

## **Outsourcing** your filling and reconditioning operations



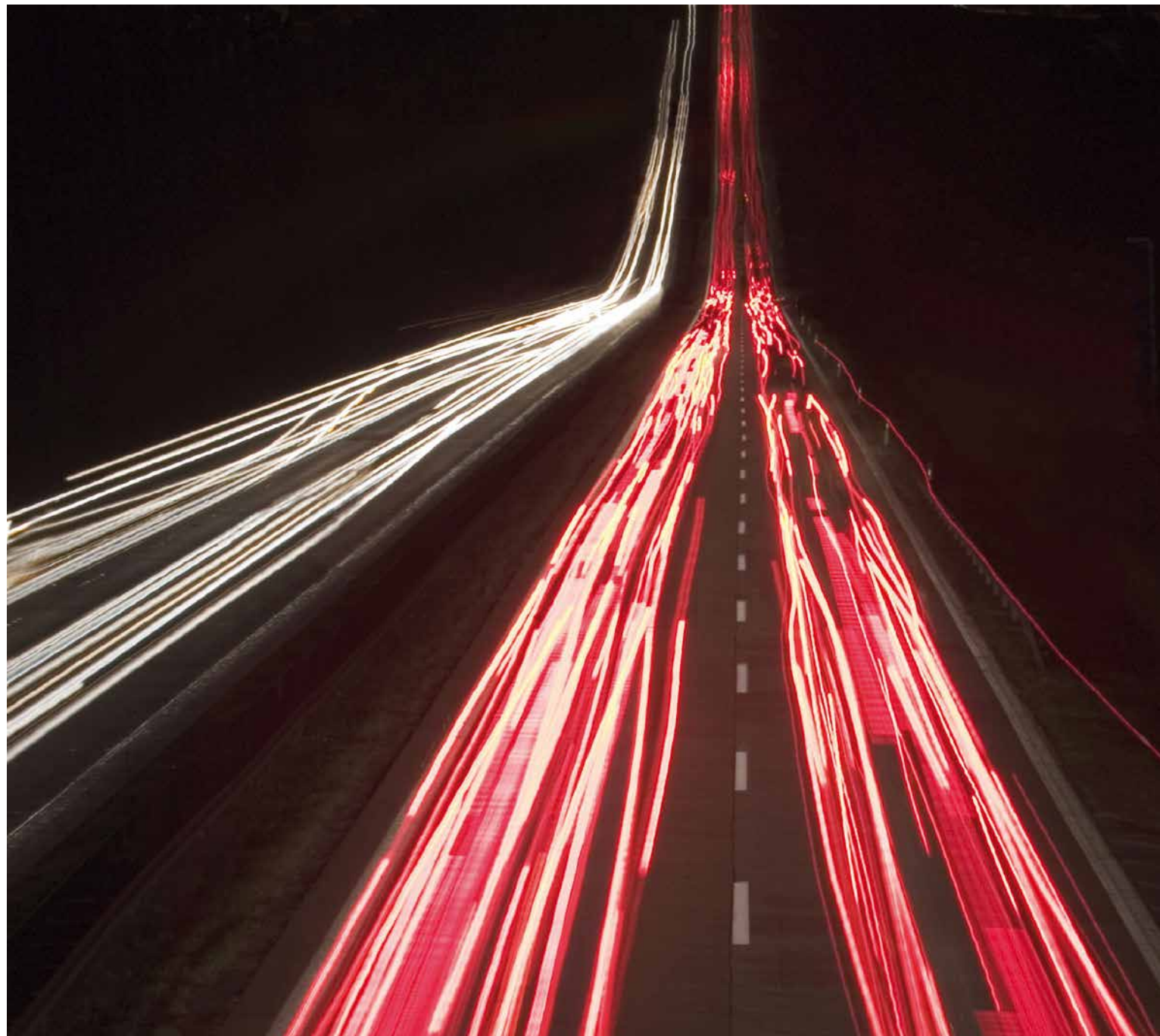
**“Life can be so easy!”**



## Your highway to the future

*During the last quarter of a century, facility management has developed into a highly regarded concept and has been used within many businesses to help companies focus on their core business.*

*Kosan Crisplant has succeeded in tailoring this concept to the LP gas industry by focusing on the operation of LP gas filling plants, the home ground for Kosan Crisplant products for more than half a century.*



KC Facility Management™ is a unique product with which Kosan Crisplant assumes the responsibility for the filling and maintenance activities.

“This gives our customers optimum operation and at the same time we release resources for their gas companies; resources that may be focused on their core business, marketing, sales and distribution of LPG, where money is made and added value for the company is created. A partnership with Kosan Crisplant for managing the facility means transparency in finance, a common goal to reduce costs and being more efficient, and ultimately ensures the lowest possible cost per filled cylinder”, explains Klaus Rasmussen, our Global Manager for On-Site Services.

“Facility management is flexibility”, continues Klaus Rasmussen. “A modular system that allows the customers to pick the options they want. We can offer routine service visits with or without spare parts, around-the-clock hotline, training of personnel and feasibility studies to uncover how operations can best be rationalized”.

“The next step is KC Facility Management™ where we assume responsibility of the production, in whole or in part with or without reconditioning



of the cylinder park. We can take over present personnel or supply our own or offer a combination with experienced KC supervisors managing the customers' operators”.

“In short, we offer to take over functions that may be secondary to gas companies, but primary to us. This is efficient and profitable as both parties can focus on own strong competences. Such partnership requires close cooperation and openness. Our common goals ensure this fundamental requirement”.

## A unique product



## The benefits

Besides releasing resources internally in your organisation, the KC Facility Management™ contract offers you many advantages.

Paying a fixed amount per month or per filled cylinder – and thus converting fixed costs into variables – makes it much easier for you to budget, make investment plans and avoid any unpleasant surprises.

Your internal administration is simplified and cut down to a minimum because

we become the single point of contact in charge of all operation related issues: safety, quality control, environment, maintenance of equipment, running of production, and training and motivation of personnel. In addition, you will enter into a partnership where know-how on machines, efficient operation and the latest technology is freely exchanged between us. Our profile is thus changing from being only a supplier of high-tech equipment and technical solutions to being a supplier of values and benefits.

Very simply, we sell profit to you by reducing your costs and helping you to increase your sales.

The cost per filled unit is reduced through a more efficient filling process, more productive uptime, rational management of spare parts stock, precise filling, efficient purchasing, preventive maintenance and increased lifetime of your equipment.



The process towards outsourcing of filling and maintenance services can be difficult to survey. Therefore, we have introduced a specific process model as a road map to ensure a safe process (see Fig. 1).

Each main process comprises a series of activities, especially in the start-up phase (step 1) where decisive matters such as indicative price and scope are determined. The success of step 1 is therefore essential for the following processes. To ease the communication process between us and you at this stage, we have developed a questionnaire to support the whole analysis process. This questionnaire may be forwarded to you upon your request.

Data obtained through questionnaires, interviews and site visits, combined with our experience and know-how, enables us to map your business and as a result of the findings develop an indicative price (see Fig. 2).

Should you find our proposal attractive, the second phase can be jointly undertaken, and more detailed financial work will start. There are two main activities in this phase. The first is a due diligence of wages related to the employees that will be transferred to us. The second is a more thorough analysis of the cost level based on present accounting. The handover of a copy of the general ledger for the filling site will therefore be essential for the development of the binding price.

The in-depth knowledge of the actual cost level will reduce the number of

reservations and assumptions, and we will therefore be willing to give a fixed price per filled cylinder with all included.

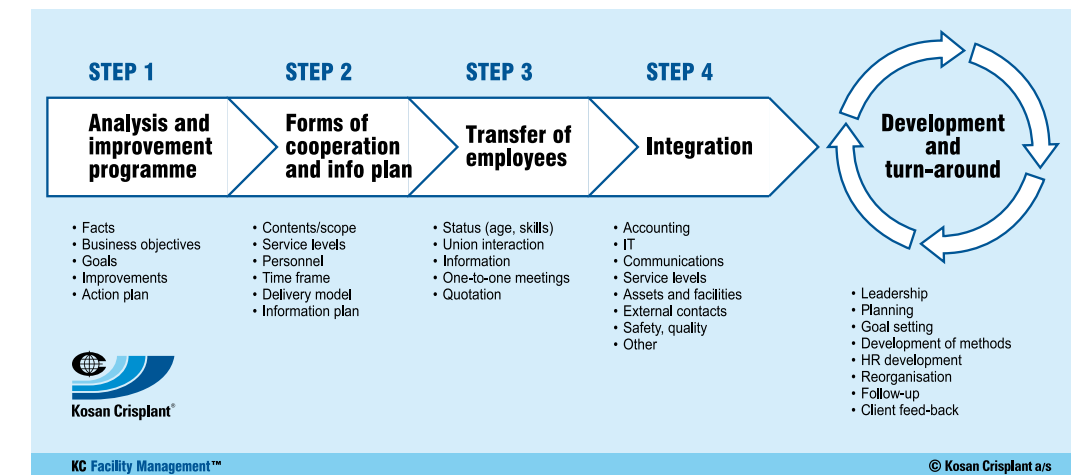


Fig. 1

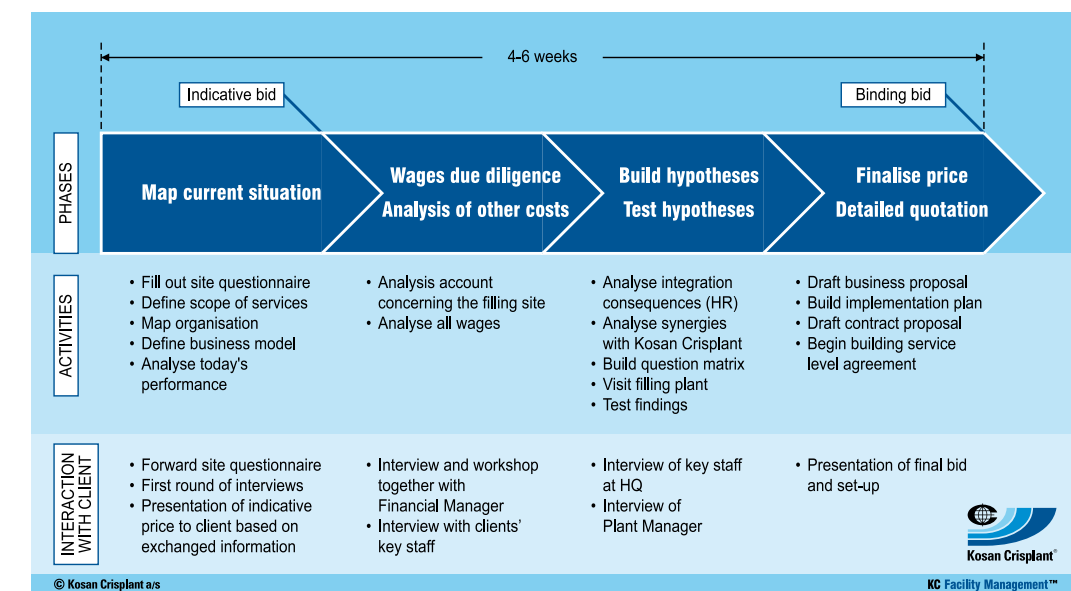


Fig. 2

## Road map



## Supporting processes

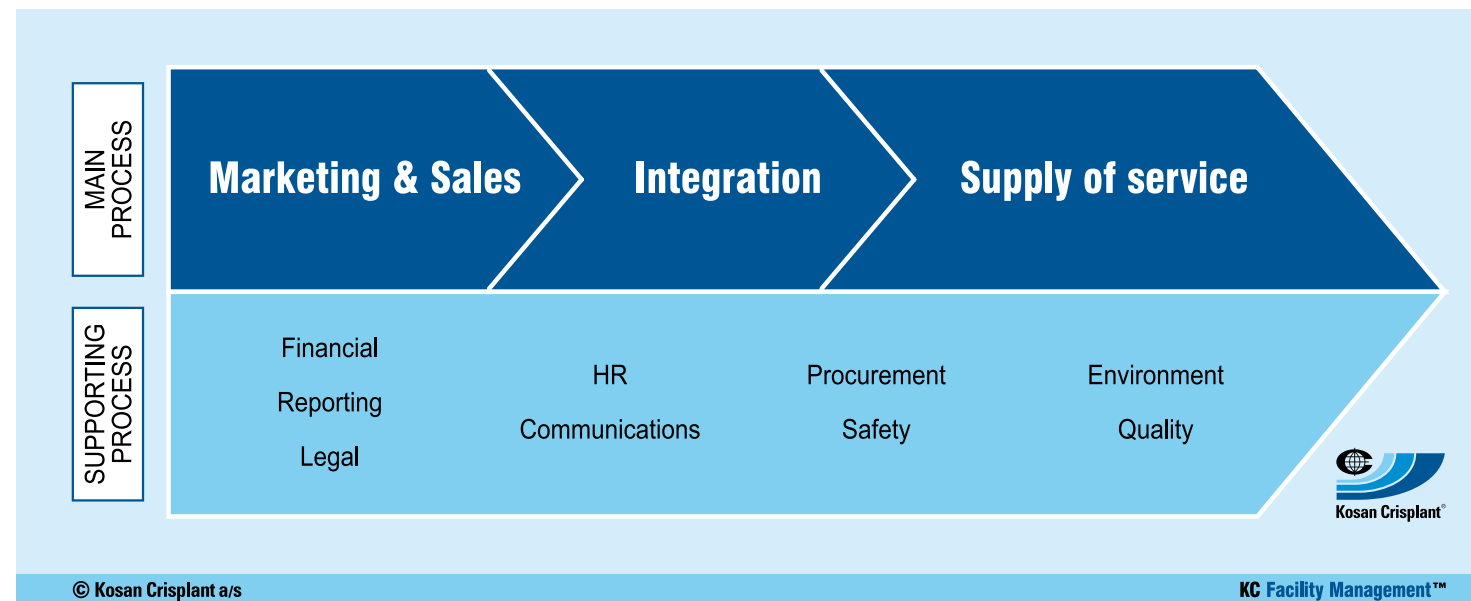


Fig. 3

In order to ensure a smooth handover and integration phase (see Fig. 3), this phase will be backed by a number of supporting processes at Kosan Crisplant.

These supporting processes contribute to the integration process with a series of competences and know-how, which may be sourced from the worldwide Kosan Crisplant organisation.

**Financial and legal** – Kosan Crisplant will use well-proven methods for analysing actual costs and profits and for determining the rationalisation and cost-saving potentials. Internal experts will carry out the calculation of indicative prices and final offers as well as the elaboration of national and com-

pany-adapted contracts – the latter in close contact with consultants and lawyers.

**HR and communications** – We understand the need of our potential future employees and union representatives for information, communication and clarity in the takeover process. Eventhough employees and union representatives are usually hesitant about outsourcing, our positive track record in Portugal has led union representatives to point to, or even actively endorse, Kosan Crisplant as the preferred new home of employees. Together with an HR consultancy company, we have developed a toolbox, which may be adapted to all national labour markets, enabling us to uncover uncer-

tainties, investigate national or trade specific labour regulations and develop flexibility.

**Procurement and safety** – The safety level on site will always be equivalent to or higher than it was before the takeover. Over the years, we have developed training programmes for employees as well as general safety guidelines, which will be strictly observed.

**Environment and quality** – In a close dialogue with you, we will define the required service level, and the quality of each filled cylinder will be thoroughly controlled (reconditioning of cylinders, pressure testing, weight, filling precision, etc.).

We have expanded our organization to further develop the concept of KC Facility Management™ on a global scale.

As head of the department based at the international headquarters in Denmark, we have appointed Klaus Rasmussen, aged 39, who is well experienced in strategic development of service businesses.

He is well-grounded in the technical world as an engineer including experience from several years with Lauritzen Kosan Tankers in Denmark among others, and has further qualifications within human resources and innovation. Together with his staff Klaus Rasmussen will provide tools and structured processes to our offices around the world to ensure that these offices are able to create value that enhances facility management and filling solutions.

It is our ambition to further expand our attractive facility management platform so you can benefit from and focus on your business.

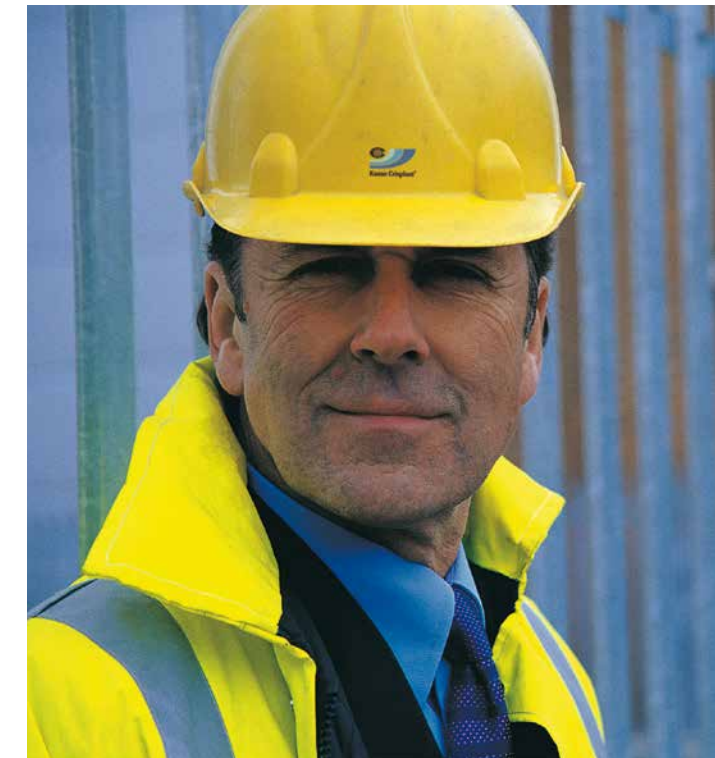
A solid facility management platform will provide you with a clear overview of all costs related to the filling operation, and indeed provide the necessary means for us to run your filling operation at a fixed budget and assume full responsibility for the operation and system maintenance, if so agreed.

All our business units and offices around the world will be supported by the new department. You may contact any of our offices at your convenience or the facility management organization directly in Denmark. We rationalize and optimize the staff – but we also deeply believe in our values:

- We don't leave anybody behind
- We make others good

That is why we:

- Build confidence and trust through an open and respectful communication
- Involve the personnel in the decision process – to motivate and give them responsibility
- Respect cultural differences



- Give the personnel the right competences to handle new working procedures and systems



**Kosan Crisplant a/s**

Alsvej 21  
DK-8940 Randers SV  
Denmark

Tel +45 87 40 30 00  
Fax +45 87 40 30 10  
sales@makeenenergy.com  
service@makeenenergy.com  
**www.kosancrisplant.com**  
**www.makeenenergy.com**

