Online 3rd party Cost Recovery System

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APL

An IE3100R Systems Design Project with the Department of Industrial & Systems Engineering
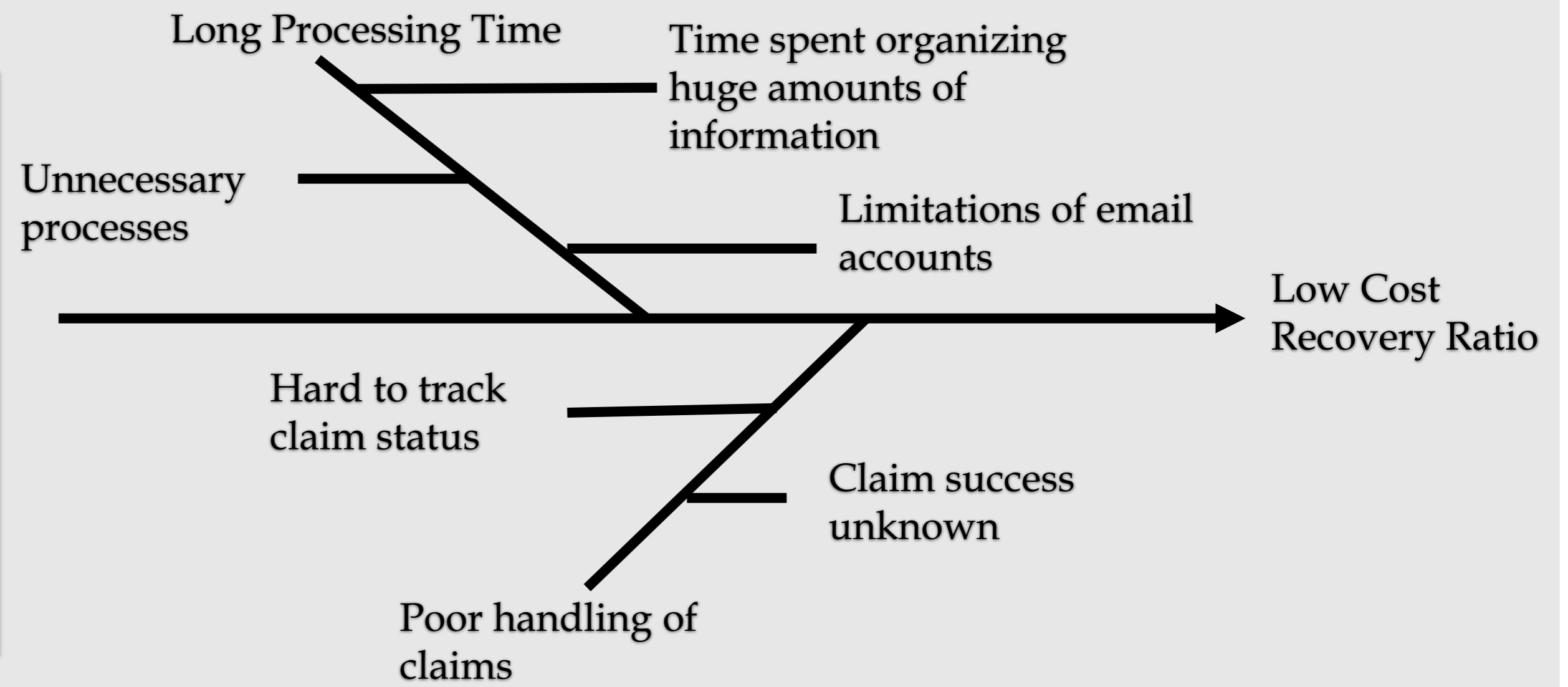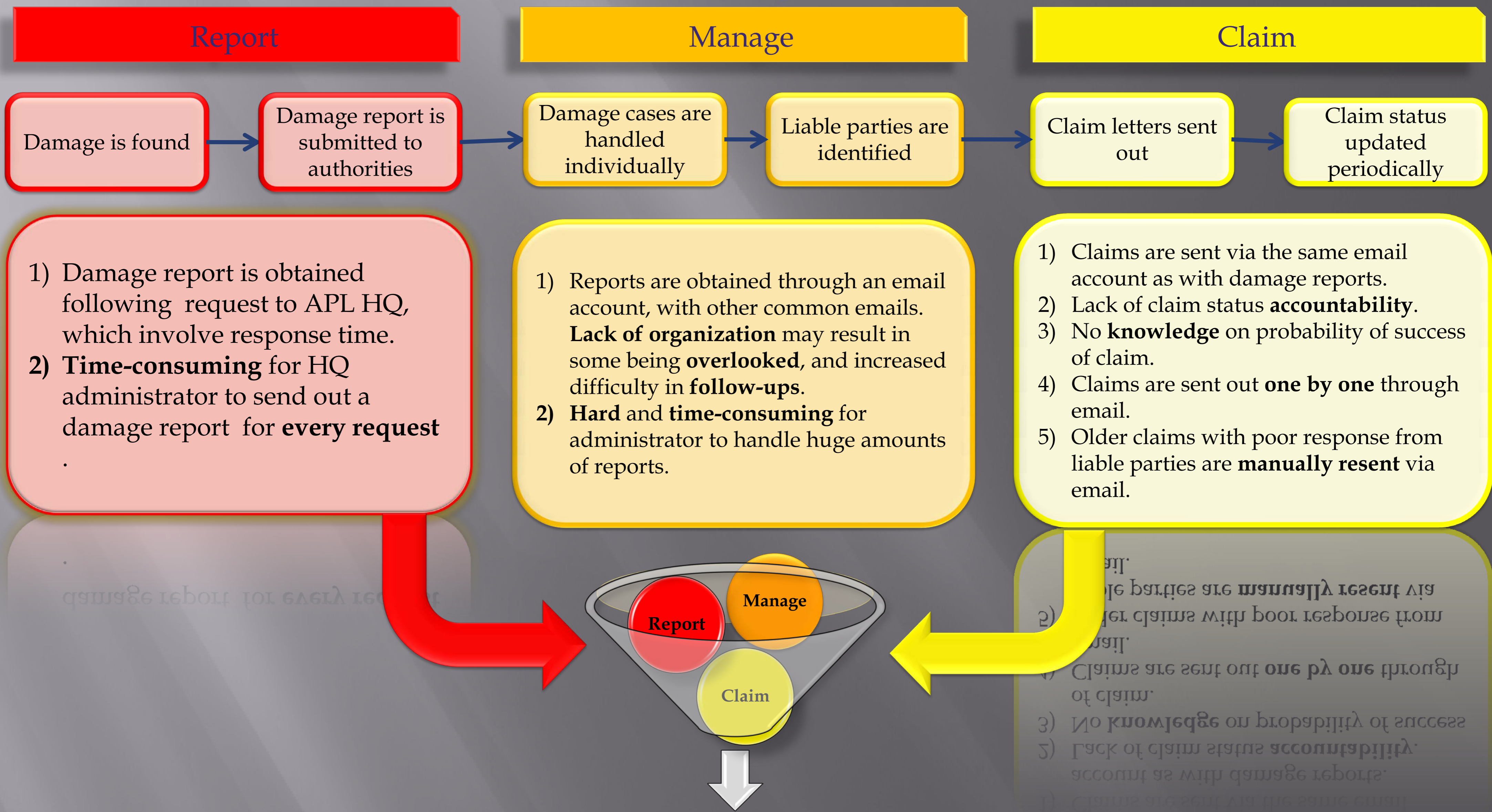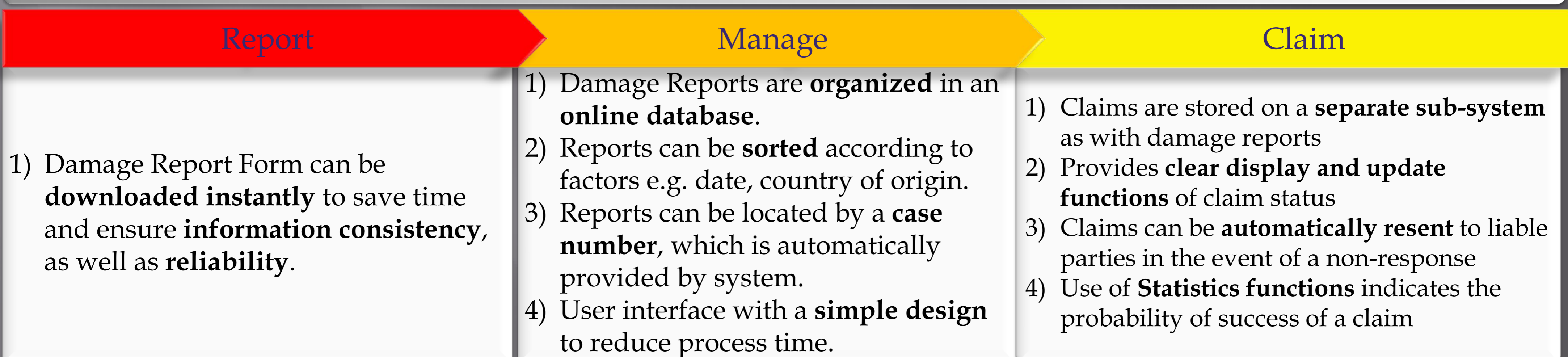
Introduction

In the maritime industry, considerable containers are damaged periodically by 3rd parties. The proportion of successful claims over the total amount of damages is termed the **Cost Recovery Ratio**. APL is experiencing a low Cost Recovery Ratio and wishes to raise it.

Long Processing Time — Time spent organizing huge amounts of information — Unnecessary processes — Limitations of email accounts — Hard to track claim status — Claim success unknown — Poor handling of claims → Low Cost Recovery Ratio

Cost Recovery Process

Report	Manage	Claim
Damage is found → Damage report is submitted to authorities	Damage cases are handled individually → Liable parties are identified	Claim letters sent out → Claim status updated periodically

Report
1) Damage report is obtained following request to APL HQ, which involve response time.
2) **Time-consuming** for HQ administrator to send out a damage report for **every request**.

Manage
1) Reports are obtained through an email account, with other common emails. **Lack of organization** may result in some being **overlooked**, and increased difficulty in **follow-ups**.
2) **Hard** and **time-consuming** for administrator to handle huge amounts of reports.

Claim
1) Claims are sent via the same email account as with damage reports.
2) Lack of claim status **accountability**.
3) No **knowledge** on probability of success of claim.
4) Claims are sent out **one by one** through email.
5) Older claims with poor response from liable parties are **manually resent** via email.

Report · Manage · Claim

Cost Recovery System

Report	Manage	Claim

Report
1) Damage Report Form can be **downloaded instantly** to save time and ensure **information consistency**, as well as **reliability**.

Manage
1) Damage Reports are **organized** in an **online database**.
2) Reports can be **sorted** according to factors e.g. date, country of origin.
3) Reports can be located by a **case number**, which is automatically provided by system.
4) User interface with a **simple design** to reduce process time.

Claim
1) Claims are stored on a **separate sub-system** as with damage reports
2) Provides **clear display and update functions** of claim status
3) Claims can be **automatically resent** to liable parties in the event of a non-response
4) Use of **Statistics functions** indicates the probability of success of a claim

Conclusion

With the introduction of our Cost Recovery System, we have managed to shorten the process lead time by integrating information flow and automation. We have also improved the efficiency of damage and claims report management, which would translate to a higher Cost Recovery Ratio.

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