



Business Type: Commercial Shipbuilding

Employees: 800 Full-Time, 400 Contract Employees

Products: Workforce Timekeeper™, Workforce Payroll™, Workforce HR™, Workforce Accruals®, Workforce Attendance™, Kronos 4500™ Terminals, Workforce Leave™

PROJECT BENEFITS

- Real-time productivity information that helps reallocate resources, project budgets, and reduce costs
- Applies complex pay rules accurately with no custom code or solution configuration changes
- Improved employee satisfaction with self-service access to personal information
- Applies attendance policies across the organization while reducing the cost of absenteeism

Aker Philadelphia Shipyard Continues to Navigate a Future of Increased Profitability and Productivity with Kronos Workforce Central

Aker Philadelphia Shipyard is a leading commercial shipyard constructing vessels for operations in the U.S. Jones Act market, which stipulates that cargo moving between U.S. ports be carried in ships that are made, owned, and crewed in the U.S. Located in the former Philadelphia Naval Shipyard, Aker Philadelphia Shipyard (APSI) is a preferred provider of oceangoing merchant vessels with 800 employees and more than 400 contract workers.

Since delivering the first new commercial container ship in the U.S. in 11 years in 2003, Aker Philadelphia Shipyard has delivered three more container vessels, six product tankers and is building three tankers per year. With over 10,000 separate labor tasks and 1.2 million labor hours required to complete the first ship, monitoring productivity and margins is no small task. Kronos® Workforce Central® has helped Aker Philadelphia Shipyard attain these aggressive goals.

Aker Philadelphia Shipyard chose Kronos as its workforce management provider in 1998 with Workforce Timekeeper™ as its time and attendance solution. Since that time they have added HR, payroll, absence management; and Kronos 4500™ terminals to its Kronos solution. Adding these modules allowed APSI to manage its workforce with a single solution that is easy to use and maintain. The integrated suite also reduced costs and the burden on its IT department by eliminating support to multiple vendors. This proved to be a wise choice for Aker Philadelphia Shipyard, as their previous HRMS solution from another vendor lacked the functionality and ability to share data across different applications.

Gaining the advantage of a single vendor

Before expanding its Kronos solution, APSI was using one vendor for HR, outsourcing its payroll, and using Workforce Timekeeper for time and attendance. The company was hampered by limited functionality in its HR solution, and frustrated by the difficulty of obtaining information and running payroll reports. APSI was also eager to lower payroll costs by bringing payroll processing in-house.

According to Michel Boeckx, APSI Chief Technology Officer, the Kronos product demonstration was very convincing. “We saw a lot of functionality in Kronos that we didn’t have at that time — like the reporting capabilities and the ability to get a view into our organizational structure. And we felt that having HR, payroll, and time and attendance from one vendor would be much easier — the systems could communicate with each other and we’d have a single source for support.”

Workforce productivity reaches new heights with help from the Workforce Central suite

Productivity is paramount at Aker Philadelphia Shipyard. APSI has increased its productivity from 2 ships built per year to 2.8 ships and reduced its number of total hours worked from the first tanker to the fifth tanker by 33% = 300,000 hours. The Kronos solution provides APSI management personnel with real-time visibility of the work being conducted in the shipyard and allows managers to determine if more resources should be distributed to different areas of the ship where construction is taking longer. This has resulted in quicker, more efficient construction of the vessels, less downtime, reduced work hours and overtime, and lower costs. “Our Kronos solution allows us to see trends in labor,” Michel Boeckx says. “Then we can reallocate resources to other parts of the ship, increasing productivity.”

With the Kronos Workforce Central suite in place, APSI is able to access detailed information to forecast future workforce trends and determine budget projections for the coming year. “Our Kronos solution gives us detailed month-by-month information that we can use for our

own forecasting purposes,” Payroll Manager Christa Speck mentions. “This information allows us to make plans on how we will allocate our workforce in the future and how it fits into our budget.”

Kronos solution helps make compliance and complex pay rules easier for APSI

With more than 400 contract workers employed at APSI, including 60 subcontractors from Germany and Norway, the flexibility the Workforce Central suite has to track various pay rules and codes has proven critical to Aker Philadelphia Shipyard’s ability to maintain compliance and pay different types of employees accurately. The 60 subcontractors employed by APSI must be paid in euro’s or Norwegian Kroner because they are citizens of Germany or Norway. However, they must have taxes deducted under American IRS laws because they are working on U.S. soil. The ability of Kronos Workforce Payroll™ to perform these calculations without any changes in code or configuration to the system avoided a huge burden for the APSI payroll department. “This would have been extremely difficult with our previous payroll system,” Christa Speck mentions. “With our Kronos solution, I set up the codes myself without having to contact our IT department. This has really worked well for us.”

APSI employs a large number of union workers, which requires mitigating risk in a number of different areas. With the Workforce Central suite in place, Aker Philadelphia Shipyard has reduced the number of grievances and was able to negotiate attendance policies into the union contract. The Workforce Central suite has made enforcing these policies easier as well, with real-time information on all employees. “We can act on and apply all of our attendance policies consistently across the board with all the information available to us under one integrated solution,” Speck mentions. The application has helped APSI take proactive steps in managing absences and attendance through identifying trends and patterns and automatically alerting management when disciplinary action is required.

Adding Workforce Leave™ to the integrated suite of solutions has helped APSI manage FMLA, intermittent leave, and other leave benefits concurrently. The online alerts let managers know when employees are eligible for FMLA or different types of leave, preventing employees from taking more time than they are entitled to. “Excesses in leave have been eliminated,” Michel Boeckx says. “Through the online alerts and intermittent leave totals, we have a much clearer picture of how to monitor leave policies.”

Employee satisfaction increased with self-service access and accruals information

Inquiries regarding paid time off were an issue under the previous system. APSI gave employees personal time based on their

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Michel Boeckx,
Chief Technology Officer, Aker Philadelphia Shipyard

anniversary dates. Managers and payroll were not able to provide employees timely accrual information, because their previous system experienced a two-week lag in posting accrual balances. This issue has been eliminated with the expanded capabilities of APSI’s Kronos solution. With the self-service feature available on the Kronos 4500 terminals, employees are able to verify their own time-off balance information in real time without contacting HR or payroll. “Employees have responded very positively to the fact that there is not a two-week wait in obtaining accurate amounts of personal time,” Michel Boeckx says. “The self-service capability has cut down the number of calls to payroll regarding employee time off.”

Seamless upgrades, superior service, complete the Kronos solution for APSI

Aker Philadelphia Shipyard is currently running Workforce Central 6. APSI was particularly impressed with how easy and painless the upgrade process was in adding to its solution. In addition to having extensive employee information on one solution, APSI was able to combine data from all their applications into a single database, creating easier access to the data they need. “The upgrade was easier and faster than any of us expected,” Boeckx says. “The service professionals were tremendously helpful. The entire process was smooth and painless.”

With continued improvements in productivity, profitability, and reduced costs Aker Philadelphia Shipyard looks to continue its success with the help of the Kronos Workforce Central suite. “Workforce Central 6 is another milestone in Kronos’ history of developing products for optimizing the workforce,” Boeckx says. “The ability to have one comprehensive view to identify the various work tasks that are represented at the shipyard at any given time enables us to better allocate and schedule our employees to meet our production goals.”



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