



CLIENT SPOTLIGHT

Separating the signal from the noise: A new approach to shipping dispute resolution at Archer Daniels Midland Company

How can disparate, decentralized, and largely manual dispute resolution processes be efficiently transformed into a globally centralized and automated approach?

As one of the world’s largest agricultural trading and processing companies, Archer Daniels Midland Company (ADM) transports food around the world daily. The company has one of the world’s largest fleets of ocean-going bulk cargo carriers, along with various railroad lines and trucks.

ADM employs nearly 33,000 individuals to operate its 300 plants across 140 countries, and has grown substantially in the past few years. Due to the company’s expansive growth, it began to “outrun the infrastructure” supporting its global legal operations, according to Cameron Findlay, ADM General Counsel. “Where some companies would have everything automated, we were still doing things on paper or in spreadsheets.”

The legal claims procedure provides an example of a previously manually managed activity; hundreds of such claims arose each year across ADM’s global operations. Specific instances involving legal claims include barges arriving late due to storms in the Atlantic, damaged docks in port cities, corn shipments rotting in Egypt, and physical accidents involving either vessels or employees. Manual claims management became inefficient for ADM, especially when claims frequently escalated from minor to major very quickly. For instance, claims handling in the United

States did not interact or dovetail with comparable claims management approaches used in Europe, Asia, South America, or Australia. Findlay says, “If you’re not handling your claims in a sensible way, you’re probably spending too much to litigate them.”

Making one plus one equal three

The ADM legal team subsequently set out to remediate the inefficiencies in the legal claims, and other dispute resolution processes, however did not have the internal bandwidth to evaluate and identify effective processes. Due to the strong relationship between ADM and Deloitte, the ADM legal team engaged members from Deloitte’s Discovery Advisory service line to institute uniquely tailored case management practices and processes to reduce redundancy and improve dispute resolution throughout ADM’s global facilities.

+ IMPACT

Assisted client improve case success ratio

+ IMPACT

Resolve problematic cases earlier

+ IMPACT

Focus more on core competencies

“The decision to bring in Deloitte was really, how do I align my smart people with their smart people so that I get a situation where one plus one equals three?” says David Cambria, ADM Global Director of Law Department Operations. “A lot of what Deloitte helped us to do was separate the signal from the noise. The evaluation process we undertook helped us step back and take a more deliberative approach.”

Deloitte conducted interviews with ADM staffers involved in various aspects of the trade contract and shipping side of the business. The Deloitte team also collected and analyzed ADM data to identify ways to better manage the large volume of shipments across the ocean.

Through the evaluation process, ADM received and refined the tools to implement global case management standards and leading practices across locations.

“One of the outcomes of the project was identifying best practices that were implemented by one of our subsidiaries in Germany,” says Michael Kaye, ADM Associate General Counsel. “We discovered that we had an optimal solution inside our own company.”

Elevating the German approach to a global level enabled dramatic improvements in the success ratio of legal cases. For example, ADM identifies disputes sooner and is thus able to resolve them at an earlier stage in the litigation life cycle.

Finally, the new processes enables ADM staffers to avoid unnecessary arbitration and litigation, thus creating more time to focus on core activities that create more value for the company. “I think in the long run this will pay off by bringing some consistency and rationality to our processes,” Findlay says.

Conclusion

Being one of the world’s largest agricultural trading and processing companies, it is important to have efficient, streamlined processes across a business. Through effective relationship management, and a reputation for excellence, Deloitte was selected to assess, re-define, and provide an updated and efficient shipping dispute resolution procedure, which helped to transform ADM’s legal operations, and strengthened the relationship between ADM and Deloitte.

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