

LOSCAM LEADER



New focus changes Repco distribution system

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A tenure of close to 25 years - has meant Repco Distribution Operations Manager, Phil Smith, has seen a lot of changes in the way the company distributes merchandise. "We are currently in the throes of rolling out a new national distribution strategy, creating two "super" warehouses in Adelaide and Brisbane, and downsizing the DCs in the other states," explained Phil to the "Loscam Leader".

"There are two types of orders we supply our network. The high volume stock replenishment orders are automatically generated to replenish stock sold by the stores. These are generally large palletised orders supplied once or twice a week, depending on the size and sales volume of the store. Then we have an express order service used to fill customer requirements for items not carried by the store. These orders are picked in waves during the day with a typical turn-around time of 45 minutes. These are generally smaller cartonised orders, shipped on one of the three scheduled express delivery runs we have in place, to service the metro stores, and overnight to country stores."



Repco Distribution Operations Manager, Phil Smith

The focus is on continuing to optimise warehouse management, and strictly controlling inventories"

He said historically each state had their own full service DC supplying both stock replenishment and emergency orders. Rationalisation of the Distribution Centres has centred all stock replenishment operations in Adelaide and Brisbane with the smaller Fast Response DCs in WA, Vic and NSW filling only

the emergency and customer direct wholesale orders. The Adelaide DC replenishes all Repco stores in SA, WA, NT, Vic, Tas and country NSW. The Brisbane DC replenishes all Qld and Sydney stores.

With an aggressive business plan announced during the company float, the number of product lines in stores will rise from 12,000 to 14,000, and the number of items in the DCs will grow from 54,000 to 57,000. One of the areas earmarked, as a point of cost-saving was distribution. Phil and the rest of the distribution team are working hard to ensure this happens. The aim of the new strategy is to reduce distribution costs whilst still offering the stores a rapid response service. Phil said to give some idea of the enormous changes sweeping this important part of the business, back in 1999 there were 23 distribution centres!

"The focus is on continuing to optimise warehouse management, and strictly controlling inventories. The company sells to both retail and trade customers through a network of over 400 stores in Australia and New Zealand. Today 87% of the total sales are from a broad range of automotive parts and accessories, sold through Repco or Checkpoint stores in Australia, and Repco and Appco stores in New Zealand. It plans to have over 450 stores by 2006," Phil said. ...continued next page



S.A. Sales Manager, Lee Whitbread shows how folding collars stack compactly on-site.

Phil Smith

Bins have changed the face of moving Qld fruit & vegetables said transport MD

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The whole industry is starting to change," said Terry Nolan, Managing Director of Nolan's Interstate Transport. Terry, a well-known identity in the Queensland and Australian road transport industry, has some 78 trucks under the Nolan banner operating from Cairns to Adelaide. "It's nothing for us to load between 50 to 60 trailers on a weekend which is a lot of freight, and not all as a straight load either."

Terry's prime area for transporting produce is the Lockyer Valley, a sixty-minute drive west of Brisbane. "We move carrots, potatoes, onions, cabbages, cauliflowers, watermelons, lettuce and spring onions. We've gone from no plastic bins with Loscam in 2000, to 6,500 bins in 2003.

"Growers used to have wooden bins but with the health requirements of HAACP it's not viable for growers any more," he explained. "Plastic bins are a lot easier to handle, and you don't have the damage you had previously. They're lightweight, and stack on top of each other. They do a great job."

A lot of the farmers in the Lockyer also use the bins to cart onions and potatoes from the field to the packing sheds. "They are graded and some are packed in plastic bags for the supermarkets."

He said when he started working for his dad, wooden bins were the go for produce. "But the whole industry has changed, and if you don't change, you get out. It's been driven by both the supermarkets and consumers.



Plastic Food Bins, one of Loscam's many products.

"Many major processors will only allow a plastic bin for the movement of produce. We service between 50 and 60 growers in the Lockyer, and the Loscam bins have been accepted very well.

"You occasionally get a few grumbles from growers about the paperwork, but that's the problem in the office not the problem with the bins. Most of the people we supply, never have a problem with the system. We've been dealing with Chris (Berry) the Loscam State Manager, for four years now and if we have a problem Chris is ready to listen. It's a two-way street. He has problems and we have problems. We sort them out, and the relationship has been a good one."

Chris said Terry and Daff Nolan had been at the forefront of road safety, and Nolan's was a pioneer of FMT. They insist all their drivers undertake medicals and a 2 to 3-day induction course. Each truck has a GMS tracking device, which tells Terry in Gatton, where each of his trucks are, and each vehicle is fitted with a monitor that records the speed, gear change, etc.

Recently, Nolan's tendered for an \$8 million major contract with a multi-national. While Nolan's were not the cheapest carriers, they won the business because of the strict safety programme they have instigated.

"Before Loscam came along, we had limited options," added Terry. "Their competition



Chris Berry and Terry Nolan.

dictated the terms. I use 204,700 pallets between March to March and I'd like to see Loscam getting more of the business."

PS IN ADDITION: Loscam Mega Bins can be easily cleaned and sanitised. Their excellent ventilation allows for fresher fruit and vegetables. Chris can be contacted on 0419 228 587.

Repco distribution system story continued



Picking directly into shippers saves time.

"As a consequence of replenishing interstate stores from SA we are using more Loscam shippers (collars). We linehaul the product from SA into Vic, WA, NT and NSW, and the nature of the Loscam product means they offer very good space utilisation. We can double or triple stack them, and they give us flexibility of stacking height. The same situation applies to the Qld DC"

Phil said he found Loscam a good company to work with, and they had a strong relationship with the local Loscam people. "The nature of the pallet collar product really suits us. We have electric pallet runners operating through the non-conveyable areas of the warehouse, and we pick directly into the shippers. They also have dividers so products aren't crushed. We also have products coming from our conveyable area, and we have the shippers set up on pallet lifts at the end of the conveyor belts. We pack product into them progressively and build the shipper up as we go."

He said the new management team at Loscam, was now prepared to purchase new equipment, which was part of the Repco agreement. "I have a fair bit of history with Loscam, as they used to be part of the Pacific Dunlop group, as we were, and I have had an association with Neil McBain (Loscam CEO) over some years. It appears to me there's more of a state structure in the company now, which is good when you want decisions made quickly.

"We use Loscam's HMS, as pallet accounting can be very messy. I've found the company pretty easy to get along with and I'm hoping the next step is scanning the pallets instead of counting them. That would be a great step forward."

PS IN ADDITION: Loscam Pallet Collars maximise space utilisation and eliminate damage to your product. Lee can be contacted on 0408 106 036.

Loscam Leader **Chris Berry**

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Originating from regional NSW, Chris commenced his working career with a major pastoral house as a stock and station agent. And with more than 12 years with Dalgety Farmers, Chris progressed with the company, managing various branches in regional NSW.

Moving to Brisbane in 1996 Chris became an Auctioneer/ Valuer and worked with various accounting firms in the Brisbane CBD, on asset valuation and dispersal.

He joined Loscam in 2000 and assumed a role in sales which was a welcome challenge, as the state had huge potential and was largely untapped.



"...customer service - you cannot be successful without it."

"We turned into the wind and accepted the challenge to grow the business," said Chris.

"The pallet industry is both complex and dynamic, and many people have said 'you're simply selling wood, how hard can it be?' Well, my response is simply that one customer can potentially turn into 10 or more customers, so you must ensure their supply chain is complete to retain and grow that one customer.

"Throughout my working career, one thing has remained constant - customer service - you cannot be successful without it. The better you are at customer service, the greater your success. You must know your customer; you must understand their business and they should be able to deal with you easily. This is the policy of the 'New' Loscam."

Chris still spends time actioneering and acting as Master of Ceremonies, fund-raising for many charities. "They're a lot of fun and raise substantial funds to continue the excellent work these organizations do in the community."

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STOP PRESS

Loscam to work for Accreditation to ISO 9001:2000 Quality Management

For Loscam customers, this will mean an internationally-accepted Quality System is in place, to ensure both pallets and pallet management services, meet their requirements. Stay tuned for further developments.



10 Years in Asia 1994 - 2004

Loscam has achieved another important milestone celebrating our 10th year of successful growth in Asia.

From a modest beginning in Singapore during 1994, the Company has expanded rapidly, and now operates pallet pooling businesses in Thailand, Indonesia, Malaysia, the Philippines, Hong Kong and Singapore.

Additional countries will be added during 2005 and 2006, consolidating Loscam's market leadership in the region.

Establishing the pallet pooling concept in Asia has been challenging, however, most countries have now recognised the need to upgrade their supply chain efficiency and have embraced the 1200 x 1000 4 way entry euro-style pallet as the standard configuration.

Loscam has been at the forefront of pallet standardisation, working alongside ECR (Efficient Consumer Response) Groups, retailers and FMCG's to establish a cross-region standard pallet pool in excess of 1.5 million units.

Standardisation is driving a whole range of efficiencies, including cross-border transfers, which enable Loscam customers to ship palletised products between countries with a straightforward hire/dehire system and minimal documentation.

To keep pace with developments in supply chain infrastructure, Loscam continues to invest and expand its capacity to deliver outstanding service, including modern pallet refurbishment facilities, IT systems and additional people resources.

As always, the key success factor is our customers and business partners, and the Loscam Asia team will continue to work energetically at providing them with solutions that help to move their products through the supply chain, efficiently and cost-effectively.

Neil

Neil McBain



Importance of Asia high

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Ten years ago, the first yellow-painted pallets with Loscam stenciled on their sides, started appearing in warehouses controlled by Davids Holdings in Singapore. Last month, the entire Board of Loscam Limited, visited the region to see what has happened in the 10 years since.

From being a small player in the region, Loscam has become the biggest pallet pooling company in Asia. To celebrate this milestone, the company held a conference and Board Meeting in Kuala Lumpur where reviews were undertaken on individual countries and strategy planning mapped out for the future. In addition, client functions were held in both KL and Bangkok to celebrate the 10-year anniversary.

According to Business Development Manager Asia/Pacific, Garry Bachell, the conference had presentations from each of the country managers and was attended by senior executives from the region.

"We conducted a competition amongst our Asian staff earlier in the new year to find a new logo to celebrate our 10th anniversary in the region," explained Garry. "It was won by a member of the Thailand accounts department, Sukanya Susasin, and her design has been adopted this year on all business cards, stationery, t-shirts, banners etc.

"Loscam is represented in Indonesia, Singapore, Malaysia, Thailand, Philippines and Hong Kong, and we hope to enter new markets later in the year. Each of the managers looked at their country's population; the background to the business; growth since we started, and where they are now in the marketplace. We are now looking at ways of achieving value-added initiatives for our customers and where we should be targeting our efforts over the next 12 months.

"We also included a section detailing the trade associations we are members of. Like the ECR, the Federation of Thai Industries and D.M.A.P.P.

Garry said Loscam had done a very good job in attracting multi-national companies. These companies are familiar with pallet pooling systems used in other parts of the world and offer Loscam good start-up business and critical mass, but each country now needs to start looking at middle or smaller local accounts - i.e. SMEs - which could use Loscam's services. "We're confident that we have a lot to offer these kinds of customers, who have seen what we can do for the international organisations."

Another feature of the visit by the Board was the client functions held at the Hyatt Saujana in KL and the Pacific City Club on Sukumvit Road, Bangkok. Both events were attended by the country's 'who's who' of logistics and warehousing. CEO Neil McBain, made an address at the functions, thanking those present for their support, and announcing the company's continued involvement and investment in the region.



(L-R) Mr Niwat Srisai (P & G), Mr Jakrin Sirimothya (Johnson&Johnson) and Mr Thongchai Kobkuachaiyapong (Tesco).



The Board of Directors and Asian Team: Front (L-R): Zulhizar Hasibuan, Rolando Ramos, Metha Pradisorn, Joseph Luat, Second row: Rob Clements, Kenny Tan, Vincent Chong, Ronald Lee, Kamales Ratnasingam, Worapat Rangsiwongs, Neil McBain, Third row: Scott Neubauer, Rob Nichols, Thanesh Dhorranintra, Gene Lorenz and Garry Bachell.



(L-R) Mr Nikorn Chayanuwat (C.P. Seven-Eleven), Mr David Dronfield (SSI Schaefer), and Ms Pochaman Pasawat (Nestlé).



Long term opportunities were discussed.

PS **IN ADDITION: Loscam Asia Wooden Pallets are maintained to the highest standard. Garry can be contacted on +61 438 613 623.**

lighted by Board visit



Malaysia manager sees good times ahead

This year Loscam is celebrating its 10th anniversary in the Asian region. The Manager of the Malaysian operation Kenny Tan, has been with the company for the past three years.

Kenny has a background of logistics problem-solving, with TNT and other logistic companies. He manages a tight-knit team in the Kuala Lumpur office, that maintains thousands of pallets used by a host of top-name multi-national and Malaysian companies, on a daily basis.

"I think one of the best things about Loscam, is it's focus on developing a strong business, based on clear objectives, a strongly aligned team and sound customer relationships," explained Kenny.

"While Malaysia is a developing country, pallet pooling is not new. However, the advantages have not been given the true recognition they deserve. Traditionally, companies have had their own pallets, which are often non-standard sizes. If you are a big user of pallets, then you will have extensive capital expenditure tied up owning pallets. A pooling option allows you to expense a non core capital item and utilise your capital much more efficiently."

There are a lot of traditional warehousing practices in Malaysia, said Kenny, but change is being driven by the retail/hypermarket sector that has now become a feature of Malaysian retail life.

Kenny said he would also like to pay tribute to Loscam Asia's longest serving employee - Kamales Ratnasingam, a real pioneer who has seen the company go through many changes. Kamales said, "Over the last 10 years, Loscam has gone through many changes. Areas like effective management systems and decision-making, and increased profit as a result of focusing on customer's satisfaction."

"Personally, I have enjoyed working with the organisation for the past 10 years, where I have gained experience and insight into its operation."



Maria Zulkafly and Kenny Tan with Unilever product on Loscam pallets at the DC.

Unilever Malaysia makes change to Loscam

One of the big successes so far this year for the KL team, is the announcement by Unilever (Malaysia) Sdn Bhd to move its pallet business to Loscam Asia pallets. Unilever's Customer Service Manager, Maria Zulkafly, who oversees the logistics operation, has worked for the company for seven years in a number of roles.

"We have four divisions here, consisting of home and personal care products; full retail - where we sell directly to the consumer; another one is selling to restaurants and hotels, and the fourth division sells ice cream," explained Maria. "Products with names like Dove soap, Sunsilk shampoo, Knorr Soups, Lipton's etc., are some of the products we distribute. There are two parts to our supply chain. One is handling deliveries from other countries, and the other part is delivering those products to warehouses and customers."

Unilever, who are very strong in many market sectors in the country, sources their products from Thailand, Germany, Korea and Australia. "While negotiating things like raw materials is done on a regional basis, when it comes to deciding on things like warehousing and pallets, it's much more decentralised," explained Maria. "Each country makes its own decision independently, and while our transport companies offer advice because of their experience dealing with this area all the time, the distributors have little say in whom we use."

While Loscam's experience in cross border movement was one of the considered factors, she said the company's competitive pricing, service, and reputation were the factors that influenced Unilever's decision in the early days.

"The potential of cross border was attractive, though we did not have the full knowledge of the cost and operational issues then, as we have not had experience with this kind of thing in the past. This is something we plan to study in more detail, especially with the potential efficiencies it may bring."

According to Maria, the company uses a third party logistics company, which, until the end of the year will be Linfox. "We heard some good reports about Loscam from other people, and that came into our consideration as well," said Maria frankly.

Unilever didn't want to undergo an over-night change over, and Loscam pallets will be phased in over the next six months. "We have been working on this since last year, and we are moving to a new warehouse provider as well. We decided to move from Chep to Loscam pallets earlier, because we wanted to complete the movement of stock. When we move to the new warehouse operation we'll be completely on Loscam pallets."



The Malaysian team with Unilever Malaysia: (L-R) Maria Zulkafly (CS Manager Unilever), Kenny Tan, Jeremy Nasrulhaq (Commercial Director Unilever) and Garry Bachell.

PS **IN ADDITION: Loscam Asia Wooden Pallets are available through our regional network of Depots. Kenny can be contacted on +60 012 225 3361.**

GM impressed with new pallet standard

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General Mills is a multi-national food manufacturing company, with well known brands such as: Latina Fresh, Dorato, Old El Paso, Betty Crocker, Pecks Paste and Van den Bergh's. General Mills Australia has manufacturing facilities in Melbourne, Sydney and Brisbane.

At General Mills Australia, both Good Manufacturing Practices and HACCP are lived and breathed throughout the business.

Distribution Manager, Rob Bowman, based at their Mt Waverley site said: "We have a goal to totally eliminate wood in our factory. The risk of possible splinter contamination is absolutely unacceptable to us, so we have moved to plastic pallets within our factory. Loscam have been facilitating the shift to plastic pallets by working with our raw material suppliers to use Loscam plastic pallets.

"We have been using Loscam wooden pallets for distribution ever since I have been here," said Rob. "We've seen changes over the time, and discussions that revolved around some quality issues. But these have all been addressed and fixed over the last 18 months.

Rob said he had noticed a marked improvement in the quality of the pallets General Mills was now receiving. "We were experiencing quite a few delivery rejections, at retail DCs in NSW and Qld. These were mainly due to pallet quality issues. But since the new management team has been in charge at Loscam, those problems have been worked through with us and in conjunction with our customers. I am pleased to say we have not had a delivery rejection due to poor pallet quality since October last year.

"We are getting a much high proportion of new pallets now, and that shows the investment and commitment that has been made. It is very heartening to see that Loscam recognises where we are coming from and the need for good quality pallets. "The fact that the issues we raised with the new management have been taken seriously, and we know they are acting on them, is the basis for a good



Rob Bowman

working relationship."

Rob's contacts at Loscam are State Manager, Keith Dargavel and Sales Executive, Daniel Bunnett, who talks to Tony Perdicakis, the warehouse supervisor, on a regular basis. "Daniel is training the team on the HMS system to make sure that it works well for us. It's a fabulous tool for tracking, and we are able to keep absolutely on top of all our pallets."

“It is very heartening to see that Loscam recognises where we are coming from and the need for good quality pallets...”



Rob Bowman



Loscam pallets don't feel the cold in General Mills cold storage warehouse.



Pristine pallets seem to glow at General Mills.

PS **IN ADDITION:** Loscam Plastic Pallets can be cleaned and sanitised. They are available through the Loscam national network of Depots. Keith can be contacted on 0438 544 033

From little things, **big things grow**

LOSCAM

When Basil and Win James first established Benara Nursery, in WA, in 1963, little would they have imagined that 40 years later, their family company would become the largest wholesale nursery in Australia, boasting two sites in Australia and one in Indonesia.

Perhaps more exceptional is the fact that despite its size, Benara has remained a family-owned and family-run company.

Rod Turner, Benara's Transport Manager, explains. "The family is still involved with the nursery. Mrs James works in the office every day, and her two sons Gary and Ian are the directors. Their sons and daughters all work in the industry as well."

With three generations managing over 400 staff, Benara is in a unique position to pass down well-entrenched family values as well as keep up with changes in technology.

The original Benara Nursery covers over 300 acres and is equipped with the latest developments in all areas of plant production - from propagation to delivery, via Benara's transport division.

"We run 11 x 8-tonne vehicles and three big trailers, that deliver locally," says Rod. "We also run a couple of prime movers pulling road trains, and two 5-tonne display vans and two transit-type vehicles for displaying our pottery products."

When transported, plants are stored upright, using collars and dividers between the pallets for tighter stability and security. The use of collars also helps provide maximum loading capacity and ease in unloading, and protects the plants on long journeys.

"Our relationship with Loscam came about when we really



Marian Chalwell and Rod Turner with Benara's product packed for delivery.

started pushing freight into Victoria, NSW and SA. Before that we used to hand-load everything, which is obviously time-consuming at both ends. I started to deal with Barry Watson and Geoff Matthews in Operations and gave them an idea of what we wanted in terms of an average number of collars, etc. Now I can just call them and explain what I need and they make the arrangements to have them available."

Benara's other site at Carabooda, which covers 150 acres and specialises in larger plants, and its operations in Jakarta, which exports plants to Asia and Europe, have ensured that the company has further growth and development mapped out in its future.

"Because we are currently across such a broad range," Rod says, "and we are always looking forward, we will continue to grow."



Benara Nursery covers 300 acres and employs 400.



PS IN ADDITION: Loscam Pallet Collars and Lids allow you to partition your freight to maximise cubic capacity. Barry can be contacted on 0429 051 554.

Australia's biggest wine exporter to the USA relies on Loscam

LOSCAM

Casella Estate Wines based at Griffith in New South Wales sells more bottled wine to the United States than any other wine maker in the country. Their "Yellow Tail" range has taken the US supermarket chains by storm, and has been created to give superb Australian wines at a very affordable price. Casella's success is really the success of Filippo and Maria Casella, who migrated to the Riverina district in NSW, in the late '50s. They were the original wine makers who started the business.

The Casellas brought with them the skill and traditions to make great wines and their son John Casella has followed on the family tradition. Some 300 people work on the estates, and according to Scott Charles, Casella's Warehouse Manager, the company is a major employer in the area.

"We use Loscam pallets to stack product on in the warehouse," explained Scott "before we offload the cartons into containers for export. We also use them to transport our range across Australia."



John Casella (left) and Allan Smith



John Casella

"We have found their quality very good and the service excellent."

Mr John Casella said: "Our association with Loscam began in 1997 with Local Area Manager Allan Smith. Since that time our company has experienced enormous growth, and it has become very dependent on Loscam pallets for warehouse storage and logistical movement. We have found their quality very good and the service excellent."

Scott said the winery had about 15,000 Loscam pallets, and moved around 1,000 pallets a day.

The "Yellow Tail" range consisting of a Chardonnay, Verdelho, Shiraz, and Merlot was named after the Yellow Footed Rock Wallaby. Once plentiful, these animals are now on the Endangered Species list, and are part of a captive management programme to restore their numbers.



Casella uses around 1000 pallets a day for its "Yellow Tail" range.



2 stacks of full pallets with kangaroo-boxed "Yellow Tail" wine destined for the US market.

PS IN ADDITION: Loscam Wooden Pallets are maintained to the highest standard by our automated repair facilities. Pallets are available for issue and dehire through our national network of Depots and are widely accepted throughout Australia. Allan can be contacted on 0408 228 596.

LOSCAM

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