Applied Photogrammetry and GIS in a large European Production Environment

Challenges and Advantages

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05.05.2016

Presented at the FIG Working Week 2016, May 2-6, 2016 in Christchurch, New Zealand
Introduction
Overview

1. Reasons for Outsourcing of Production
2. Internal vs. External Outsourcing
3. Example
Reasons for Outsourcing (1)

• **Cost Reduction**
  
  Transfer of production facilities to low cost or off-shore areas
  Very common management instrument for mature market segments
  Work-flows are established and optimized
  Cost reduction for labour, living, taxes, etc.

• **Extension of Capacities**
  
  Request for temporary or even permanent higher capacities, own capacities are fully booked
  Risk minimizing in unstable markets
  „Make or Buy Principle“
Reasons for Outsourcing (2)

- **Lack of Competence and Experience**
  Special knowledge is requested on staff level, experts are missing for special tasks. Assistance from outside is requested for cost estimations and realization in case of contract award.

- **Risk Share or Transfer**
  Risky elements in a project contract can be shared by outsourcing e.g. significant penalties in terms and conditions, challenging technical specifications. Tool: back to back contracts with suppliers.
Reasons for Outsourcing (3)

• Working Capital

Payment conditions for GIS projects are not in line with the cost of the work flow in the production, pre-financing is a standard situation, so working capital is a must in this business.

Working capital is normally borrowed from the shareholders of the enterprise, they have high expectations.

Outsourcing to third party suppliers with a back to back payment plan is reducing the financial risk for the prime contractor.
Internal or External Outsourcing

- **Definition**
  - External outsourcing of the production is subcontracting the work load to third party suppliers
  - Internal production means a production subsidiary is established inside the organisation of the enterprise

- **Advantages of Internal Production**
  - Avoiding loss of competence, knowledge and experience
  - Less risks depending on quality, time line and finances of a third party supplier
  - Not creating new competitors and keeping the market positions
Case Blom International Operations

NRC Group

GEO Division

Blom UK

Blom NO

Blom FIN

Blom DE

Blom SWE

Blom Indonesia

Blom International Operations

RAIL Division

NRC Group ASA
Case Blom International Operations

• Location

Targoviste, greater Bucharest area, Romania
Romania member of EU and NATO
local technical university

• Main Focus

GIS
Photogrammetry and Remote Sensing
Cartography
3D City Models
Case Blom International Operations

Blom International Operations
Schroth Ralf

Service Division
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  - Aerial Sensors
    Serbanescu Ionut
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  - QA Section
    Dancus Alexandra

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    LiDAR Section
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• **Challenges and Solutions**

Fluctuation of staff about 7 % per annum
permanent HR management and training
Continous bookings of capacities
Offering services not only to internal clients (Blom) but also external clients world wide
Use of management tools to steer the production capacities
Motivation of young staff
Use of HR tools, creating interesting professional environment, etc.

• **Education**

Permanent learning of new technical processes, training of soft skills, languages, etc.
Thank you for your attention