS vessels to directly procure items with pre-existing IHM declarations.

Andrea tells, “It is easy to add an IHM declaration to a standard item in SERTICA as very few actions are required. The beauty is that once we have added an IHM declaration, this can be reused for subsequent purchases of the same item.”

Item Attributes	
Item Name	Item Code
Item Description	Item Category
Item Unit	Item Location
Item Status	Item Supplier
Item Price	Item Date
Item Weight	Item Volume
Item Length	Item Width
Item Height	Item Depth
Item Material	Item Color
Item Finish	Item Marking
Item Label	Item Barcode
Item Image	Item Document
Item Notes	Item Comments



The following is a screenshot of a report generated by SERTICA. It displays a list of items with columns for Item Name, Item Code, Item Category, Item Unit, Item Location, Item Supplier, Item Price, Item Date, Item Weight, Item Volume, Item Length, Item Width, Item Height, Item Depth, Item Material, Item Color, Item Finish, Item Marking, Item Label, Item Barcode, and Item Document. The report is titled 'SERTICA Item Report' and includes a header with the SERTICA logo and the text 'SERTICA Item Report'.

SERTICA automated IHM report created by Andrea & Martin

A significant degree of automation has been achieved through the presence of IHM declarations, as 66% of items procured are standard.

***“The ability to manage IHM declarations in SERTICA offers a clear advantage by linking documentation and certificates to a PO with a date. Labels can be printed to make it easy to identify unused stored IHM items during inspections.”***

Monika Lubszczyk, Systems and Process Analyst at DFDS.

The receipt and scrapping of items with IHM declarations are also recorded in SERTICA, closing the loop on IHM management. This makes it simpler for DFDS to demonstrate compliance during inspections through IHM reports and lists of stored IHM items on each vessel displayed in SERTICA dashboards.

Ensuring compliance is a priority for Andrea, who explains, “The ability to generate reports on IHM tracked items makes it easy to stay in compliance.

Additionally, the capability to connect maintenance jobs with items, certificates, and surveys streamlines operations and makes life easier for crew members on board.”

## The challenge of obtaining IHM declarations

Shipping companies are obligated to possess IHM declarations, however, suppliers do not bear the same requirement. This can pose a challenge, particularly when dealing with suppliers unfamiliar with the shipping industry.

To overcome this challenge, DFDS has devoted substantial effort to nurturing relationships with suppliers and providing them with training on shipping regulations.

Andrea notes an improvement in their suppliers’ compliance with IHM regulations and states that utilizing suppliers, who are aware of maritime requirements eases the process of procuring items requiring IHM declarations.

### Tips from DFDS regarding IHM

- » Maintain high quality master data
- » Define your procedures and workflows in detail
- » Reduce the usage of non-standard items
- » Prioritize internal training
- » Implement a labelling system for onboard IHM stock management
- » Establish agreements with mayor suppliers to provide declarations
- » Learn from others
- » Engage in informal discussions with surveyors to reconcile definitions

The challenge lies in the availability of IHM declarations on the market, which DFDS takes upon themselves to address.

While many shipping companies outsource IHM management to external consultants, DFDS cultivates this expertise in-house and currently employs two IHM experts to manage master data.

***“Outsourcing to an IHM consultant, who has agreements with all suppliers can be a viable option, provided the consultant has sufficient coverage of their purchases. But coverage is not enough, you also need a consultant who can support you with complicated items like sensors because here obtaining IHM declarations can be difficult.”***

Andrea Pittaluga, Compliance Manager at DFDS

Andrea also points out that, “No matter if you manage IHM internally or use an external consultant, you need someone, who understands the importance of establishing relationships with suppliers. Sometimes it is necessary to find alternative solutions if suppliers are reluctant or unable to provide IHM certificates.”

### A Compliance Team of IHM expert

DFDS has established a Compliance Team to assist purchasers in obtaining the IHM declarations from suppliers. The team is responsible for certificate checks and approvals, as well as providing technical support to the operations department.

An “Item identification tool” has been created to aid both on-shore and on-ship personnel in identifying items requiring an IHM declaration. Furthermore, instructional posters and streamlined procedures have been developed to clarify the process and regulatory mandates.

The Compliance Team can also offer support to the procurement team by monitoring outstanding purchase orders and resolving difficulties in obtaining IHM declarations for non-standard items of limited availability or critical items such as batteries. This often necessitates extensive follow-up, and the Compliance Team assist by pressuring suppliers to furnish the necessary IHM declarations, preventing the return of items.



Master Data Compliance & Governance team  
From Left: Małgorzata Pilarczyk - Master Data Analyst, Franciszek Dudek - MD Junior Analyst, Weronika Indykiewicz - Master Data Team Leader